



CITY OF LA MARQUE
CITY COUNCIL
SPECIAL AGENDA
of
JANUARY 23, 2023

Notice is hereby given that the City Council of the City of La Marque, Texas will conduct a **Special Meeting** on **January 23, 2023**, beginning at **6:00 PM** in the **Council Chambers** at **1109-B Bayou Road La Marque, Texas as well as via videoconference hosted through Zoom (<https://zoom.us/j/92493940502>)**. In accordance with Section 551.127(b) of the Texas Local Government Code the presiding officer and a quorum of the La Marque City Council intend to be and will be physically present at 1109-B Bayou Road, La Marque, Texas. This location will be open to the public and the meeting will be broadcast at this location, on Channel 16, and via YouTube (<https://www.youtube.com/watch?v=L6G8ypjyEDo>).

The Council will meet for the purpose of considering the following agenda:

1. CALL MEETING TO ORDER
2. ROLL CALL
3. INVOCATION AND PLEDGE OF ALLEGIANCE
4. CITIZENS PARTICIPATION
LIMITED TO THREE MINUTES PER PERSON

Comments from the public will be heard at this time. Any person with city-related business who has signed up may speak to Council (limited to three (3) minutes). If wishing to speak give the Mayor or presiding officer your full legal name and the item you wish to speak about. In compliance with Texas Open Meeting Act, the City may not deliberate on comments. Personal attacks will not be allowed, and personnel matters should be addressed to the City Manager during normal business hours. *Press *6 to mute or unmute if you are participating by telephone, press the unmute button if attending via zoom on a smartphone, tablet or computer, or stand if attending in person, and the mayor will call on you in turn.*

5. PUBLIC HEARINGS

Conduct Public Hearing to hear public input on:

5.I. Ordinance No. O-2022-0018

Amending Appendix A, Schedule of Fees and Charges of the Code of Ordinances, City of La Marque, Texas by amending prescribed water and sewer rates

THIS IS THE SECOND AND FINAL READING

Documents:

[FINAL UTILITY RATE ORDINANCE.PDF](#)

5.II. Ordinance No. O-2022-0019

Amending Appendix A, Schedule of Fees and Charges of the Code of Ordinances, City of La Marque, Texas by amending prescribing solid waste charges

THIS IS THE SECOND AND FINAL READING

Documents:

[2022 SOLID WASTE ORDINANCE.PDF](#)

5.III. Ordinance No. O-2022-0021

Amending Chapter 44 of the City of La Marque, Texas Code of Ordinances to regulate donation drop boxes

THIS IS THE SECOND AND FINAL READING

Documents:

[DONATION BOX ORDINANCE.PDF](#)

5.IV. Ordinance No. O-2022-0022

Calling a Charter Amendment Election on the question of adopting eleven amendments to the City of La Marque, Texas Charter; Providing details relating to the holding of such election; Providing for severability; Containing other provisions relating to the subject; and providing an effective date

THIS IS THE SECOND AND FINAL READING

Documents:

[CHARTER REVIEW ELECTION.PDF](#)

6. ORDINANCES

Discussion/ possible action regarding approving:

6.I. Ordinance No. O-2022-0018

Amending Appendix A, Schedule of Fees and Charges of the Code of Ordinances, City of La Marque, Texas by amending prescribed water and sewer rates

THIS IS THE SECOND AND FINAL READING

Documents:

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6.II. Ordinance No. O-2022-0019

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Marque, Texas by amending prescribing solid waste charges

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6.III. Ordinance No. O-2022-0021

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THIS IS THE SECOND AND FINAL READING

Documents:

[CHARTER REVIEW ELECTION.PDF](#)

7. RESOLUTIONS

Unless otherwise specified, the City Manager is authorized to execute all necessary documents upon final approval by the City Attorney.

7.I. Resolution No. R-2023-0007

Supporting the abolition of the office of County Treasurer in Galveston County

Documents:

[RESOLUTION -COUNTY TREASURER.PDF](#)

7.II. Resolution No. R-2023-0008

Approving an emergency expenditure for waterline failure repairs in the amount of \$40,717.27

Documents:

[AGENDA FORM- FM519 WATERLINE REPAIR.PDF](#)
[RESOLUTION -EMERGENCY WATERLINE REPAIR.PDF](#)
[INVOICE- ANDROID 23-0363 FM519.PDF](#)

7.III. Resolution No. R-2023-0009

Authorizing the City Manager or his designee to sign the water facilities financing agreement (Thomas S, Mackey Water Treatment Plant Expansion) between the City of La Marque, TX and Gulf Coast Water Authority

Documents:

[AGENDA FORM-GCWA WTP PROJECT BOND AGREEMENT.PDF](#)
[GCWA THOMAS MACKEY PLANT EXPANSION RESOLUTION.PDF](#)
[WATER FACILITIES FINANCING AGREEMENT \(7.9 MGD MACKEY PROJECT\)-8320032-V1.PDF](#)
[PRELIMINARY BOND REPAYMENT SCHEDULE.PDF](#)
[RESOLUTION 2022-0037- GCWA AGREEMENT.PDF](#)
[FINAL MUNICIPAL_CONTRACT_\(COMBINED_MUNICIPAL_PROJECT_2021\).PDF](#)

7.IV. Resolution No. R-2023-0010

Authorizing the City Manager or his designee to sign the water facilities financing agreement (South Transmission System) between the City of La Marque, TX, and Gulf Coast Water Authority

Documents:

[AGENDA FORM- GCWA SOUTH TRANSMISSION PROJECT BONDS.PDF](#)
[GCWA SOUTH PROJECT RESOLUTION.PDF](#)
[WATER FACILITIES FINANCING AGREEMENT \(SOUTH TRANSMISSION SYSTEM\).PDF](#)
[FINAL MUNICIPAL_CONTRACT_\(COMBINED_MUNICIPAL_PROJECT_2021\).PDF](#)
[PRELIMINARY BOND REPAYMENT SCHEDULE.PDF](#)
[RESOLUTION 2022-0037- GCWA AGREEMENT.PDF](#)

8. APPOINTMENTS

appointments, reappointments, or removals of all City Boards and Commissions

Documents:

[SUBMITTED APPLICATIONS.PDF](#)

9. NEW BUSINESS

Items presented to the Council for discussion and possible action:

9.I. Request For Proposal

Advertisement and Request for Proposal for Sanitary Sewer Improvements

Documents:

[AGENDA ITEM- SANITARY SEWER IMPROVEMENT PROJECT - D208_.PDF](#)
[ADVERTISEMENT AND INVITATION TO BID.PDF](#)
[PROJECT MANUAL - CC PACKET.PDF](#)
[BID PHASE SCHEDULE.PDF](#)
[BID PROCESS SCHEDULE.PDF](#)
[CONSTRUCTION CONTRACT.PDF](#)
[PERFORMANCE STATEMENT AND PROJECT MILESTONE SHEET](#)

[\(003\).PDF](#)
[AUGF_LAMARQUE 22-083-003-D208 \(002\).PDF](#)

9.II. Request For Proposal

Advertisement and Request for Proposal for Stormwater Improvement to the Westlawn
Subdivision

Documents:

[AGENDA ITEM- WESTLAWN STORMWATER PROJECT - C-287.PDF](#)
[A ADVERTISEMENT AND INVITATION TO BID.PDF](#)
[CONTRACT.PDF](#)
[PROJECT MANUAL - CC.PDF](#)
[BID PHASE SCHEDULE.PDF](#)
[AUGF_LAMARQUE 20-065-105-C287.PDF](#)
[PERFORMANCE STATEMENT - LA MARQUE C287 \(003\).PDF](#)
[RROF _ LAMARQUE C287.PDF](#)
[RELEASE OF FUNDS.PDF](#)

9.III. Boards And Commissions Handbook

Revised Boards and Commissions Handbook by City Council Ad Hoc Committee

Documents:

[LMBOARD COMMISSIONS HANDBOOK 2023 DRAFT.PDF](#)

9.IV. Travel

Councilmember Yancy to attend the 38th Annual Texas Alliance of Black School Educators
(TABSE) Conference February 15-19, 2023, in Horseshoe Bay, TX

Documents:

[2023-TABSE-CONFERENCE-PACKET.PDF](#)

9.V. Items For The Good Of The Order

*Additional items to bring awareness to Council and the Community as well as future agenda
item requests are accepted at this time.*

10. EXECUTIVE SESSION

*The City Council for the City of La Marque, Texas reserves the right to adjourn into executive
session at any time during this meeting to discuss any of the matters listed above, as authorized
by the Texas Government Code Section 551.071 (Consultation with Attorney), 551.072
(Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074
(Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.087 (Economic
Development)*

10.I. Section 551.074 (Personnel Matters)

Deliberate on the employment, evaluation, duties, and discipline of a public officer or
employee: City Manager

THIS ITEM WAS TABLED ON JANUARY 9, 2023

11. ACTIONS TAKEN FROM EXECUTIVE SESSION

11.I. Section 551.074 (Personnel Matters)

Deliberate on the employment, evaluation, duties, and discipline of a public officer or employee: City Manager

THIS ITEM WAS TABLED ON JANUARY 9, 2023

12. ADJOURNMENT

CERTIFICATION:

I hereby certify that the above notice of meeting was posted at 1109-B Bayou Road, La Marque, Texas on January , 2023 at _____.

Kierra K. Nance, TRMC

City Clerk

ORDINANCE NO. O-2022-0018

AN ORDINANCE OF THE CITY OF LA MARQUE TEXAS AMENDING APPENDIX A, SCHEDULE OF FEES AND CHARGES OF THE CODE OF ORDINANCES, CITY OF LA MARQUE, TEXAS BY AMENDING PRESCRIBED WATER AND SEWER RATES.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE TEXAS:

Section 1. That Appendix A, Schedule of Fees and Charges, Water and Sewer Rates, of the La Marque Code of Ordinances is hereby amended to read as follows:

APPENDIX A: SCHEDULE OF FEES AND CHARGES

Residential Water and Sewer Rates

INSIDE CITY LIMITS: The following rates shall apply to all residential customers of the city water and sewer system:

- -
- (a) *Water Rates:* All residential customers, including single-family units, which shall include each mobile home whether located in a mobile home park or not and each unit of a duplex, triplex and apartments shall pay the following water rates per family unit:

For the first increment of water usage up to and including 1,000 gallons of water:

- (a) For residential and multi-family users \$12.50 plus \$1.64 per 1,000 gallons

For the increment of water usage from 1,001 gallons of water to 2,000 gallons:

- (b) For residential and multi-family users \$12.50 plus \$4.49 per 1,000 gallons plus

- (a) For the increment of water usage from 2,001 gallons of water to 5,000 gallons:

- (c) For residential and multi-family users \$12.50 plus \$5.32 per 1,000 gallons

For the increment of water usage from 5,001 gallons of water to 10,000 gallons:

- (a) For residential and multi-family users \$12.50 plus \$6.40 per 1,000 gallons

- (b) For the increment of water usage from 10,001 gallons of water and above:

- (d) For residential and multi-family users \$12.50 plus \$7.30 per 1,000 gallons

The minimum charge for each single-family and multi-family unit shall be \$12.50 per month which charge shall provide for and be applied to the payment of the bond, contract bond debt, and other fixed operating costs of the city sewer system. All multiple unit customers such as apartments, mobile home parks, duplexes, etc., shall be charged the minimum charge of \$12.50 per month for each unit located in such apartment, mobile home park, or duplex so that by example if such apartment building contains ten apartments, the minimum monthly charge shall be \$125.00.

(b) *Sewer Rates*: All residential customers, including single-family units, which shall include each mobile home whether located in a mobile home park or not and each unit of a duplex, triplex and apartments shall pay the following sewer rates per family unit:

For the increment of sewer usage between 0 and 1,000 gallons:

(a) For residential and multi-family users \$21.23

For the increment of sewer usage between 1,001 gallons and above:

(b) For residential and multi-family users \$21.23 plus \$3.27 per 1000 gallons

Computation of the sewer rate charge shall be based upon consumption of metered water as read monthly by the city. Malfunctioning water meters that fails to register consumption average daily consumption as shown when metering operating properly.

OUTSIDE CITY LIMITS (RESIDENTIAL)

One and one-half times the charge applied inside the city limits for the same water usage.

Commercial Water and Sewer Rates

INSIDE CITY LIMITS

(a) *Water Rates*: The following rates shall apply to all commercial customers of the city water and sewer system:

For the first increment of water usage up to and including 1,000 gallons of water:

(e) For commercial users \$21.93 plus \$3.50 per 1,000 gallons

For the increment of water usage from 1,001 gallons of water to 2,000 gallons:

(f) For commercial users \$21.93 plus \$6.36 per 1,000 gallons plus

(b) For the increment of water usage from 2,001 gallons of water to 5,000 gallons:

(g) For commercial users \$21.93 plus \$8.31 per 1,000 gallons

For the increment of water usage from 5,001 gallons of water to 10,000 gallons:

(c) For commercial users \$21.93 plus \$10.74 per 1,000 gallons

(d) For the increment of water usage from 10,001 gallons of water and above:

(h) For commercial users \$21.93 plus \$14.90 per 1,000 gallons

The minimum charge commercial unit shall be \$21.93 per month which charge shall provide for and be applied to the payment of the bond, contract bond debt, and other fixed operating costs of the city sewer system.

(b) *Sewer Rates*: All commercial customers shall pay the following sewer rates per family unit:

For the increment of sewer usage between 0 and 1,000 gallons:

(a) For commercial users \$30.72;

For the increment of sewer usage between 1,001 gallons and 2,000 gallons:

(a) \$30.72 plus \$3.27 per 1000 gallons

Computation of the sewer rate charge shall be based upon consumption of metered water as read monthly by the city. Malfunctioning water meters that fails to register consumption average daily consumption as shown when metering operating properly.

OUTSIDE CITY LIMITS (COMMERCIAL)

One and one-half times the charge applied inside the city limits for the same water usage.

Section 2. This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

Section 3. Severability. In the event any clause, phrase, provision sentence, or part of this Ordinance or the application of the same to any person or circumstance for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 4. Publication and Effective Date. This Ordinance shall be effective on the first utility billing date after final passage by City Council, a public hearing in accordance with Section 2.19 of the City Charter, and publication of this ordinance or a caption that summarizes the purpose of this ordinance.

PASSED AND APPROVED by the City Council of the City of La Marque on First Reading this 12TH day of DECEMBER, **2022**; and

PASSED APPROVED AND ADOPTED by the City Council of the City of La Marque on Second and Final Reading this _____ day of _____, **2022**.

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra Nance, TRMC
City Clerk

APPROVED AS TO FORM:

Gus Knebel
Consulting City Attorney

ORDINANCE NO. O-2022-00

AN ORDINANCE AMENDING APPENDIX A, SCHEDULE OF FEES AND CHARGES OF THE CODE OF ORDINANCES, CITY OF LA MARQUE, TEXAS BY AMENDING PRESCRIBED SOLID WASTE COLLECTIONS CHARGES.

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

Section 1. That Appendix A, Schedule of Fees and Charges, Solid Waste Collection Charges, of the La Marque Code of Ordinances is hereby amended to read as follows:

APPENDIX A: SCHEDULE OF FEES AND CHARGES

Solid Waste Collection Charges

There are hereby levied the following charges, to be collected from the owner occupying any premises located or from the occupant or person in possession or control of any premises located on an established garbage and rubbish route within the city, for the removal and disposition of garbage and rubbish;

- (1) Residential Rates Per Month per Residential Service Unit (not including sales tax)
 - (a) Twice a week Residential Collection Rate- \$24.63.
 - (b) Every other week Recycling Collection- Included.
 - (c) Once a week Bulky Waste Collection- Included.
 - (d) At Your Door Household Hazardous Waste/Electronics Collection- Included.
 - (e) Residential Service Unit- Additional Cart- \$5.79 per Cart.
 - (f) Bulky Waste in excess of 5 cubic yards- \$175.00 per occurrence.
 - (g) Replacement Cart- \$81.15 per Cart.
- (2) Commercial Unit Collection Rates
 - (a) Castors per month- \$17.39
 - (b) Locking Device per month- \$40.57

(c) Monthly Commercial Unit Rates

Container Size/Type	Weekly Collection Frequency						
	1	2	3	4	5	6	Extra P/U
Commercial Hand PU 96 Gal Cart	N/A	\$50.78	N/A	N/A	N/A	N/A	N/A
Commercial Hand Extra Cart (Each)		\$17.38					
2yd FEL Container	\$98.09	\$155.23	\$227.50	\$261.30	\$313.76	\$370.92	\$57.96
3yd FEL Container	\$106.39	\$203.74	\$272.02	\$287.99	\$412.16	\$478.85	\$63.76
4yd FEL Container	\$135.90	\$223.57	\$304.30	\$378.90	\$462.92	\$542.12	\$69.56
6yd FEL Container	\$178.09	\$271.37	\$410.60	\$535.87	\$651.27	\$758.85	\$75.35
8yd FEL Container	\$232.39	\$342.70	\$484.65	\$627.75	\$783.81	\$954.48	\$81.15

(d) Roll Off Bin (non-Temporary) and Compactor Rates

Roll off Size/Type	Container Rental Fee (Per Month)	Initial Delivery Fee (One-time)	Collection Fee (Per Haul)	Disposal Fee (Per Ton)
10 CY Roll off	\$144.91	\$173.89	\$259.68	\$35.94
20 CY Roll off	\$144.91	\$173.89	\$259.68	\$35.94
30 CY Roll off	\$144.91	\$173.89	\$259.68	\$35.94
40 CY Roll off	\$144.91	\$173.89	\$259.68	\$35.94
30 CY Roll off Compactor	\$393.92	*	\$259.68	\$35.94
40 CY Roll off Compactor	\$393.92	*	\$259.68	\$35.94

*** To be determined by Contractor and Customer**

Section 2. Prices set out herein shall increase 3.5% each year beginning on October 1st of each year.

Section 3. Effective Date: The effective date shall coincide with the first utility billing after January 9th, 2023.

PASSED AND APPROVED by the City Council of the City of La Marque on this the 12th day of December, 2022 on the First Reading.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on the ____ day of _____ 202____ for the Second and Final reading.

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra Nance, City Clerk

APPROVED AS TO FORM:

Gus Knebel, City Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS, AMENDING CHAPTER 44 OF THE CITY OF LA MARQUE, TEXAS CODE OF ORDINANCES TO REGULATE DONATION DROP BOXES:

WHEREAS, there are a number of unattended donation boxes in the City of La Marque, Texas;

WHEREAS, these unattended donation boxes attract illegal dumping activities;

WHEREAS, the City of La Marque, Texas does not know the location of all of these unattended donation boxes within the City of La Marque, Texas; and

WHEREAS, the City of La Marque, Texas desires to regulate unattended donation boxes within the City of La Marque, Texas to address illegal dumping activities around these boxes.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS THAT:

Section 1:

The findings and recitals set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 2:

Chapter 44 of the La Marque Code of Ordinances is amended to read as follows:

Article VI - Donation Boxes

Section 44.160 Definitions

Donation Drop Box means any unattended outdoor container, receptacles, or similar device used for soliciting and collecting donations such as clothing, toys, or other salvageable personal property.

Property Owner means the person that has care and control of the area where the donation drop box is placed.

Operator means a person who manages the organization for which the donations are solicited or the person who applies for the donation drop box permit.

Section 44.161. Permit required.

- (a) Operators of Donation Drop Boxes are prohibited from placing Donation Drop Boxes on all public and private property in the City without first obtaining a permit from the Building Official. The permit must be renewed annually.
- (b) Permit Fees:
 - (1) Non-Profit Organizations \$25.00 per year, per box (must provide valid proof of exemption under I.R.C. 501(c)(3)); and
 - (2) For Profit Organizations \$100.00 per year, per box (must provide Tax ID #)
- (c) To obtain a permit, the Operator must pay a permit fee and show:
 - (1) A sketch indicating the spot where the Donation Drop Box will be placed;
 - (2) The dimensions of the Donation Drop Box;
 - (3) The signage that will be on the Donation Drop Box;
 - (4) Written consent from the Property Owner, property manager, or person who has a right to possession of the property, indicating that the Donation Drop Box may be placed on the property and acknowledging that they will be held responsible for maintenance of the area around the donation drop box; and
 - (5) That the Donation Drop Box will comply with all requirements in this article.
- (d) The Operator may not transfer the permit to any other person or organization.
- (e) The Operator shall affix a copy of the permit to the Donation Drop Box in a manner that ensures that it will not be damaged by rain.

Section 44.162. Permit revocation.

- (a) The City official may revoke the permit for failure of the Operator or Property Owner to comply with the requirements in this article. The Operator may appeal the revocation to the City Manager or his designee within 72 hours of the revocation notice.
- (b) The Donation Drop Box must be removed within Ten (10) days of the permit revocation. If not removed within ten (10) days, the city shall have it removed and the Operator shall be billed the removal and storage costs.

Section 44.163. Construction and placement.

- (a) Donation Drop Boxes may not be placed on any residentially zoned property.
- (b) Donation Drop Boxes must:
 - (1) Be constructed of metal, fiberglass or wood;
 - (2) Have a sign or label indicating the name, address, and telephone number of the organization;
 - (3) Be secured at all times, except when being emptied;
 - (4) Have a lid or a top to protect the contents from the weather; and
 - (5) Be no larger than 102 cubic feet.
- (c) Donation Drop Boxes may not be placed so that they block driveways, interfere with traffic flow or visibility, are on minimum required parking spaces, are in front, rear, or side yard setback, or on a required landscape area.
- (d) Only one Donation Drop Box may be placed on per platted lot.

Section 44.164. Maintenance.

- (a) The area around the Donation Drop Box shall be kept free of debris and shall be emptied often enough so that the donations do not overflow.
- (b) Donation Drop Boxes shall not have structural damage, holes, or visible rust.
- (c) The City shall give the Property Owner ten days written notice to clear the debris. If the debris is not cleared, the city shall clear the debris and bill the Property Owner for the clean-up costs.

Section 44.165. Existing Donation Drop Boxes.

- (a) Operators of existing Donation Drop Boxes shall be given notice that they have thirty (30) days to obtain a permit. If the Operators do not apply for a permit, the Operators and the Property Owners have thirty (30) days to remove the Donation Drop Boxes.
- (b) If an Operator cannot be reached, a letter will be mailed to the address on the Donation Drop Box, if available, and posted on the Donation Drop Box itself. The Operator shall have thirty (30) days from the day the letter is mailed or posted on the Donation Drop Box to remove the Donation Drop Box.

Section 44.166. Enforcement.

A person who violates this Article VI shall for each violation or noncompliance be deemed guilty of a misdemeanor, and upon conviction, shall be fined as provided in Section 1-7 of the City Code.

Upon the third conviction, within two years, of a person for violation of this Article VI may have its permit to place a donation drop box revoked by the City Manager or his designee.

A person whose permit is revoked under this Section shall be ineligible for a permit for five years after revocation.

Section 3:

This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

Section 4:

In the event any clause, phrase, provision sentence, or part of this Ordinance or the application of the same to any person or circumstance for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Any person who shall install or permit the installation of a Donation Drop Box in violation of this section shall, upon conviction, be punished by a fine as prescribed in section 1-7 of this Code. If fireworks are separately wrapped or packaged, the commission or omission of any act prohibited by this section shall be a separate offense as to each such separately wrapped or separately packaged fireworks.

Section 5:

This Ordinance shall be effective thirty days after final passage by City Council, a public hearing in accordance with Section 2.19 of the City Charter, and publication of this ordinance or a caption that summarizes the purpose of this ordinance.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on First Reading this 12th day of December, 2022; and

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on Second and Final Reading this _____ day of _____, 2023.

Keith Bell, Mayor

ATTEST:

**Kierra Nance
City Clerk**

APPROVED AS TO FORM:

**Gus Knebel
City Attorney**

ORDINANCE NO 2022-00__

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS CALLING A CHARTER AMENDMENT ELECTION ON THE QUESTION OF ADOPTING ELEVEN AMENDMENTS TO THE CITY OF LA MARQUE, TEXAS CHARTER; PROVIDING DETAILS RELATING TO THE HOLDING OF SUCH ELECTION; PROVIDING FOR SEVERABILITY; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on or about February 14, 2022 an The City of La Marque Texas appointed a Charter Review Commission in accordance with the Charter of the City of La Marque, Texas.

WHEREAS, the Charter Review Commission met multiple times between February 2022 and August 2022 to review the Charter of the City of La Marque, Texas and inquire into its operations.

WHEREAS, all meetings of the Charter Review Commission were conducted in public and in accordance with the law.

WHEREAS, the Charter Review Commission submitted its report to the City Council of La Marque, Texas and that report is attached to this Resolution as Exhibit 1.

WHEREAS, the Charter Review Commission has proposed the following amended wording to the City of La Marque Charter Agreement:

Proposed Amendment One

Shall the Charter be amended to a definition of “For Cause” termination for payments due to the City Manager in the event of his or her termination?

Section 2.12

The city council may remove the city manager by a majority vote of all its members. At least thirty days before such removal shall become effective, the city council shall by majority vote of its members adopt a resolution providing for removal of the city manager and stating the reasons therefore [therefor]. Immediately upon adoption, a copy of the resolution shall be given to the city manager. Within five days of adoption of the resolution, the city manager may request in writing a public hearing which must be granted by the city council and shall be held not earlier than ten days nor later than twenty days after the filing of such request. Within five days of the public hearing, the council by majority vote of its members shall reaffirm or rescind the resolution for removal. In the event the City Manager is terminated “For Cause” the City Manager shall only be entitled to one month’s severance pay and this provision shall control over any agreement to the contrary. A “For Cause” termination for purposes of this section 2.12 shall mean a

determination by the city council in its sole discretion that the City Manager has (1) failed to adhere to the City's drug and alcohol policy as set out in the City's employee handbook as may be amended from time to time; (2) failed to perform his or her other duties or other obligations as required by the City Manager's agreement with the City, if any; (3) an accusation by any applicable law enforcement agency of City Manager's embezzlement or other criminal offense or final conviction of a criminal offense that is a Class B misdemeanor or above; or (4) City Manager's conviction of any illegal act involving personal gain to him or her or a finding of a violation of the City Charter, City Ordinance, other City purchasing rules, or the Code of Ethics of the State of Texas as may be amended from time to time. Every city manager of the City shall be subject to a six-month probationary period beginning on his or her date of hire during which time, if terminated for any reason or no reason by the city council, the City Manager shall not be entitled to any severance pay. By the resolution, the city council may suspend the manager immediately from duty, but shall in any case cause to be paid him forthwith any unpaid balance of his salary and one month's salary as severance pay following adoption of the resolution.

Proposed Amendment Two

Shall the Charter be amended to allow for the establishment of temporary divisions or departments upon approval by the City Council?

Section 3.05

The city manager may recommend the creation of administrative departments to the city council for establishment by ordinance. The work of each department may be distributed among such divisions thereof as may be established by ordinance. The city manager may establish temporary divisions of a department upon approval by the city council

Proposed Amendment Three

Shall the Charter be amended to allow a member of City Council whose recall is sought by petition the opportunity to respond in writing?

Section 5.13

Any elector of the City of La Marque may make and file with the city clerk an affidavit containing the name or names of the officer or officers whose removal is sought and a statement of the specific grounds for removal. The clerk shall thereupon deliver within five business days after delivery of the affidavit by the elector to the elector making such affidavit copies of petition blanks demanding such removal. The recall petition shall include a brief

statement from the officer whose recall is sought responding to the allegations in the affidavit. The city clerk shall keep a sufficient number of such printed petition blanks on hand for distribution. Such blanks when issued by the city clerk shall bear the signature of that officer and be addressed to the city council, and shall be numbered, dated, and indicate the name of the person to whom issued. The petition blanks when issued shall also indicate the number of such blanks issued and the name of the officer whose removal is sought. The city clerk shall enter in a record to be kept in his office the name of the elector to whom the petition blanks were issued and the number issued to said person.

Proposed Amendment Four

Shall the Charter be amended to include a requirement of a public hearing for officials subject to a recall election?

Section 5.15

The city clerk shall at once examine the recall petition and if he finds it sufficient and in compliance with the provisions of this article of the charter, he shall within five days submit it to the city council with his certificate to that effect and notify the officer sought to be recalled of such action. If the officer whose removal is sought does not resign within five days after such notice the city council shall thereupon order and fix a date for holding a recall election. Any such election shall be held on the next date allowed by state law after the petition has been presented to the city council; however, such election may be held at the same time as any municipal election held within such period.

An elected official whose removal is sought by recall may, at any time prior to 45 days before a recall election, request in writing to the City Clerk that a public hearing be held to permit such officer to present facts pertinent to the charges and respond to the charges specified in the recall petition and affidavit. Should a request for public hearing be made, the city council shall order a public hearing be held not less than seven (7) days nor more than fifteen (15) days after receiving such request for a public hearing. Notice of the public hearing shall be posted in accordance with the law and published in the official newspaper of the city at least five (5) days before such hearing.

Proposed Amendment Five

Shall the Charter be amended to increase the waiting period for filing a recall petition against a member of city council after he or she takes office?

Section 5.18

No recall petition shall be filed against a member of the city council within six months after he takes office nor in respect to an officer subjected to a recall election and not removed thereby, until at least six months after such election.

Proposed Amendment Six

Shall the Charter be amended to modernize language related to the finances of the City of La Marque, Texas?

Sections 8.04

The director of finance shall have charge of the administration of the financial affairs of the city and to that end he shall have authority and shall be required to:

- (a) compile the estimates of revenues and expenditures for the budget as directed by the city manager;
- (b) compile the capital expenditure estimates for the budget as directed by the city manager;
- (c) supervise and be responsible for the disbursement of all moneys and have control over all expenditures to ensure that budget appropriations are not exceeded;
- (d) maintain a general accounting system for the city government and each of its offices, departments and funds; keep books for and exercise financial budgetary control over each office, department and fund; keep separate accounts for the items of appropriation contained in the city budget, each of which accounts shall show the amount of the appropriation, the amounts paid therefrom, the unpaid obligations against it and the unencumbered balance; require reports of receipts and disbursements from each receiving and spending fund of the city government to be made daily or at such intervals as he may deem expedient;
- (e) submit to the council through the city manager a monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the city;
- (f) prepare for the city manager, as of the end of each fiscal year, a complete financial statement and report;

(g) in coordination with the county appraisal district, ensure that all property within the corporate limits of the city is assessed for taxation and make all special assessments for the city government.

(h) supervise and be responsible for the collection of all taxes, special assessments, license fees and other rement, prepare tax maps, and give such notice of taxes and special assessments as may be required by law; venues of the city or for whose collection the city is responsible and receive all money receivable by the city from the state or federal government, or from any court, or from any office, department or fund of the city;

(i) have custody of all public funds belonging to or under the control of the city, or any office, department or fund of the city government, and deposit all funds coming into his hands in such depositories as may be designated by resolution of the city council, or, if no such resolution be adopted, by the city manager, subject to the requirements of law as to surety and the payment of interest on deposits, but all such interest shall be the property of the city and shall be accounted for and credited to the proper account; depositories are to be selected annually by means of selective bidding;

(j) depositories are to be selected for one (1) year, and may be renewed by the city for two (2) additional one (1) year terms, for a total of three (3) years. The city will submit a request for proposals. The city council shall have the discretion of remaining with the current depository or proceeding with the selection of a new depository;

(k) have custody of all investments and invested funds of the city government, or in possession of such government in a fiduciary capacity, and have the safekeeping of all bonds and notes of the city and the receipt and delivery of city bonds and notes for transfer, registration or exchange;

(l) supervise and be responsible for the purchase, storage and distribution of all supplies, materials, equipment and other articles used by any office, department or fund of the city government;

(m) approve all proposed expenditures. Unless he shall certify in writing, that there is an unencumbered balance of appropriation and available funds, no appropriation shall be encumbered and no expenditure shall be made.

Section 8.07

The city manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or fund. At the request of the city manager and within the last three months of the budget year, the council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department or fund to another. No transfer shall be

made from the appropriations required by subsections (a), (b), (c), (d), (e), (f), (g), (h), and (i) of [Section 6.26](#) of this charter.

Proposed Amendment Seven

Shall the Charter be amended to cap emergency expenditures?

Section 8.17

At any time in any budget year, the city council may, pursuant to this section, make emergency appropriations to meet a pressing need for public expenditure, for other than a regular or recurring requirement, to protect the public health, safety or welfare. Such appropriation shall be by resolution adopted by the favorable votes of at least four-fifths of the members of the city council, and shall be made only upon recommendation of the city manager. The total amount of all emergency appropriations made in any budget year shall not reduce the General Fund balance below 90 days operating expenditures at year-end of that budget year.

Proposed Amendment Eight

Shall the Charter be amended to update the years in the budget process?

Section 8.19

In any budget year, in anticipation of the collection of the property tax for such year, whether levied or to be levied in such year the council may by resolution authorize the borrowing of money by the issuance of negotiable notes of the city, each of which shall be designated “tax anticipation note for the year ____” (stating the budget year). Such notes may be issued for periods not exceeding one year and must be retired by the end of the budget year in which issued.

Section 8.20

In any budget year, in anticipation of the collection or receipt of other revenues of that budget year, the city council may by resolution authorize the borrowing of money by the issuance of negotiable notes of the city, each of which shall be designated “special revenue note for the year ____” (stating the budget year). Such notes may be renewed from time to time, but all such notes, together with the renewals, shall mature and be paid not later than the end of the budget year.

Proposed Amendment Nine

Shall the Charter be amended to increase the time period the City may issue indebtedness for?

Section 12.12

The city may finance the acquisition of privately owned utility properties, the purchase of land, and the cost of all construction and property installation for

utility purposes by borrowing, in accordance with the provisions of Article VII of this charter. Appropriate provisions shall be made, however, for the amortization and retirement of all bonds within a maximum period of forty years. Such amortization and retirement may be effected through the use of depreciation funds or other financial resources provided through the earnings of the utility.

Proposed Amendment Ten

Shall the Charter be amended to require the Municipal Court Judge, Alternate Municipal Court Judge, City Prosecutor, and City Attorney be appointed by the agreement of the City Council and City Manager?

Section 13.16

The Municipal Court Judge, Alternate Municipal Court Judge, City Prosecutor, and City Attorney may be recommended by the city manager and shall be appointed by the City Council.

Proposed Amendment Eleven

Shall the Charter be amended to provide gender neutral wording?

Section 13.17

All references in this Charter to the masculine shall include the feminine and neuter.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF LA MARQUE, TEXAS THAT:

Section 1. The facts and matter set forth in the recitals of this ordinance are hereby found to be true and correct.

Section 2. The Charter Amendment Election shall be scheduled for Saturday, May 6, 2023. Early voting shall be conducted from April 24, 2023 through May 2, 2023.

Section 3. In accordance with the Texas Election Code the ballot shall contain the proposed language, to wit:

Proposed Amendment One

Shall the Charter be amended to include a definition of “For Cause” termination for payments due to the City Manager in the event of his or her termination?

_____FOR
_____AGAINST

Proposed Amendment Two

Shall the Charter be amended to allow for the establishment of temporary divisions or departments upon approval by the City Council?

_____FOR
_____AGAINST

Proposed Amendment Three

Shall the Charter be amended to allow a member of City Council whose recall is sought by petition the opportunity to respond in writing?

_____FOR
_____AGAINST

Proposed Amendment Four

Shall the Charter be amended to include a requirement of a public hearing for officials subject to a recall election?

_____FOR
_____AGAINST

Proposed Amendment Five

Shall the Charter be amended to increase the waiting period for filing a recall petition against a member of city council after he or she takes office?

_____FOR
_____AGAINST

Proposed Amendment Six

Shall the Charter be amended to modernize language related to the finances of the City of La Marque, Texas?

_____FOR
_____AGAINST

Proposed Amendment Seven

Shall the Charter be amended to cap emergency expenditures?

_____FOR
_____AGAINST

Proposed Amendment Eight

Shall the Charter be amended to update the years in the budget process?

_____FOR
_____AGAINST

Proposed Amendment Nine

Shall the Charter be amended to increase the time period the City may issue indebtedness for?

_____FOR
_____AGAINST

Proposed Amendment Ten

Shall the Charter be amended to require the Municipal Court Judge, Alternate Municipal Court Judge, City Prosecutor, and City Attorney be appointed by the City Council?

_____FOR
_____AGAINST

Proposed Amendment Eleven

Shall the Charter be amended to provide gender neutral wording?

_____FOR
_____AGAINST

Section 4. The deadline to register to vote in this election is April 6, 2023. This election shall be conducted in conjunction with the uniform election on May 6, 2023.

Section 5. The Charter Amendment Election shall be conducted by the Galveston County Clerk's Elections Division. The City Clerk of La Marque, Texas, is authorized to contract with the Galveston County Clerk to conduct the Charter Amendment Election.

Section 6. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than that part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED ON THIS 12TH day of DECEMBER 2022.

PASSED, APPROVED, AND ADOPTED ON THIS _____ day of
_____, 202__.

Keith Bell, Mayor
City of La Marque, Texas

ATTEST:

APPROVED AS TO FORM AND CONTENT:

Kierra Nance, TRMC
City Clerk
City of La Marque, Texas

Gus Knebel
Consulting City Attorney
City of La Marque, Texas

ORDINANCE NO. O-2022-0018

AN ORDINANCE OF THE CITY OF LA MARQUE TEXAS AMENDING APPENDIX A, SCHEDULE OF FEES AND CHARGES OF THE CODE OF ORDINANCES, CITY OF LA MARQUE, TEXAS BY AMENDING PRESCRIBED WATER AND SEWER RATES.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE TEXAS:

Section 1. That Appendix A, Schedule of Fees and Charges, Water and Sewer Rates, of the La Marque Code of Ordinances is hereby amended to read as follows:

APPENDIX A: SCHEDULE OF FEES AND CHARGES

Residential Water and Sewer Rates

INSIDE CITY LIMITS: The following rates shall apply to all residential customers of the city water and sewer system:

- -
- (a) *Water Rates:* All residential customers, including single-family units, which shall include each mobile home whether located in a mobile home park or not and each unit of a duplex, triplex and apartments shall pay the following water rates per family unit:

For the first increment of water usage up to and including 1,000 gallons of water:

- (a) For residential and multi-family users \$12.50 plus \$1.64 per 1,000 gallons

For the increment of water usage from 1,001 gallons of water to 2,000 gallons:

- (b) For residential and multi-family users \$12.50 plus \$4.49 per 1,000 gallons plus

- (a) For the increment of water usage from 2,001 gallons of water to 5,000 gallons:

- (c) For residential and multi-family users \$12.50 plus \$5.32 per 1,000 gallons

For the increment of water usage from 5,001 gallons of water to 10,000 gallons:

- (a) For residential and multi-family users \$12.50 plus \$6.40 per 1,000 gallons

- (b) For the increment of water usage from 10,001 gallons of water and above:

- (d) For residential and multi-family users \$12.50 plus \$7.30 per 1,000 gallons

The minimum charge for each single-family and multi-family unit shall be \$12.50 per month which charge shall provide for and be applied to the payment of the bond, contract bond debt, and other fixed operating costs of the city sewer system. All multiple unit customers such as apartments, mobile home parks, duplexes, etc., shall be charged the minimum charge of \$12.50 per month for each unit located in such apartment, mobile home park, or duplex so that by example if such apartment building contains ten apartments, the minimum monthly charge shall be \$125.00.

(b) *Sewer Rates*: All residential customers, including single-family units, which shall include each mobile home whether located in a mobile home park or not and each unit of a duplex, triplex and apartments shall pay the following sewer rates per family unit:

For the increment of sewer usage between 0 and 1,000 gallons:

(a) For residential and multi-family users \$21.23

For the increment of sewer usage between 1,001 gallons and above:

(b) For residential and multi-family users \$21.23 plus \$3.27 per 1000 gallons

Computation of the sewer rate charge shall be based upon consumption of metered water as read monthly by the city. Malfunctioning water meters that fails to register consumption average daily consumption as shown when metering operating properly.

OUTSIDE CITY LIMITS (RESIDENTIAL)

One and one-half times the charge applied inside the city limits for the same water usage.

Commercial Water and Sewer Rates

INSIDE CITY LIMITS

(a) *Water Rates*: The following rates shall apply to all commercial customers of the city water and sewer system:

For the first increment of water usage up to and including 1,000 gallons of water:

(e) For commercial users \$21.93 plus \$3.50 per 1,000 gallons

For the increment of water usage from 1,001 gallons of water to 2,000 gallons:

(f) For commercial users \$21.93 plus \$6.36 per 1,000 gallons plus

(b) For the increment of water usage from 2,001 gallons of water to 5,000 gallons:

(g) For commercial users \$21.93 plus \$8.31 per 1,000 gallons

For the increment of water usage from 5,001 gallons of water to 10,000 gallons:

(c) For commercial users \$21.93 plus \$10.74 per 1,000 gallons

(d) For the increment of water usage from 10,001 gallons of water and above:

(h) For commercial users \$21.93 plus \$14.90 per 1,000 gallons

The minimum charge commercial unit shall be \$21.93 per month which charge shall provide for and be applied to the payment of the bond, contract bond debt, and other fixed operating costs of the city sewer system.

(b) *Sewer Rates*: All commercial customers shall pay the following sewer rates per family unit:

For the increment of sewer usage between 0 and 1,000 gallons:

(a) For commercial users \$30.72;

For the increment of sewer usage between 1,001 gallons and 2,000 gallons:

(a) \$30.72 plus \$3.27 per 1000 gallons

Computation of the sewer rate charge shall be based upon consumption of metered water as read monthly by the city. Malfunctioning water meters that fails to register consumption average daily consumption as shown when metering operating properly.

OUTSIDE CITY LIMITS (COMMERCIAL)

One and one-half times the charge applied inside the city limits for the same water usage.

Section 2. This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

Section 3. Severability. In the event any clause, phrase, provision sentence, or part of this Ordinance or the application of the same to any person or circumstance for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 4. Publication and Effective Date. This Ordinance shall be effective on the first utility billing date after final passage by City Council, a public hearing in accordance with Section 2.19 of the City Charter, and publication of this ordinance or a caption that summarizes the purpose of this ordinance.

PASSED AND APPROVED by the City Council of the City of La Marque on First Reading this 12TH day of DECEMBER, **2022**; and

PASSED APPROVED AND ADOPTED by the City Council of the City of La Marque on Second and Final Reading this _____ day of _____, **2022**.

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra Nance, TRMC
City Clerk

APPROVED AS TO FORM:

Gus Knebel
Consulting City Attorney

ORDINANCE NO. O-2022-00

AN ORDINANCE AMENDING APPENDIX A, SCHEDULE OF FEES AND CHARGES OF THE CODE OF ORDINANCES, CITY OF LA MARQUE, TEXAS BY AMENDING PRESCRIBED SOLID WASTE COLLECTIONS CHARGES.

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

Section 1. That Appendix A, Schedule of Fees and Charges, Solid Waste Collection Charges, of the La Marque Code of Ordinances is hereby amended to read as follows:

APPENDIX A: SCHEDULE OF FEES AND CHARGES

Solid Waste Collection Charges

There are hereby levied the following charges, to be collected from the owner occupying any premises located or from the occupant or person in possession or control of any premises located on an established garbage and rubbish route within the city, for the removal and disposition of garbage and rubbish;

- (1) Residential Rates Per Month per Residential Service Unit (not including sales tax)
 - (a) Twice a week Residential Collection Rate- \$24.63.
 - (b) Every other week Recycling Collection- Included.
 - (c) Once a week Bulky Waste Collection- Included.
 - (d) At Your Door Household Hazardous Waste/Electronics Collection- Included.
 - (e) Residential Service Unit- Additional Cart- \$5.79 per Cart.
 - (f) Bulky Waste in excess of 5 cubic yards- \$175.00 per occurrence.
 - (g) Replacement Cart- \$81.15 per Cart.
- (2) Commercial Unit Collection Rates
 - (a) Castors per month- \$17.39
 - (b) Locking Device per month- \$40.57

(c) Monthly Commercial Unit Rates

Container Size/Type	Weekly Collection Frequency						
	1	2	3	4	5	6	Extra P/U
Commercial Hand PU 96 Gal Cart	N/A	\$50.78	N/A	N/A	N/A	N/A	N/A
Commercial Hand Extra Cart (Each)		\$17.38					
2yd FEL Container	\$98.09	\$155.23	\$227.50	\$261.30	\$313.76	\$370.92	\$57.96
3yd FEL Container	\$106.39	\$203.74	\$272.02	\$287.99	\$412.16	\$478.85	\$63.76
4yd FEL Container	\$135.90	\$223.57	\$304.30	\$378.90	\$462.92	\$542.12	\$69.56
6yd FEL Container	\$178.09	\$271.37	\$410.60	\$535.87	\$651.27	\$758.85	\$75.35
8yd FEL Container	\$232.39	\$342.70	\$484.65	\$627.75	\$783.81	\$954.48	\$81.15

(d) Roll Off Bin (non-Temporary) and Compactor Rates

Roll off Size/Type	Container Rental Fee (Per Month)	Initial Delivery Fee (One-time)	Collection Fee (Per Haul)	Disposal Fee (Per Ton)
10 CY Roll off	\$144.91	\$173.89	\$259.68	\$35.94
20 CY Roll off	\$144.91	\$173.89	\$259.68	\$35.94
30 CY Roll off	\$144.91	\$173.89	\$259.68	\$35.94
40 CY Roll off	\$144.91	\$173.89	\$259.68	\$35.94
30 CY Roll off Compactor	\$393.92	*	\$259.68	\$35.94
40 CY Roll off Compactor	\$393.92	*	\$259.68	\$35.94

*** To be determined by Contractor and Customer**

Section 2. Prices set out herein shall increase 3.5% each year beginning on October 1st of each year.

Section 3. Effective Date: The effective date shall coincide with the first utility billing after January 9th, 2023.

PASSED AND APPROVED by the City Council of the City of La Marque on this the 12th day of December, 2022 on the First Reading.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on the ____ day of _____ 202____ for the Second and Final reading.

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra Nance, City Clerk

APPROVED AS TO FORM:

Gus Knebel, City Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS, AMENDING CHAPTER 44 OF THE CITY OF LA MARQUE, TEXAS CODE OF ORDINANCES TO REGULATE DONATION DROP BOXES:

WHEREAS, there are a number of unattended donation boxes in the City of La Marque, Texas;

WHEREAS, these unattended donation boxes attract illegal dumping activities;

WHEREAS, the City of La Marque, Texas does not know the location of all of these unattended donation boxes within the City of La Marque, Texas; and

WHEREAS, the City of La Marque, Texas desires to regulate unattended donation boxes within the City of La Marque, Texas to address illegal dumping activities around these boxes.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS THAT:

Section 1:

The findings and recitals set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 2:

Chapter 44 of the La Marque Code of Ordinances is amended to read as follows:

Article VI - Donation Boxes

Section 44.160 Definitions

Donation Drop Box means any unattended outdoor container, receptacles, or similar device used for soliciting and collecting donations such as clothing, toys, or other salvageable personal property.

Property Owner means the person that has care and control of the area where the donation drop box is placed.

Operator means a person who manages the organization for which the donations are solicited or the person who applies for the donation drop box permit.

Section 44.161. Permit required.

- (a) Operators of Donation Drop Boxes are prohibited from placing Donation Drop Boxes on all public and private property in the City without first obtaining a permit from the Building Official. The permit must be renewed annually.
- (b) Permit Fees:
 - (1) Non-Profit Organizations \$25.00 per year, per box (must provide valid proof of exemption under I.R.C. 501(c)(3)); and
 - (2) For Profit Organizations \$100.00 per year, per box (must provide Tax ID #)
- (c) To obtain a permit, the Operator must pay a permit fee and show:
 - (1) A sketch indicating the spot where the Donation Drop Box will be placed;
 - (2) The dimensions of the Donation Drop Box;
 - (3) The signage that will be on the Donation Drop Box;
 - (4) Written consent from the Property Owner, property manager, or person who has a right to possession of the property, indicating that the Donation Drop Box may be placed on the property and acknowledging that they will be held responsible for maintenance of the area around the donation drop box; and
 - (5) That the Donation Drop Box will comply with all requirements in this article.
- (d) The Operator may not transfer the permit to any other person or organization.
- (e) The Operator shall affix a copy of the permit to the Donation Drop Box in a manner that ensures that it will not be damaged by rain.

Section 44.162. Permit revocation.

- (a) The City official may revoke the permit for failure of the Operator or Property Owner to comply with the requirements in this article. The Operator may appeal the revocation to the City Manager or his designee within 72 hours of the revocation notice.
- (b) The Donation Drop Box must be removed within Ten (10) days of the permit revocation. If not removed within ten (10) days, the city shall have it removed and the Operator shall be billed the removal and storage costs.

Section 44.163. Construction and placement.

- (a) Donation Drop Boxes may not be placed on any residentially zoned property.
- (b) Donation Drop Boxes must:
 - (1) Be constructed of metal, fiberglass or wood;
 - (2) Have a sign or label indicating the name, address, and telephone number of the organization;
 - (3) Be secured at all times, except when being emptied;
 - (4) Have a lid or a top to protect the contents from the weather; and
 - (5) Be no larger than 102 cubic feet.
- (c) Donation Drop Boxes may not be placed so that they block driveways, interfere with traffic flow or visibility, are on minimum required parking spaces, are in front, rear, or side yard setback, or on a required landscape area.
- (d) Only one Donation Drop Box may be placed on per platted lot.

Section 44.164. Maintenance.

- (a) The area around the Donation Drop Box shall be kept free of debris and shall be emptied often enough so that the donations do not overflow.
- (b) Donation Drop Boxes shall not have structural damage, holes, or visible rust.
- (c) The City shall give the Property Owner ten days written notice to clear the debris. If the debris is not cleared, the city shall clear the debris and bill the Property Owner for the clean-up costs.

Section 44.165. Existing Donation Drop Boxes.

- (a) Operators of existing Donation Drop Boxes shall be given notice that they have thirty (30) days to obtain a permit. If the Operators do not apply for a permit, the Operators and the Property Owners have thirty (30) days to remove the Donation Drop Boxes.
- (b) If an Operator cannot be reached, a letter will be mailed to the address on the Donation Drop Box, if available, and posted on the Donation Drop Box itself. The Operator shall have thirty (30) days from the day the letter is mailed or posted on the Donation Drop Box to remove the Donation Drop Box.

Section 44.166. Enforcement.

A person who violates this Article VI shall for each violation or noncompliance be deemed guilty of a misdemeanor, and upon conviction, shall be fined as provided in Section 1-7 of the City Code.

Upon the third conviction, within two years, of a person for violation of this Article VI may have its permit to place a donation drop box revoked by the City Manager or his designee.

A person whose permit is revoked under this Section shall be ineligible for a permit for five years after revocation.

Section 3:

This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

Section 4:

In the event any clause, phrase, provision sentence, or part of this Ordinance or the application of the same to any person or circumstance for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Any person who shall install or permit the installation of a Donation Drop Box in violation of this section shall, upon conviction, be punished by a fine as prescribed in section 1-7 of this Code. If fireworks are separately wrapped or packaged, the commission or omission of any act prohibited by this section shall be a separate offense as to each such separately wrapped or separately packaged fireworks.

Section 5:

This Ordinance shall be effective thirty days after final passage by City Council, a public hearing in accordance with Section 2.19 of the City Charter, and publication of this ordinance or a caption that summarizes the purpose of this ordinance.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on First Reading this 12th day of December, 2022; and

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on Second and Final Reading this ____ day of _____, 2023.

Keith Bell, Mayor

ATTEST:

**Kierra Nance
City Clerk**

APPROVED AS TO FORM:

**Gus Knebel
City Attorney**

ORDINANCE NO 2022-00__

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS CALLING A CHARTER AMENDMENT ELECTION ON THE QUESTION OF ADOPTING ELEVEN AMENDMENTS TO THE CITY OF LA MARQUE, TEXAS CHARTER; PROVIDING DETAILS RELATING TO THE HOLDING OF SUCH ELECTION; PROVIDING FOR SEVERABILITY; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on or about February 14, 2022 an The City of La Marque Texas appointed a Charter Review Commission in accordance with the Charter of the City of La Marque, Texas.

WHEREAS, the Charter Review Commission met multiple times between February 2022 and August 2022 to review the Charter of the City of La Marque, Texas and inquire into its operations.

WHEREAS, all meetings of the Charter Review Commission were conducted in public and in accordance with the law.

WHEREAS, the Charter Review Commission submitted its report to the City Council of La Marque, Texas and that report is attached to this Resolution as Exhibit 1.

WHEREAS, the Charter Review Commission has proposed the following amended wording to the City of La Marque Charter Agreement:

Proposed Amendment One

Shall the Charter be amended to a definition of “For Cause” termination for payments due to the City Manager in the event of his or her termination?

Section 2.12

The city council may remove the city manager by a majority vote of all its members. At least thirty days before such removal shall become effective, the city council shall by majority vote of its members adopt a resolution providing for removal of the city manager and stating the reasons therefore [therefor]. Immediately upon adoption, a copy of the resolution shall be given to the city manager. Within five days of adoption of the resolution, the city manager may request in writing a public hearing which must be granted by the city council and shall be held not earlier than ten days nor later than twenty days after the filing of such request. Within five days of the public hearing, the council by majority vote of its members shall reaffirm or rescind the resolution for removal. In the event the City Manager is terminated “For Cause” the City Manager shall only be entitled to one month’s severance pay and this provision shall control over any agreement to the contrary. A “For Cause” termination for purposes of this section 2.12 shall mean a

determination by the city council in its sole discretion that the City Manager has (1) failed to adhere to the City's drug and alcohol policy as set out in the City's employee handbook as may be amended from time to time; (2) failed to perform his or her other duties or other obligations as required by the City Manager's agreement with the City, if any; (3) an accusation by any applicable law enforcement agency of City Manager's embezzlement or other criminal offense or final conviction of a criminal offense that is a Class B misdemeanor or above; or (4) City Manager's conviction of any illegal act involving personal gain to him or her or a finding of a violation of the City Charter, City Ordinance, other City purchasing rules, or the Code of Ethics of the State of Texas as may be amended from time to time. Every city manager of the City shall be subject to a six-month probationary period beginning on his or her date of hire during which time, if terminated for any reason or no reason by the city council, the City Manager shall not be entitled to any severance pay. By the resolution, the city council may suspend the manager immediately from duty, but shall in any case cause to be paid him forthwith any unpaid balance of his salary and one month's salary as severance pay following adoption of the resolution.

Proposed Amendment Two

Shall the Charter be amended to allow for the establishment of temporary divisions or departments upon approval by the City Council?

Section 3.05

The city manager may recommend the creation of administrative departments to the city council for establishment by ordinance. The work of each department may be distributed among such divisions thereof as may be established by ordinance. The city manager may establish temporary divisions of a department upon approval by the city council

Proposed Amendment Three

Shall the Charter be amended to allow a member of City Council whose recall is sought by petition the opportunity to respond in writing?

Section 5.13

Any elector of the City of La Marque may make and file with the city clerk an affidavit containing the name or names of the officer or officers whose removal is sought and a statement of the specific grounds for removal. The clerk shall thereupon deliver within five business days after delivery of the affidavit by the elector to the elector making such affidavit copies of petition blanks demanding such removal. The recall petition shall include a brief

statement from the officer whose recall is sought responding to the allegations in the affidavit. The city clerk shall keep a sufficient number of such printed petition blanks on hand for distribution. Such blanks when issued by the city clerk shall bear the signature of that officer and be addressed to the city council, and shall be numbered, dated, and indicate the name of the person to whom issued. The petition blanks when issued shall also indicate the number of such blanks issued and the name of the officer whose removal is sought. The city clerk shall enter in a record to be kept in his office the name of the elector to whom the petition blanks were issued and the number issued to said person.

Proposed Amendment Four

Shall the Charter be amended to include a requirement of a public hearing for officials subject to a recall election?

Section 5.15

The city clerk shall at once examine the recall petition and if he finds it sufficient and in compliance with the provisions of this article of the charter, he shall within five days submit it to the city council with his certificate to that effect and notify the officer sought to be recalled of such action. If the officer whose removal is sought does not resign within five days after such notice the city council shall thereupon order and fix a date for holding a recall election. Any such election shall be held on the next date allowed by state law after the petition has been presented to the city council; however, such election may be held at the same time as any municipal election held within such period.

An elected official whose removal is sought by recall may, at any time prior to 45 days before a recall election, request in writing to the City Clerk that a public hearing be held to permit such officer to present facts pertinent to the charges and respond to the charges specified in the recall petition and affidavit. Should a request for public hearing be made, the city council shall order a public hearing be held not less than seven (7) days nor more than fifteen (15) days after receiving such request for a public hearing. Notice of the public hearing shall be posted in accordance with the law and published in the official newspaper of the city at least five (5) days before such hearing.

Proposed Amendment Five

Shall the Charter be amended to increase the waiting period for filing a recall petition against a member of city council after he or she takes office?

Section 5.18

No recall petition shall be filed against a member of the city council within six months after he takes office nor in respect to an officer subjected to a recall election and not removed thereby, until at least six months after such election.

Proposed Amendment Six

Shall the Charter be amended to modernize language related to the finances of the City of La Marque, Texas?

Sections 8.04

The director of finance shall have charge of the administration of the financial affairs of the city and to that end he shall have authority and shall be required to:

- (a) compile the estimates of revenues and expenditures for the budget as directed by the city manager;
- (b) compile the capital expenditure estimates for the budget as directed by the city manager;
- (c) supervise and be responsible for the disbursement of all moneys and have control over all expenditures to ensure that budget appropriations are not exceeded;
- (d) maintain a general accounting system for the city government and each of its offices, departments and funds; keep books for and exercise financial budgetary control over each office, department and fund; keep separate accounts for the items of appropriation contained in the city budget, each of which accounts shall show the amount of the appropriation, the amounts paid therefrom, the unpaid obligations against it and the unencumbered balance; require reports of receipts and disbursements from each receiving and spending fund of the city government to be made daily or at such intervals as he may deem expedient;
- (e) submit to the council through the city manager a monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the city;
- (f) prepare for the city manager, as of the end of each fiscal year, a complete financial statement and report;

(g) in coordination with the county appraisal district, ensure that all property within the corporate limits of the city is assessed for taxation and make all special assessments for the city government.

(h) supervise and be responsible for the collection of all taxes, special assessments, license fees and other rement, prepare tax maps, and give such notice of taxes and special assessments as may be required by law; venues of the city or for whose collection the city is responsible and receive all money receivable by the city from the state or federal government, or from any court, or from any office, department or fund of the city;

(i) have custody of all public funds belonging to or under the control of the city, or any office, department or fund of the city government, and deposit all funds coming into his hands in such depositories as may be designated by resolution of the city council, or, if no such resolution be adopted, by the city manager, subject to the requirements of law as to surety and the payment of interest on deposits, but all such interest shall be the property of the city and shall be accounted for and credited to the proper account; depositories are to be selected annually by means of selective bidding;

(j) depositories are to be selected for one (1) year, and may be renewed by the city for two (2) additional one (1) year terms, for a total of three (3) years. The city will submit a request for proposals. The city council shall have the discretion of remaining with the current depository or proceeding with the selection of a new depository;

(k) have custody of all investments and invested funds of the city government, or in possession of such government in a fiduciary capacity, and have the safekeeping of all bonds and notes of the city and the receipt and delivery of city bonds and notes for transfer, registration or exchange;

(l) supervise and be responsible for the purchase, storage and distribution of all supplies, materials, equipment and other articles used by any office, department or fund of the city government;

(m) approve all proposed expenditures. Unless he shall certify in writing, that there is an unencumbered balance of appropriation and available funds, no appropriation shall be encumbered and no expenditure shall be made.

Section 8.07

The city manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or fund. At the request of the city manager and within the last three months of the budget year, the council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department or fund to another. No transfer shall be

made from the appropriations required by subsections (a), (b), (c), (d), (e), (f), (g), (h), and (i) of [Section 6.26](#) of this charter.

Proposed Amendment Seven

Shall the Charter be amended to cap emergency expenditures?

Section 8.17

At any time in any budget year, the city council may, pursuant to this section, make emergency appropriations to meet a pressing need for public expenditure, for other than a regular or recurring requirement, to protect the public health, safety or welfare. Such appropriation shall be by resolution adopted by the favorable votes of at least four-fifths of the members of the city council, and shall be made only upon recommendation of the city manager. The total amount of all emergency appropriations made in any budget year shall not reduce the General Fund balance below 90 days operating expenditures at year-end of that budget year.

Proposed Amendment Eight

Shall the Charter be amended to update the years in the budget process?

Section 8.19

In any budget year, in anticipation of the collection of the property tax for such year, whether levied or to be levied in such year the council may by resolution authorize the borrowing of money by the issuance of negotiable notes of the city, each of which shall be designated “tax anticipation note for the year ____” (stating the budget year). Such notes may be issued for periods not exceeding one year and must be retired by the end of the budget year in which issued.

Section 8.20

In any budget year, in anticipation of the collection or receipt of other revenues of that budget year, the city council may by resolution authorize the borrowing of money by the issuance of negotiable notes of the city, each of which shall be designated “special revenue note for the year ____” (stating the budget year). Such notes may be renewed from time to time, but all such notes, together with the renewals, shall mature and be paid not later than the end of the budget year.

Proposed Amendment Nine

Shall the Charter be amended to increase the time period the City may issue indebtedness for?

Section 12.12

The city may finance the acquisition of privately owned utility properties, the purchase of land, and the cost of all construction and property installation for

utility purposes by borrowing, in accordance with the provisions of Article VII of this charter. Appropriate provisions shall be made, however, for the amortization and retirement of all bonds within a maximum period of forty years. Such amortization and retirement may be effected through the use of depreciation funds or other financial resources provided through the earnings of the utility.

Proposed Amendment Ten

Shall the Charter be amended to require the Municipal Court Judge, Alternate Municipal Court Judge, City Prosecutor, and City Attorney be appointed by the agreement of the City Council and City Manager?

Section 13.16

The Municipal Court Judge, Alternate Municipal Court Judge, City Prosecutor, and City Attorney may be recommended by the city manager and shall be appointed by the City Council.

Proposed Amendment Eleven

Shall the Charter be amended to provide gender neutral wording?

Section 13.17

All references in this Charter to the masculine shall include the feminine and neuter.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF LA MARQUE, TEXAS THAT:

Section 1. The facts and matter set forth in the recitals of this ordinance are hereby found to be true and correct.

Section 2. The Charter Amendment Election shall be scheduled for Saturday, May 6, 2023. Early voting shall be conducted from April 24, 2023 through May 2, 2023.

Section 3. In accordance with the Texas Election Code the ballot shall contain the proposed language, to wit:

Proposed Amendment One

Shall the Charter be amended to include a definition of “For Cause” termination for payments due to the City Manager in the event of his or her termination?

_____FOR
_____AGAINST

Proposed Amendment Two

Shall the Charter be amended to allow for the establishment of temporary divisions or departments upon approval by the City Council?

_____FOR
_____AGAINST

Proposed Amendment Three

Shall the Charter be amended to allow a member of City Council whose recall is sought by petition the opportunity to respond in writing?

_____FOR
_____AGAINST

Proposed Amendment Four

Shall the Charter be amended to include a requirement of a public hearing for officials subject to a recall election?

_____FOR
_____AGAINST

Proposed Amendment Five

Shall the Charter be amended to increase the waiting period for filing a recall petition against a member of city council after he or she takes office?

_____FOR
_____AGAINST

Proposed Amendment Six

Shall the Charter be amended to modernize language related to the finances of the City of La Marque, Texas?

_____FOR
_____AGAINST

Proposed Amendment Seven

Shall the Charter be amended to cap emergency expenditures?

_____FOR
_____AGAINST

Proposed Amendment Eight

Shall the Charter be amended to update the years in the budget process?

☐ FOR
☐ AGAINST

Proposed Amendment Nine

Shall the Charter be amended to increase the time period the City may issue indebtedness for?

☐ FOR
☐ AGAINST

Proposed Amendment Ten

Shall the Charter be amended to require the Municipal Court Judge, Alternate Municipal Court Judge, City Prosecutor, and City Attorney be appointed by the City Council?

☐ FOR
☐ AGAINST

Proposed Amendment Eleven

Shall the Charter be amended to provide gender neutral wording?

☐ FOR
☐ AGAINST

Section 4. The deadline to register to vote in this election is April 6, 2023. This election shall be conducted in conjunction with the uniform election on May 6, 2023.

Section 5. The Charter Amendment Election shall be conducted by the Galveston County Clerk's Elections Division. The City Clerk of La Marque, Texas, is authorized to contract with the Galveston County Clerk to conduct the Charter Amendment Election.

Section 6. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than that part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED ON THIS 12TH day of DECEMBER 2022.

PASSED, APPROVED, AND ADOPTED ON THIS _____ day of
_____, 202__.

Keith Bell, Mayor
City of La Marque, Texas

ATTEST:

APPROVED AS TO FORM AND CONTENT:

Kierra Nance, TRMC
City Clerk
City of La Marque, Texas

Gus Knebel
Consulting City Attorney
City of La Marque, Texas

RESOLUTION NO. R-2023-00

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS IN SUPPORT OF THE ABOLITION OF THE OFFICE OF COUNTY TREASURER IN GALVESTON COUNTY

WHEREAS, the Constitution of the State of Texas allows for the abolition of elected offices by statewide and local ballot referendums

WHEREAS, nine counties in Texas (Andrews, Bee, Bexar, Collin, El Paso, Fayette, Gregg, Nueces and Tarrant) and the State of Texas have abolished their Treasurer offices,

WHEREAS, the citizens of La Marque and Galveston County desire efficient and effective government, and consolidating duties into other full-time offices to allow the abolition of the elected Treasurer office will save taxpayers approximately \$500,000 annually and reduce the risk of misappropriated funds as was experienced in 2018

WHEREAS, the voters of Galveston County recently elected as the County Treasurer a candidate, Hank Dugie, who campaigned to abolish the office of the County Treasurer in Galveston County

WHEREAS, the abolition of the office of County Treasurer in Galveston County has been unanimously supported by Galveston County Commissioner's Court and included as a legislative priority for the 87th and now the 88th session of the Texas Legislature

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LA MARQUE, TEXAS THAT:

Section 1. The City Council expresses its unqualified support for the abolition of the office of County Treasurer in Galveston County.

Section 2. The City Council respectfully requests that the Texas Legislature pass a joint resolution to submit to the voters of Galveston County a constitutional amendment to abolish the office of County Treasurer in Galveston County.

Section 3. The City Council directs the City Clerk to forward a copy of this Resolution upon its passage to each of our local Texas Legislators, the Texas Speaker of the House, the Texas Lieutenant Governor, and the Texas Governor.

Section 4. It is hereby found and determined that the meeting at which this resolution was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

In the event any clause, phrase, provision sentence, or part of this Resolution or the application of the same to any person or circumstance for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this Resolution as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

DULY PASSED by a majority vote of all members of the City Council of the City of La Marque on the _____ day of _____ 2023.

Keith Bell
Mayor

Kierra Nance, TRMC
City Clerk



CITY COUNCIL AGENDA FORM

Meeting Date: **January 23, 2023**

Prepared by: R. Sailer

Department: Public Works

Agenda item: _____

Reviewed by: _____

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding adopting a Resolution for Council approval of an emergency expenditure for waterline failure repairs in the amount of \$40,717.27

X

ATTACHMENTS FOR REFERENCE

- Resolution
- Invoice - Android Construction

STAFF BRIEFING:

- A large waterline failure occurred on December 22, 2022 on the southwest corner of 1-45 and Lake Road; the waterline is designated as FM519.
- City staff was unable to shut down the waterline flow due to non-existent valves located on the waterline. The Contractor could not make the waterline repair with the leak flowing, estimated at 1500-1800gpm.
- The Contractor installed an emergency Insert-A-Valve on the waterline at Lake Road and FM519 (Main Street). This valve only controlled water from the north on FM519 waterline.
- Maps indicated that Lake Rd. Waterline was connected to the FM519 waterline; therefore, Line-Stop Valves were installed on the Lake Rd. Waterline. It was discovered that two (2) separate waterlines exist, therefore, two (2) Line-Stop Valves were installed.
 - City Manager reviewed and approved.
 - Finance Director reviewed and approved.
 - City Engineer reviewed and approved.
 - City Attorney reviewed and approved.

HISTORY:

- The waterline was constructed in 1980 -1981.

SIGNIFICANT ACTION DATES: January 3 - 4, 2023



CITY COUNCIL AGENDA FORM

- | | |
|--|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Municode Codification | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Cost Details:	
Budgeted	
Actual Bid	
Estimated Expenditure	\$40,717.27
Acct. Name(s)	Repair & Maint Water System
Line Items #	02-3010-22
Other Funding	

ACTION

:

STAFF'S RECOMMENDATION: Motion to approve emergency expenditure to install emergency valving on waterlines for the purpose of stopping large water leak on FM519 Wateline.

FISCAL IMPACT: \$40,717.27

RESOLUTION NO. R-2023-00

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS
AUTHORIZING AN EXPENDITURE TO ANDROID CONSTRUCTION

WHEREAS, on December 22, 2022 a large waterline failure occurred on the southwest corner of I-45 and Lake Road.

WHEREAS, the City was unable to shut down waterline flow due to not having a valve present on the waterline and the contractor was unable to make repairs with the leak.

WHEREAS, the contractor installed an emergency Insert-A-Valve, and two Line-Stop Valves in the area in order to control the waterflow.

WHEREAS, the invoice, totaling \$40,717.27, exceeds the City Manager's authorization threshold of \$25,000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LA MARQUE, TEXAS
THAT:

The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

The City Manager is authorized to execute payments in order to settle the invoice.

In the event any clause, phrase, provision sentence, or part of this Resolution or the application of the same to any person or circumstance for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this Resolution as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

DULY PASSED by a majority vote of all members of the City Council of the City of La Marque on the _____ day of _____ 2023.

Kierra Nance, TRMC
City Clerk

Keith Bell
Mayor

**Android Construction Services, LLC**

16195 S Hwy 288 B
Angleton Texas 77515

Date	Invoice #
01/03/23	23 - 0363

City of La Marque

1111 Bayou Road
La Marque Texas 77568
Attention: Rick Sailer

P.O. No.	TERMS	PROJECT
		La Marque
		Various Location

DESCRIPTION	COST
1/3/2023	
FM 519 and Lake Rd.	\$ 14,900.00
Labor, materials, and equipment to install one 12 inch inserta Valve	
1/4/2023	
Crew #2	
Lake Rd and Grebb St	
Labor and equipment to install a 10 inch line stop. (8 Hours)	\$ 8,000.00
Main St	
Labor and equipment to cut concrete and exploratory digging	
6 hours overtime at \$300.00 per hour	\$ 1,800.00
1/5/2023	
Lake Rd and Grebb St	
Labor and equipment to install a 8 inch line stop	\$ 7,000.00
Lake Rd and Main St	
Labor and equipment for exploratory digging	
4 1/2 hours overtime at \$300.00 per hour	\$ 1,350.00



Date	Invoice #
01/03/23	23 - 0363

1111 Bayou Road
La Marque Texas 77568
Attention: Rick Sailer

P.O. No.	TERMS	PROJECT
		La Marque
		Various Location

[illegible]



CITY COUNCIL AGENDA FORM

Meeting Date: January 23, 2022

Prepared by: Rick Sailer

Department: Public Works

Agenda item: _____

Reviewed by: _____

AGENDA ITEM DESCRIPTION: **Discussion/possible action regarding**
Authorization for the Issuance of Special Project Bonds for Water Facilities
Financing Agreements for Thomas Mackey Water Treatment Plant Expansion.



ATTACHMENTS FOR REFERENCE:

- 1. Water Facilities Financing Agreement - Thomas Mackey Water Treatment Plant Expansion**
- 2. Estimated Bond Repayment Schedule**
- 3. 2022 Municipal System Customer Contract**
- 4. Resolution 2022-0037 - Approval of Current Customer Contract**

STAFF BRIEFING:

- The 2022 Municipal System Customer Contract contains a section pertaining to Water Facilities Improvements. (Article 7)
- The Water Facilities Financing Agreement for the Thomas Mackey Water Treatment Plant specifies for the 7.9 Million Gallon Expansion in a amount not to exceed \$23,000,000; the City share of the planned project is 18.04%
- The estimated additional monthly costs for Bond Payment is \$22,3370
- The Project Bond costs were included in the current Customer Contract and the costs were included in the 2023 FY Budget.

- City Manager has reviewed and approved.
- Finance Director has reviewed and approved.
- City Attorney has reviewed and approved.

HISTORY:

- The current Agreement was approved on July 11, 2022

TARGET IMPLEMENTATION -

- January 23, 2023



CITY COUNCIL AGENDA FORM

ACTION:

- | | |
|--|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Municode Codification | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Cost Details:	
Budgeted	
Actual Bid	
Estimated Expenditure	\$268,400 (Annually)
Acct. Name(s)	Water Purchases
Line Items #	02-6011-24
Other Funding	

STAFF'S RECOMMENDATION:

Motion to approve the Water Facilities Financing Agreement for the Thomas Mackey Water Treatment Expansion.

FISCAL IMPACT: \$268,400 Annually (30 years)

RESOLUTION NO. R-2023-00

A RESOLUTION OF THE CITY OF LA MARQUE, TEXAS AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SIGN THE WATER FACILITIES FINANCING AGREEMENT (THOMAS S. MACKEY WATER TREATMENT PLANT EXPANSION) BETWEEN THE CITY OF LA MARQUE, TEXAS AND GULF COAST WATER AUTHORITY (THE "CONTRACT")

WHEREAS, The City of La Marque, Texas ("City") and the Gulf Coast Water Authority (GCWA) are parties to a Mainland Water Project Customer Contract, dated as of August 7, 1981, as amended by the First Amendment, dated as of September 14, 1981, the Second Amendment, dated as of June 22, 1998, the Third Amendment, dated as of June 16, 2011, and the Fourth Amendment, dated as of May 1, 2014, and the Mainland Water Project Customer Contract (South Project), entered into between the Authority and Purchaser on July 1, 1998, as amended by the First Amendment, dated as of June 16, 2011, the Second Amendment, dated as of May 1, 2014, and the operative portions of the Amended and Restated Customer Contract, and as amended from time to time.

WHEREAS, the GCWA provides drinking water to the City.

WHEREAS, the GCWA treats drinking water provided to the City at the Thomas S. Mackey Water Treatment Plant.

WHEREAS, the GCWA desires to expand the Thomas S. Mackey Water Treatment Plant to provide additional water treatment capacity.

WHEREAS, the City has agreed to pay portion of the costs associated with these improvements in return for an increase in the drinking water capacity allocated to the City by the GCWA.

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

The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

The City Manager or his designee is authorized to sign and deliver the Contract attached as Exhibit 1 to this Resolution to the GCWA and bind the City of La Marque, Texas to the terms found in the Contract.

DULY PASSED by a majority vote of all members of the City Council of the City of La Marque on the _____ day of _____, 2023.

Keith Bell
Mayor

Kierra Nance, TRMC
City Clerk

**WATER FACILITIES FINANCING AGREEMENT
(THOMAS S. MACKEY WATER TREATMENT PLANT EXPANSION)**

BETWEEN

CITY OF LA MARQUE, TEXAS

AND

GULF COAST WATER AUTHORITY

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WATER FACILITIES FINANCING AGREEMENT
(THOMAS S. MACKEY WATER TREATMENT PLANT EXPANSION)
BETWEEN
CITY OF LA MARQUE, TEXAS
AND
GULF COAST WATER AUTHORITY

This WATER FACILITIES FINANCING AGREEMENT (this “Agreement”), is entered into as of the ____ day of _____, 2022, by and between the CITY OF LA MARQUE, TEXAS (the “Participant”), a Texas municipal corporation and political subdivision, and the GULF COAST WATER AUTHORITY (“Authority”), a Texas conservation and reclamation district.

WITNESSETH:

RECITALS

The Authority was created under and pursuant to the provisions of Section 59 of Article XVI of the Constitution of State of Texas (the “State”) as a conservation and reclamation district, a governmental agency and body politic and corporate.

The Participant was created under and pursuant to the laws of the State and its home rule charter as a municipal corporation and political subdivision. a governmental agency and body politic and corporate.

The Participant and the Authority have previously entered into a Mainland Water Project Customer Contract, dated as of August 7, 1981, as amended by the First Amendment, dated as of September 14, 1981, the Second Amendment, dated as of June 22, 1998, the Third Amendment, dated as of June 16, 2011, and the Fourth Amendment, dated as of May 1, 2014, and the Mainland Water Project Customer Contract (South Project), entered into between the Authority and Purchaser on July 1, 1998, as amended by the First Amendment, dated as of June 16, 2011, the Second Amendment, dated as of May 1, 2014, and the operative portions of the Amended and Restated Customer Contract, and as amended from time to time (the “Customer Contract”) under the terms of which the Authority sells water to the Participant and has previously financed the construction and acquisition of water supply facilities to serve the Participants (as defined herein).

Section 791.026 of the Interlocal Cooperation Act (Chapter 791, Vernon’s Texas Government Code, as amended) (the “Act”), authorizes the Participant to enter into a contract with the Authority, under the terms of which the Authority will provide and operate water supply facilities for the Participant and authorizes such contract to remain in place until such time as the bonds specified in the contract and any refunding bonds issued to pay those bonds are paid.

The Participant desires for the Authority to acquire, construct and equip the following water supply facilities to serve the Participant and other Participants: the facilities and improvements required to expand the capacity of the Thomas S. Mackey Water Treatment Plant (the “Mackey Plant”) by 7.9 million gallons per day (“MGD”) from 49.7 MGD to 57.6 MGD,

which includes Canal System capital charges associated with the additional raw water to serve the expansion, at as further described in **Exhibit A** and such additional facilities and improvements as the Participant and the Authority may agree in writing and included as part of the expansion (collectively, the “Project”).

The Customer Contract contemplates the issuance of special project bonds for the completion of the Project and, pursuant to the Customer Contract, the Project is deemed a Special Project and the Bonds (as defined herein) are deemed Special Project Bonds. Upon the effective date of the Amended and Restated Customer Contract (as defined herein), the Project will be treated as a Component of the Municipal System (as defined therein).

The Participant acknowledges and agrees that the Participant’s Reserved Capacity (as defined in the Customer Contract) and Contract Quantity (as defined in the Customer Contract and the Amended and Restated Customer Contract) in the Authority’s Mainland System (as defined in the Customer Contract) and in the Authority’s Municipal System (as defined in the Amended and Restated Customer Contract) is established in the Customer Contract and the Amended and Restated Customer Contract.

The Authority desires to assist the Participant and to acquire, design, construct and operate the Project.

The Authority proposes to issue its contract revenue bonds to finance the Project described herein, and to pledge to the payment of such bonds the revenues to be received from the Participants under this Agreement, including the Participant’s covenant to charge its customers rates sufficient to repay its portion of the Bonds (as hereinafter defined) and to pledge such revenues to payment of the Bonds.

AGREEMENT

For and in consideration of the premises, benefits and mutual agreements contained herein, the Participant and the Authority hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions.

(a) The terms “Act,” “Agreement,” “Authority,” “Customer Contract,” “Mackey Plant,” “Participant,” “Project,” and “State” shall have the meanings given in the Preamble and Recitals and such definitions are hereby incorporated into this Agreement for all purposes.

(b) Unless otherwise expressly provided in this Agreement or unless the context clearly requires otherwise, the following terms shall have the meanings specified below:

(1) “Amended and Restated Customer Contract” means, following its effective date, the amended and restated customer contract executed in 2022 under which the Authority sells water to customers through the Municipal System, as defined therein.

(2) “Bonds” or “Mackey Plant Expansion Bonds” means the bonds issued under this Agreement and the related bond resolutions, including any refunding bonds.

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

(4) “Debt Service Reserve Fund” shall mean the special fund or funds to be established, maintained, and utilized, from time to time as debt service reserve funds for any one or more series Bonds issued under this Agreement under a bond resolution.

(5) “Debt Service Reserve Fund Requirement” shall mean an amount equal to the lesser of (i) the maximum annual debt service required on the outstanding principal of the Bonds, (ii) one-hundred-twenty-five percent (125%) of the average annual debt service required thereof, or (iii) ten percent (10%) of the principal amount of the Bonds, or such lesser amount required by Treasury Regulation § 148-2(f)(2) or any successor Treasury Regulation.

(6) “Participants” means the entities participating in the issuance of the Bonds, listed in Schedule I hereto, including the Participant.

(7) “Participant Financing Charges” has the meaning ascribed in Section 4.01(a) of this Agreement.

(8) “Participant Financing Charges Payments” has the meaning ascribed in Section 4.02(a) of this Agreement.

(9) “Participant Operating Charges” has the meaning ascribed in Section 4.02(b) of this Agreement.

(10) “Participant Operating Charges Payments” has the meaning ascribed in Section 4.02(b).

(11) “Participant’s Pro-Rata Portion” means the Participant’s pro rata portion of the bonds and debt service thereon, determined in accordance with the percentages set forth in Schedule I hereto.

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

ARTICLE II CONSTRUCTION AND FINANCING OF THE PROJECT

Section 2.01 Construction.

(a) The Authority will cause plans, specifications and contract documents to be prepared by such consultants the Board of Directors of the Authority approves and determines are necessary for the preparation of the plans, specifications and contract documents for the Project.

(b) The Project may be constructed in one or more phases and in one or more separately bid construction contracts. When the plans, specifications and contract documents for a phase of the Project have been finalized, the Authority shall give notice and take competitive bids on the construction of such phase of the Project. The Authority agrees that it will make copies of the plans, specifications, and contract documents available for inspection by the Participant after the same have been finalized.

(c) Subject to the issuance of Bonds to finance the Project, the Authority shall award construction contracts and proceed with the construction of the Project. The Authority agrees that it will make copies of the contracts for construction of the Project available for inspection by the Participants upon request after the same are awarded and executed.

(d) The Authority shall determine the location of the Project's facilities and shall use its best efforts to acquire the rights in the real estate as the sites therefor to the extent not already owned by the Authority. The Authority shall determine the necessary rights-of-way that must be acquired, if any, and proceed to acquire the necessary real estate, permits or easements for the Project.

(e) The Authority agrees to use reasonable efforts in constructing and completing the Project and in seeking all permits and required approvals therefor pursuant to the provisions hereof. The Authority shall not be liable to the Participants for any delay in completion of construction of any damages arising out of any delay by Authority in placing the Project into service. The Authority shall report on the progress and costs of construction of the Project at the appropriate customer meetings, which are expected to take place not less frequently than once per quarter.

(f) The Authority shall not be responsible for paying for the design, construction or acquisition of the Project, including without limitation the costs of consultants and the costs of land and rights of way acquisition, out of any of its own funds other than from proceeds of contract revenue bonds issued by the Authority for such purpose in accordance with this Agreement.

Section 2.02 Financing.

(a) The Authority shall cause its financial advisor to prepare a plan for financing the costs of the Project and provide the same to the Participants for review. The costs of the Project shall include all design, construction and acquisition costs as those terms are generally understood in standard accounting practice as applied to water transmission systems of this

nature, including but not limited to, purchases of equipment, supplies, capitalized interest, costs of land, easements and rights of way, including damages to land and property, raw water, engineering, financing, financial consultants, auditing, permitting and legal expenses incurred in connection with the preparation of this Agreement, the acquisition, design and construction of the Project and the issuance of the contract revenue bonds by the Authority. The maximum principal amount of the Bonds issued for the Project shall not exceed \$23,000,000, unless a greater amount is consented to in writing by the Participant. The Bonds may be issued in one or more series and may be issued on a tax exempt or taxable basis as determined by the Authority.

(b) Subject to the Authority's ability to provide for the construction of the Project as provided in Section 2.01 of this Agreement and the Authority's receipt of the requisite approvals from applicable governmental authorities, the Authority shall issue the Mackey Plant Expansion Bonds in one or more series at such times and in such amounts as the Authority shall deem appropriate to finance the costs of the Project, subject to the limitation on the maximum principal amount established in subsection (b), above. The Authority shall submit to the Participants for review, a copy of the official statement, if any, the bond resolution and the terms of the sale of the Mackey Plant Expansion Bonds or other Bonds to be issued to finance or refinance the cost of the Project.

(c) The Authority, with the consent of the Participants, may determine in the future that it is in the best interest of the Participants and the Authority to refinance the Mackey Plant Expansion Bonds, any Bonds previously or subsequently issued to finance or refinance the Projects, or any Bonds issued to complete or improve the Projects, and to issue additional series of Bonds for such purposes under the bond resolution of the Authority authorizing issuance of the Mackey Plant Expansion Bonds and any additional or supplemental bond resolutions adopted by the Authority in connection with the issuance of any such refunding bonds or additional bonds; provided, however, that no consent shall be required to issue refunding bonds that produce net present value savings and do not extend the maturity of the Bonds being refunded.

(d) The Bonds shall be special revenue obligations of the Authority payable from and secured solely by the Participant Financing Charges Payments to be made by the Participant under this Agreement, the payments to be made by the other Participants under agreements in substantially the same form as this Agreement, certain proceeds of the Bonds, and other amounts from time to time on deposit in the various funds or accounts created under a bond resolution authorizing the issuance of the Bonds.

(e) The Authority and the Participant covenant and agree that neither of them shall use or permit to be used any of the Project acquired under this Agreement with tax-exempt bonds in any manner or for any purpose which would cause any Bond issued on a tax-exempt basis to be deemed a "private activity bond" within the meaning of Section 141 of the Code, or as an "arbitrage bond" within the meaning of Section 148 of the Code. Further, the Participant agrees to cooperate with the Authority in the issuance of any Bonds and the preparation of any offering document or application relating to such Bonds. Participant acknowledges that a portion of the Bonds may be issued on a taxable basis.

(f) The Participant covenants and agrees to provide to the Authority with such financial information, data, projections and related information as may reasonably be required by

the Authority in connection with the sale of the Bonds, approval of the Bonds by the Texas Attorney General, and ongoing compliance with all applicable laws, rules and regulations relating to the issuance of such Bonds, including the continuing disclosure obligations described in Section 8.01 hereof.

(g) Following the sale of a series of Bonds, the Authority shall furnish the Participants a maturity schedule showing the annual payments required to pay all principal of and interest on the Bonds when and as the same shall become due and payable (including any mandatory sinking fund payments in connection with such Bonds) and the Participant's Pro-Rata Portion of such payments, determined in accordance with the percentages set forth in Schedule I hereto.

(h) Any excess proceeds from the Bonds, including interest earnings on the proceeds of the Bonds, which remain after the completion of the Project shall be utilized to redeem Bonds, transferred to the interest and sinking fund for the Bonds or used to construct other facilities on behalf of the Participants (pursuant to a contract between the Authority and the Participants).

(i) The Participant shall have the right to cause the Authority to redeem or defease the Participant's Pro-Rata Portion of the Bonds, determined in accordance with the percentages set forth in Schedule I hereto, prior to their scheduled maturities, in whole or in part, as authorized by the applicable bond resolution. The Participant shall provide the Authority with written notice of such early redemption, including the maturities and amounts to be redeemed and evidence satisfactory to the Authority of the Participant's obligation to pay the principal amount of, plus accrued interest, on such Bonds scheduled for early redemption. Participant shall be responsible for all costs and expenses associated with any such redemption or defeasance, including the fees and expenses of the Authority's bond counsel, financial advisor, verification agent, escrow agent or other consultant.

Section 2.03 Reserve Funds.

(a) Each bond resolution of the Authority authorizing a series of Bonds shall provide for the establishment and maintenance of a Debt Service Reserve Fund to be used to prevent a default in the payment of principal of, premium, if any, and interest on and paying agent/registrars fees on the Bonds if there is insufficient money for such purposes in the interest and sinking fund established for such Bonds. Each Participant shall be responsible for the payment of its pro rata portion of the Debt Service Reserve Fund Requirement as part of the Participant Finance Charges.

(b) Each bond resolution of the Authority authorizing a series of Bonds may provide for the establishment and maintenance such other reserve funds as may be required in connection with the financing or refinancing of the Project.

Section 2.04 Additional Bonds. The Authority reserves the right to issue additional parity Bonds payable from the same source as the Bonds to finance any costs of completing the Project and to finance any additions, extensions or improvements to the Project or other facilities, but the Authority will not issue any such additional Bonds without the prior written consent of the Participants.

ARTICLE III

OWNERSHIP AND OPERATION

Section 3.01 Ownership of the Project. It is expressly agreed and understood that the Authority shall be the owner of the Project, including the related appurtenances, sites, rights of way, easements and improvements thereto. The Authority shall own all of the water delivered through the Project until it passes through the delivery point to the Participant as set forth in the Customer Contract and Amended and Restated Customer Contract.

Section 3.02 Operation of the Property.

(a) From and after the completion of the Project the Authority shall operate and maintain the Project, at the sole cost and expense of the Participants, throughout the term of this Agreement.

(b) The Authority agrees to operate and maintain the Project in good operating condition, consistent with other similar facilities operated by the Authority, and further agrees that such operation and maintenance shall be done and performed in a manner that will best assure that such facilities shall remain in good operational condition consistent with their intended uses.

(c) Operation and maintenance expenses related to the Project shall include expenses of the same character as those included in, as applicable, Mainland Project Operating Charges under the Customer Contract (as defined therein) or Municipal System Operating Expenses under the Amended and Restated Customer Contract (as defined therein).

ARTICLE IV

PAYMENTS BY PARTICIPANT TO THE AUTHORITY

Section 4.01 Amount of Payments. As full and complete consideration for the services to be performed by the Authority hereunder, for so long as any of the Bonds are outstanding under a bond resolution that authorized the issuance of such Bonds, the Participant shall pay to the Authority a sum equal to the following payments:

(a) *Participant Financing Charges*. The Participant's Pro-Rata Portion of all costs and expenses paid or incurred by the Authority in connection with the financing or refinancing of the Project (collectively, the "Participant Financing Charges"), including without limitation, the following:

(1) payments of principal (whether upon maturity or earlier optional or mandatory redemption), redemption premium, if any, and interest that the Authority makes on all Bonds and amounts that the Authority is required to make into any sinking fund, debt service reserve fund, operating and maintenance reserve fund or account under the terms of the applicable bond resolution;

(2) amounts related to the Bonds and required under the applicable bond resolution to be paid or deposited into any fund or account established by such bond resolution (other than funds and accounts referred to in clause (1) above), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in clause (1) above, provided that the Participants shall receive credits against any amounts due under the preceding paragraph (1) or this paragraph (2) for investment earnings (net of any losses and expenses), if any, on amounts deposited in any funds created under such bond resolution and required to be paid by the Participants under the preceding paragraph (1) or this paragraph (2);

(3) amounts which the Authority is required to pay under any credit agreements, agreements with any trustee, bond insurer, escrow agent, tender agent, or paying agent, or remarketing costs related to the Bonds;

(4) additional amounts that must be realized by the Authority in order to meet the requirement of any rate covenant contained in the applicable bond resolution with respect to coverage of principal of, premium, if any, and interest on the Bonds;

(5) the cost of preparing any arbitrage rebate reports and any arbitrage rebate payment payable to the United States of America in accordance with Section 148 of the Code, to the extent proceeds from the Bonds issued for the Project are insufficient to make such arbitrage rebate payments, together with all fiscal agent and legal fees and expenses associated with such payments, provided the Authority timely files arbitrage reports with the Internal Revenue Service and has made good faith efforts to minimize arbitrage rebate payments; and

(6) all costs relating to continuing disclosure obligations in connection with the Bonds.

(b) *Participant Operating Charges.* The “Participant Operating Charges,” shall be in an amount equal to the operations and maintenance expenses described in Section 3.02(c) of this Agreement. The Participant Operating Charges shall be allocated in the same manner as Mainland Project Operating Charges for the Water Plant under the Customer Contract (as defined therein). At such time as the Amended and Restated Customer Contract is effective, the Participant Operating Charges shall be allocated in the same manner as Municipal System Operating Charges (as defined therein).

Section 4.02 Timing of Payments.

(a) *Participant Financing Charges Payments.* Payments of Participant Financing Charges (the “Participant Financing Charges Payments”) shall be payable in periodic payments as follows:

(1) For the purpose of paying current debt service on the Bonds and maintaining required reserve funds the Participant’s pro rata share, determined in accordance with the percentages set forth in Schedule I hereto, of the following monthly payments shall be made by the Participant not later than the 25th day of the month:

- (i) One-sixth (1/6th) of the interest payments on all of the Bonds then outstanding that are due and payable on the next interest payment date; plus
- (ii) One-twelfth (1/12th) of all principal payments (whether at maturity or by reason of any mandatory or extraordinary redemption provisions) on all Bonds that are due and payable on the next principal payment or redemption date and the costs of any credit agreements entered into in connection with the Bonds; plus
- (iii) One-sixth (1/12th) of all paying agent/registrars, trustee fees, and other expenses paid in connection with the Bonds; plus
- (iv) the monthly amount required to be deposited into the Debt Service Reserve Fund, or operating and maintenance reserve fund, if any, in order to ensure the maintenance of the proper balance in such reserve fund in the manner set forth in the bond resolution authorizing the issuance of Bonds.

(2) For Participant Financing Charges not described in subsection (a)(1), above, Participant Financing Charges Payments shall be promptly made by the Participant to the Authority upon receipt of a written request therefor.

(b) *Participant Operating Charge Payments.* Payments of Participant Operating Charges (the “Participant Operating Charges Payments”) shall be made monthly by the Participant to the Authority in the same manner as payments of, as applicable, Mainland Project Operating Charges under the Customer Contract (as defined therein) or Municipal System Operating Charges under the Amended and Restated Customer Contract (as defined therein).

Section 4.03 Source of Payments.

(a) The Participant and the Authority recognize that the Bonds will be payable from, and secured by, a pledge of the Participant Financing Charges Payments to be received by the Authority under this Agreement and the amounts payable by the other Participants under agreements in substantially the same form as this Agreement, and that in order to make the Bonds marketable at the lowest available interest rate, it is to the mutual advantage of the Participants and the Authority that the Participants’ obligation to make the payments required hereunder be unconditional. All sums payable hereunder to the Authority shall, so long as any part of the Bonds are outstanding and unpaid, be paid by the Participants without set-off, counter-claim, abatement, suspension or diminution except as otherwise expressly provided herein. So long as any part of the Bonds are outstanding and unpaid, this Agreement shall not terminate, nor shall the Participants have any right to terminate this Agreement nor be entitled to the abatement of any payment or any reduction thereof nor shall the obligations hereunder of the Participants be otherwise affected for any reason, it being the intention of the parties that so long as any part of the Bonds are outstanding and unpaid, all sums required to be paid by the Participants to the Authority shall continue to be payable in all events and the obligations of the Participants hereunder shall continue unaffected, unless the requirement to pay the same shall be

reduced or terminated pursuant to an express provision of this Agreement. The amounts owed by the Participants under this Agreement shall be payable by the Participants, notwithstanding the suspension, interruption, temporary or permanent termination or unavailability of water from the Project, in whole or in part, for any reason whatsoever, and shall not be subject to any reduction, whether by offset or otherwise.

(b) If any Participant defaults in the payment of its allocated share of the Participant Financing Charges Payments described in Section 4.02(a)(iv) above for a particular series of Bonds, such amount shall be reallocated pro rata by the Authority based on the Contract Quantities set forth in Schedule I hereof of all non-defaulting Participants so that the full amount of the Participant Financing Charges described in Section 4.01(a)(iv) above shall always be paid notwithstanding the failure of any Participant to pay any portion thereof. The obligation to fund deficiencies in the Participant Financing Charges described above shall apply to all Bonds. The Participant shall be given a credit for any amounts paid pursuant to this provision if the defaulting Participant (or a successor in interest to such defaulting Participant) subsequently makes a payment for which it was in default. The Authority shall exercise good faith efforts to pursue all available legal remedies against the defaulting Participant to obtain payment from the defaulting Participant of its share of the Debt Service Requirements as reasonably practicable after such Participant defaults.

(c) All payments required to be made by the Participants to the Authority under this Agreement shall be payable from the revenues and income received by the Participants from the ownership and operation of its water and sewer system. The Authority shall never have the right to demand payment by the Participants of any obligations assumed by or imposed upon it under or by virtue of this Agreement from any funds raised or to be raised by taxation, and the Participants' obligations under this Agreement shall never be construed to be a debt of the Participants of such kind as to require it under the Constitution and laws of the State of Texas to levy and collect a tax to discharge such obligation. Nothing in this Section, however, shall be construed as preventing a Participant, in its sole discretion, from making any such payment from sources other than revenues and income of a Participant's water and sewer system. Pursuant to the provisions of Section 791.026 of the Interlocal Corporation Act, the payments made hereunder shall be an operating expense of the Participants' water system and sewer system.

(d) During the term of this Agreement, so long as the Authority has potable water available from the Thomas Mackey Water Treatment Plant under the Customer Contract to supply the Participant in amounts sufficient to meet Participant's needs, the Participant shall not obtain potable water from a source other than the Authority except (i) from facilities owned by the Participant, contracted for, or included in Participant's capital improvement plan, on the date hereof, (ii) from groundwater sources now or hereafter available to the Participant, (iii) from the direct reuse by Participant of water received under this Agreement or from groundwater sources now or hereafter available to the Participant, upon written notice to the Authority, (iv) as may otherwise be permitted by this Agreement, or (v) with the consent of the Authority, which consent shall not be unreasonably withheld.

(e) The Participant covenants and agrees to fix and maintain such rates and collect such charges for the facilities and services provided by its water and sewer system as will be adequate to permit the Participant to make prompt payment of all expenses of operating and

maintaining the Participant's water system, including payments under this Agreement, and to make prompt payment of the interest on and principal of the bonds or other obligations of the Participant payable, in whole or in part, from the revenues of its water and sewer system. The Participant pledges such revenues to payment of the amounts due hereunder to the Authority.

(f) The Participant covenants and agrees that any Participant Financing Charges Payment to the Authority required by this Article IV shall be absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever.

ARTICLE V

CERTAIN TERMINATION RIGHTS

Section 5.01 Term. This Agreement shall remain in force and effect to and including December 31, 2052, and thereafter until payments in full of the principal, premium, if any, and interest on all Bonds (whether paid at maturity, by defeasance or by redemption) and all related fees (including but not limited to paying agent fees and arbitrage rebate) to be paid under any bond resolution or indenture securing Bonds. Nothing in this Agreement operates to extend or otherwise modify the term of the Customer Contract or the Amended and Restated Customer Contract. The Bonds issued under this Agreement are not Mainland Project Bonds or South Project Bonds as such terms are defined under the Customer Contract.

Section 5.02 Termination.

(a) The Authority's obligation to construct and acquire the Project is contingent upon receipt by the Authority of all necessary approvals, permits, or licenses from all local, state or federal agencies, departments or instrumentalities having jurisdiction, including without limitation the Texas Commission on Environmental Quality, the General Land Office, the State Historical Commission and the Attorney General of Texas. If the Authority is unable to obtain any such approval, permit, or license, the Authority agrees to use best efforts to design alternatives which are capable of obtaining such approvals, permits or licenses. If such efforts are unsuccessful, the Participant and the Authority may mutually agree to terminate this Agreement.

(b) If this Agreement is terminated under the provisions of this Article V, the Authority shall cause all engineering data which has been prepared to the date of termination by the Authority's engineers with regard to the Project to be delivered to the Participants, together with a statement of actual expenses (including, but not limited to legal services) and other costs paid or incurred by the Authority with regard to the financing, engineering or design of the Project to the date of termination. Each Participant shall, promptly after such delivery, pay to the Authority a sum equal to its pro rata portion of such fees, expenses and costs, determined using the percentages set forth in Schedule I hereto. If the Bonds have been issued and the Project is not constructed, the Participant shall nevertheless continue to make all payments due hereunder until it instructs the Authority to redeem or defease its portion of the Bonds in accordance with Section 2.02(i) hereof and the applicable bond resolution, and no Bonds are outstanding under the bond resolution.

(c) Upon full repayment of the Bonds and any related amounts due as arbitrage rebates to the United States of America or to the paying agent for its Bonds or to the Authority in connection with the Bonds, any funds remaining in any sinking fund, debt service reserve fund or other account established under the terms of this Agreement or the Bond Resolution shall be promptly paid to the Participants on a pro rata basis by the Authority.

(d) Should the Authority fail to issue the Bonds within nine (9) months of the date of this Agreement, this Agreement shall terminate except for the payment of costs of the Project (including but not limited to legal fees, engineering and consulting costs) incurred by the Authority prior to the date of termination. The Participants recognizes that in order to commence and complete the Project as soon as possible, the Authority will incur contractual obligations to pay for certain costs of the Project. Promptly after the date of termination, the Authority will determine reasonable and necessary costs paid or incurred prior to such date and prepare an amortization schedule to pay and discharge all such costs within eighteen (18) months after the date of termination, and the Participant shall pay its monthly share of such costs in the same manner and from the same source as provided for the remaining payments under this Agreement.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.01 Default. The following shall be considered a default under this Agreement:

(a) the failure of the Participant to make any monetary payment when due under this Agreement; or

(b) the failure of either party to perform and observe in a timely manner any nonmonetary obligations or covenants contained in this Agreement and such failure is not cured within thirty (30) calendar days after notice, specifying such default, is given to the nonperforming party by the other party; provided, however, that if the nonperformance cannot reasonably be cured within thirty (30) calendar days, then no default shall occur if, and as long as, the party has initiated all remedial action reasonably possible within the thirty (30) calendar-day period and thereafter continues diligently to remedy the failure.

Section 6.02 Remedies.

(a) It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (including termination subject to the provisions of Section 5.02) existing at law or in equity may be availed of by either party and shall be cumulative.

(b) If a monetary default shall occur and be continuing, the Authority shall have the right to cease delivery of water through the Project by giving to the Participant thirty (30) calendar days' advance written notice of the effective date of such cessation. Such cessation, however, shall not be effective if prior to the effective date of cessation the Participant shall have fully paid such bill and the interest accrued thereon. In addition, the Authority shall have the right to terminate all of the Participant's other rights, including the Participant's right to receive

delivery of water, but not the Participant's monetary and non-monetary obligations, under this Agreement. No termination of rights pursuant to this Section 6.02(b) shall have the effect of relieving the Participant of any liability which it would otherwise have had if no such termination had occurred.

(c) The Authority and the Participant may commence suits, actions or proceedings at law or in equity, including suits for specific performance as may be necessary or appropriate to enforce the obligations of the defaulting party.

(d) No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstance.

Section 6.03 Force Majeure. If Force Majeure (as defined below) prevents either party hereto from performing any of its obligations under this Agreement (except the unconditional obligation of the Participant to make the payments required in Article IV, in whole or in part, then the obligations of such party, to the extent affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, so long as such party is exercising due diligence to resume performance at the earliest practicable time. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the party whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other party. The term "Force Majeure," as used herein, shall include, without limitation of the generality thereof, acts of God, fire, storm, flood, hurricanes, drought, insufficiency of water in the Brazos River and in Jones and Upper Oyster Creeks, Chocolate Bayou, Mustang Bayou or Halls Bayou, or other water source, landslide, subsidences of land, lightning, earthquake, washout, explosion, epidemic, war, acts of enemies or belligerents, sabotage, interference by, orders of, or compliance with requests or recommendations of civil or military courts or other authorities, including any agency or person appointed by any such authority or by any official thereof (whether de jure or de facto and whether acting legally or not), inability to obtain materials, strikes or other differences with labor (whether or not within the power of the party to settle the same), breakage or accident to machinery, canals, reservoirs or lines of pipe, or any other cause (whether or not of the same class or kind as those set forth above) not otherwise due to the fraud, criminal misconduct, willful misconduct or gross negligence of such party. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

ARTICLE VII

OWNERSHIP OF PLANS, REPORTS, SPECIFICATIONS, ETC.

Section 7.01 Plans and Specifications. The Participant and the Authority agree that all designs, drawings, plans, specifications, reports, studies, or any other materials prepared for the Project shall be the property of the Authority, but that the Authority shall furnish to the

Participants originals or reproductions of “as built” drawings of the Project upon completion of the construction.

ARTICLE VIII

CONTINUING DISCLOSURE AGREEMENT

Section 8.01 Continuing Disclosure. The Participant hereby agrees to furnish the Authority with such certificates, data, projections and related information as may be reasonably required by the Authority in connection with the sale of Bonds in order to comply with all applicable laws, rules and regulations, including 17 CFR 240.15c2-12 (municipal securities disclosure). To the extent the Participant’s allocation percentage set forth in Schedule I hereto is greater than 20% or the Participant is otherwise required in connection with the sale of a series of Bonds, the Participant hereby agrees to enter into additional continuing disclosure agreements with the Authority as may be necessary in order to comply with SEC Rule 15c2-12 or other applicable securities laws in substantially the form attached hereto as **Exhibit B**. The City Manager of the Participant is hereby authorized to execute a continuing disclosure agreement on behalf of the Participant in substantially the form attached hereto as **Exhibit B**, with such changes as are authorized by such official as evidenced by his or her execution of such agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Insurance. The Authority will maintain, or cause to be maintained by its agents or contractors, to the extent required by applicable law, the applicable bond resolution and available and practicable on the basis of the advice of its insurance carrier, insurance coverage on the Project. All policies evidencing the insurance permitted by this Section shall be maintained in generally recognized, responsible insurance companies or associations insuring municipal corporations qualified under the laws of the State of Texas to assume the respective risks undertaken and may be written with reasonable deductible amounts. The Authority may set forth a standard of care for emergency actions as the Authority deems necessary in order to minimize the tort liability of the Authority.

Section 9.02 No Additional Reserved Capacity or Contract Quantity. The Participant acknowledges and agrees that the Participant’s Reserved Capacity (as defined in the Customer Contract) and Contract Quantity in the Authority’s Mainland System (as defined in the Customer Contract) and in the Authority’s Municipal System (as defined in the Amended and Restated Customer Contract) is established in the Customer Contract and the Amended and Restated Customer Contract. Nothing in this Agreement modifies the Participant’s Contract Quantity (as defined in the Customer Contract and the Amended and Restated Customer Contract) or Reserved Capacity (as defined in the Customer Contract).

Section 9.03 Condemnation. In case any significant damage to or destruction of any part of the Project occurs or any significant part thereof is taken by eminent domain, the

Authority and the Participants shall comply with the provisions of the applicable bond resolution with respect to authorizing refunding bonds or additional bonds.

Section 9.04 Consent. Whenever this Agreement requires or permits approval or consent to be hereafter given by the Participants, the Participant agrees that such approval or consent shall not be unreasonably withheld or delayed. Such approval or consent by the Participant may be evidenced by an order or resolution or other action properly adopted by the governing body of the Participant and noted in the minutes of its meeting or by an appropriate certificate executed by a person, firm or entity authorized to determine and give approval or consent on behalf of the Participant pursuant to an order or resolution or other action adopted by the governing body of the Participant.

Section 9.05 Notice. Unless otherwise provided in this Agreement, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by either party to the other must be in writing and may be given or be served by depositing the same in the United States mail postpaid or registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram, or facsimile transmission when appropriate, addressed to the party to be notified. Notice shall be conclusively deemed to be effective when received by the party to be notified. For the purpose of Notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the Participant:	City of La Marque, Texas 1111 Bayou Road La Marque, Texas 77568 Attention: City Manager
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If to the Authority:	Gulf Coast Water Authority 4243 Emmett F. Lowery Parkway Texas City, Texas 77591 Attention: General Manager
-------------------------	--

The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least five (5) days' written notice to the other party.

Section 9.06 Amendments. This Agreement shall be subject to change or modification only with the mutual consent of the Authority and the Participant, but the Participant recognizes that the bond resolution securing the Authority's Bonds may contain covenants by the Authority not to consent to certain changes or modifications of this Agreement and, pursuant to Section 9.07 hereof, this Agreement shall be in substantially similar form for all Participants.

Section 9.07 Special Conditions. This document is in the form of a standard contract proposed for the Participants.

Section 9.08 Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party.

Section 9.09 Third Party Beneficiary. This Agreement shall be for the sole and exclusive benefit of the Authority, the Participant and the owners and holders of the Bonds. The Authority is hereby granted the specific right to pledge payments received hereunder in connection with the issuance of the Bonds.

Section 9.10 Captions and Headings. The captions appearing at the first of each numbered article and section in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement, or any provision hereof, or in connection with the duties, obligations, or liabilities of the respective parties hereto or in ascertaining intent, if any question of intent should arise.

Section 9.11 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 9.12 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto relating to the funding of the Project. There are no warranties, representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter hereof that are not fully expressed or provided for herein, and the parties shall not be bound by or liable for any alleged warranty, representation, agreement, arrangement, or understanding. Neither of the parties hereto have relied on any statements or representations that have been made by any other party that are not set forth in this Agreement, and neither party is entitled to rely on any representation, agreement or obligation that is not expressly stated in this Agreement. This Agreement does not amend in any way or extend the term of any other agreement between the parties hereto, including the Customer Contract.

Section 9.13 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

[Signature Page Follows]

EXECUTED in multiple counterparts, each of which shall be deemed an original, as of the day and year first above written.

CITY OF LA MARQUE, TEXAS

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

(SEAL)

GULF COAST WATER AUTHORITY

By: _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

Schedule I

Participants and Allocation of Debt Service

Participants	Contract Quantity Associated with the 7.9 MGD Mackey Plant Expansion (in gallons per day)	Contract Quantity Associated with Capital Contribution For 7.9 MGD Mackey Plant Expansion (in gallons per day)	Contract Quantity Associated with Amounts being Financed with the Mackey Plant Expansion Bonds (in gallons per day)	Allocation of Debt Service Charges associated with the Mackey Plant Expansion Bonds ⁽¹⁾
City of League City	3,000,000	-	3,000,000	43.39%
City of La Marque	1,247,000	-	1,247,000	18.04
Galveston County WCID No. 12	2,044,000	535,714	1,508,286	21.81
Galveston County WCID No. 8	659,000	-	659,000	9.53
Galveston County FWSD No. 6	450,000	450,000	-	-
City of Hitchcock	500,000	-	500,000	7.23
Total	7,900,000	985,714	6,914,286	100.00%

⁽¹⁾ The allocation is expressed as a percentage derived by dividing the incremental increase in Contract Quantity associated with the 7.9 MGD Mackey Plant Expansion that is being bond financed by a Participant participating in the Mackey Plant Expansion Bonds by total of all incremental increases in Contract Quantity associated with the Mackey Plant Expansion being financed by all Participants participating in the Mackey Plant Expansion Bonds.

Exhibit A

Description of the Project

The Project includes the following:

The construction, acquisition and equipment of facilities and improvements required to expand the capacity of the Mackey Plant by 7,900,000 gallons per day from 49,700,000 gallons per day to 57,600,000 gallons per day, which includes Canal System capital charges associated with the additional raw water to serve the expansion, replacing the Distribution Pump Station and the related power and electrical equipment; adding a new High Service Pump Station to supplement the Distribution Pump Station; replacing certain other components including the Main Plant Master Switchgear, two Plantwide Transformers, and Plantwide Trench Network; and rehabilitating the Distribution Pump Station Suction Header.

Exhibit B

Form of Continuing Disclosure Agreement

[See attached.]

GULF COAST WATER AUTHORITY
WATER SYSTEM CONTRACT REVENUE BONDS
(THOMAS S. MACKEY WATER TREATMENT PLANT EXPANSION)

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated _____, 2023 (as amended, modified or supplemented from time to time, this “**Continuing Disclosure Agreement**”) is entered into by and between the [PARTICIPANT], a [_____] of the State of Texas (the “**Participant**”) and the Gulf Coast Water Authority, a conservation and reclamation district of the State of Texas (the “**Authority**”) for the benefit of the holders or beneficial owners from time to time of the bonds secured by payments from the Participants under the Mackey Plant Expansion Financing Agreement (as defined herein).

BACKGROUND

The Authority is in process of issuing its Contract Revenue Bonds (Thomas S. Mackey Water Treatment Plant Expansion), Series 2023 (the “**Mackey Plant Expansion Bonds**”), the proceeds of which will be used to fund a portion of the cost of the facilities and improvements required to expand the capacity of the Thomas S. Mackey Water Treatment Plant (the “**Mackey Plant**”) by 7.9 million gallons per day (“**MGD**”) from 49.7 MGD to 57.6 MGD, as further described in the Mackey Plant Expansion Financing Agreement.

The Mackey Plant Expansion Bonds shall be issued pursuant to the terms and conditions of the Water Facilities Financing Agreement (Thomas S. Mackey Water Treatment Plant Expansion) between the Authority and the Participants, as defined therein, as amended or supplemented from time to time (the “**Mackey Plant Expansion Financing Agreement**”).

The Authority is authorized to issue additional bonds (“**Additional Bonds**”) and refunding bonds (“**Refunding Bonds**”) by the resolution authorizing the issuance of the Mackey Plant Expansion Bonds (the “**Mackey Plant Expansion Bond Resolution**”) and the Mackey Plant Expansion Financing Agreement.

In connection with the sale of the Mackey Plant Expansion Bonds and any Additional Bonds or Refunding Bonds (collectively, the “**Bonds**”), the Participant is an obligated person with respect to the Bonds and must undertake to disclose certain information for as long as the Bonds are outstanding, in compliance with 17 C.F.R. 240.15c2-12 (the “**Rule**”) promulgated by the Securities and Exchange Commission.

The Authority and the Participant must comply with the antifraud provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and 17 C.F.R. 240.10b-5 (collectively, the “**Acts**”) in connection with the sale of the Bonds and accordingly may not make

any material misstatement or materially misleading statement or omit to state certain material facts in connection therewith.

The Participant is providing all information pertinent to itself which will be included in the preliminary official statement and final official statement for the Bonds that is required to present fairly all material investment risks.

In order to assist the Authority and the underwriters of the Bonds in complying with the Rule and the Acts, the Participant agrees to provide such information to the Authority pursuant to the terms set forth below.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements in this Continuing Disclosure Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participant and the Authority agree as follows:

Section 1. Definitions Section 2. . Any capitalized term used in this Continuing Disclosure Agreement shall have the meaning ascribed thereto in the in the Recitals above, and if not defined in the recitals above they shall have the meanings specified below:

“**EMMA System**” means the Electronic Municipal Market Access System at www.emma.msrb.org or any successor system that the MSRB may prescribe.

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

“**MSRB**” means the Municipal Securities Rulemaking Board.

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

Section 2. Provision of Annual Financial Information and Operating Data.

(a) The Participant shall provide annually to the MSRB (with a copy to the Authority), (i) within six (6) months after the end of each fiscal year of the Participant ending in or after 2023, financial information and operating data with respect to the Participant of the general type included in the Official Statement, being the information described in the resolution approving a series of Bonds and the related pricing certificate, and including financial statements of the Participant if audited financial statements of the Participant are then available, and (ii) if not provided as part of such financial information and operating data, audited financial statements of the Participant, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded fiscal year, or such other accounting principles as the Participant may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the Participant commissions an audit of such statements and the

audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Participant shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

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

(c) 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 to the public on the MSRB's internet website or has been filed with the SEC. The financial information or operating data shall be provided in an electronic format as prescribed by the MSRB and shall be linked to the CUSIP numbers for the Bonds.

Section 3. Reporting of Listed EventsSection 4. .

(a) The Participant agrees to provide or cause to be provided, in a timely manner (but not in excess of ten (10) business days after the occurrence of the event) to the MSRB (with a copy to the Authority) notice of the occurrence of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves;
- (iv) Unscheduled draws on credit enhancements;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (vii) Modifications to rights of bondholders;
- (viii) Bond calls and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds;
- (xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Participant. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Participant in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Participant, 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 Participant;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Participant or the sale of all or substantially all of the assets of the Participant, 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;

(xiv) Appointment of a successor or additional trustee or the change of the name of a Trustee;

(xv) Incurrence of a Financial Obligation of the Participant, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Participant; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Participant.

(b) The Participant shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Participant to provide required annual financial information in accordance with Section 2 of this Agreement.

(c) Each filing made under this section shall be disseminated by transmission to MSRB through the EMMA System. Such filings will be in the format and will be accompanied by the identifying information prescribed by the MSRB.

(d) Each Listed Event notice shall be so captioned and shall prominently state the date, and title of the Bonds and shall be linked to all of the CUSIP numbers of the Bonds.

(e) The Participant may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Participant does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Official Statements. The Participant agrees to provide the Authority with such financial and operating data for use in the preliminary official statements and official statements relating to the Bonds as may be required to allow the Authority and the underwriters of the Bonds to comply with the Acts and the Rule. The Authority is authorized to use the information provided by the Participant in preliminary official statements and final official statements relating to the Bonds.

Section 5. Accuracy and Completeness. The Participant warrants that all information provided by it to the Authority or the MSRB pursuant to this Continuing Disclosure Agreement will be accurate in all material respects to the best of its knowledge and belief. The Participant will provide the Authority with such information as the Authority may reasonably request to confirm the accuracy and completeness of any information provided by the Participant pursuant to this Agreement. Information shall be audited if prepared in such form, or may be unaudited if audited information is not available.

Section 6. Termination of Reporting ObligationSection 7. . This Agreement shall automatically terminate without further notice or condition upon the occurrence of any of the following events:

- (a) The legal defeasance, prior redemption or payment in full of all of the Bonds; or
- (b) Any of the following apply: (i) the Participant's allocation percentage as set forth in Schedule I of the Mackey Plant Expansion Financing Agreement drops below 20% or (ii) the Participant otherwise no longer meets the criteria of an obligated person as defined in the Rule, unless the requirements of disclosure have changed through amendment or interpretation of the Acts of the Rule.

Section 7. Severability. The provisions of this Continuing Disclosure Agreement are severable, and if any provision or part of this Continuing Disclosure Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Continuing Disclosure Agreement and the application of such provision or part of this Continuing Disclosure Agreement to other persons or circumstances shall not be affected thereby.

Section 8. Assignment. This Continuing Disclosure Agreement shall not be assignable by the Participant without the prior written consent of the Board of Directors of the Authority, which consent shall not be unreasonably withheld.

Section 9. Limitations, Disclaimers, and Amendments.

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

(b) UNDER NO CIRCUMSTANCES SHALL THE PARTICIPANT BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON,

IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE PARTICIPANT, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS CONTINUING DISCLOSURE AGREEMENT, 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.

(c) No default by the Participant in observing or performing its obligations under this Continuing Disclosure Agreement shall comprise a breach of or default under the resolution authorizing the issuance of the Bonds for purposes of any other provisions of the resolution authorizing the issuance of the Bonds.

(d) Nothing in this Continuing Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Participant or the Authority under federal and state securities laws.

(e) The provisions of this Continuing Disclosure Agreement may be amended by the Participant and the Authority 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 Participant or the Authority, but only if (1) the provisions of this Continuing Disclosure Agreement, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (A) the owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the Participant (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the owners and beneficial owners of the Bonds. The Participant and the Authority may also repeal or amend the provisions of this Continuing Disclosure Agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Participant and the Authority also may amend the provisions of this Continuing Disclosure Agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Participant and the Authority so amend the provisions of this Continuing Disclosure Agreement, the Participant shall include with any amended financial information or operating data next provided in accordance with this Article an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 10. NoticesSection 11. . All notices or other communications shall be sufficiently given and shall be deemed given on the second day following the date on which the same have been personally delivered or mailed by certified mail, return receipt requested, postage prepaid, to the following addresses or, if sent by electronic communication, with receipt confirmed. The Participant and the Authority may, by written notice to the other persons listed below, designate

a different address or email address to which subsequent notices or communications should be sent.

All notices to the Authority shall be delivered to the following address and contact person:

Gulf Coast Water Authority
3630 Highway 1765
Texas City, Texas 77591
Attention: General Manager
Email: bwade@gcwater.org

With a copy to:

Gulf Coast Water Authority
3630 Highway 1765
Texas City, Texas 77591
Attention: Finance Director
Email: ddavis@gcwater.org

All notices to the Participant shall be delivered to the following address and contact person:

[Participant]
[_____]
Attention:
Email:

Section 11. RemediesSection 12. . In the event the Participant fails or refuses to provide the information required by Sections 2 or 3 hereof, the Authority shall have all remedies provided by law or in equity to enforce the terms and conditions of this Agreement.

Section 12. No Personal Liability. No covenant, stipulation, obligation or agreement of the Participant or the Authority contained in this Continuing Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council member, board member, officer, agent or employee of the Participant or the Authority other than in that person's official capacity.

Section 13. SeverabilitySection 14. . If any provision in this Continuing Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14. Counterparts; Electronic SignaturesSection 15. . This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. To the fullest extent permitted by applicable law, electronically transmitted or facsimile signatures shall constitute original signatures for all purposes under this Continuing Disclosure Agreement.

Section 15. Governing Law

. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Continuing Disclosure Agreement has been executed by the Participant's duly authorized representative as of the date set forth above.

GULF COAST WATER AUTHORITY

By: _____
Name: Brandon Wade
Title: Authorized Officer

PARTICIPANT

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

BOND REPAYMENT SCHEDULE - Preliminary This Will Change Upon Bond Sell

CUSTOMER	City of La Marque
-----------------	--------------------------

[illegible]

Due Date	Bond Series 2023 South Line Porjects		Bond Series 2023A Expansion / Water Sale		Bond Series 2023B Expansion / Water Sale		Total for All Bonds			Number of Billing Months	Average Monthly Amount	Bond Payment Total	Fiscal Year Totals	Fiscal Year
	Principle	Interest	Principle	Interest	Principle	Interest	Principle	Interest	Total					
8/15/2033	13,122.00	11,711.39	73,062.00	65,278.87	18,942.00	23,481.32	105,126.00	100,471.58	205,597.58	12	17,133.13	205,597.58	304,047.27	2032
2/15/2034	-	11,366.93	-	63,360.99	-	22,865.70	-	97,593.62	97,593.62	12	8,132.80	97,593.62		2033
8/15/2034	13,851.00	11,366.93	76,670.00	63,360.99	19,844.00	22,865.70	110,365.00	97,593.62	207,958.62	12	17,329.89	207,958.62	304,587.03	2033
2/15/2035	-	11,003.34	-	61,348.40	-	22,220.77	-	94,572.51	94,572.51	12	7,881.04	94,572.51		2034
8/15/2035	14,580.00	11,003.34	81,180.00	61,348.40	20,746.00	22,220.77	116,506.00	94,572.51	211,078.51	12	17,589.88	211,078.51	304,049.93	2034
2/15/2036	-	10,620.62	-	59,217.43	-	21,546.53	-	91,384.58	91,384.58	12	7,615.38	91,384.58		2035
8/15/2036	15,309.00	10,620.62	85,690.00	59,217.43	22,550.00	21,546.53	123,549.00	91,384.58	214,933.58	12	17,911.13	214,933.58	304,112.71	2035
2/15/2037	-	10,218.76	-	56,968.07	-	20,813.65	-	88,000.48	88,000.48	12	7,333.37	88,000.48		2036
8/15/2037	16,038.00	10,218.76	90,200.00	56,968.07	24,354.00	20,813.65	130,592.00	88,000.48	218,592.48	12	18,216.04	218,592.48	304,649.00	2036
2/15/2038	-	9,797.76	-	54,600.32	-	20,022.15	-	84,420.23	84,420.23	12	7,035.02	84,420.23		2037
8/15/2038	16,767.00	9,797.76	94,710.00	54,600.32	25,256.00	20,022.15	136,733.00	84,420.23	221,153.23	12	18,429.44	221,153.23	304,717.81	2037
2/15/2039	-	9,357.63	-	52,114.18	-	19,201.33	-	80,673.14	80,673.14	12	6,722.76	80,673.14		2038
8/15/2039	17,496.00	9,357.63	99,220.00	52,114.18	27,060.00	19,201.33	143,776.00	80,673.14	224,449.14	12	18,704.10	224,449.14	303,662.32	2038
2/15/2040	-	8,898.36	-	49,509.65	-	18,321.88	-	76,729.89	76,729.89	12	6,394.16	76,729.89		2039
8/15/2040	18,954.00	8,898.36	104,632.00	49,509.65	28,864.00	18,321.88	152,450.00	76,729.89	229,179.89	12	19,098.32	229,179.89	303,216.36	2039
2/15/2041	-	8,400.81	-	46,763.06	-	17,383.80	-	72,547.67	72,547.67	12	6,045.64	72,547.67		2040
8/15/2041	19,683.00	8,400.81	110,044.00	46,763.06	30,668.00	17,383.80	160,395.00	72,547.67	232,942.67	12	19,411.89	232,942.67	303,783.67	2040
2/15/2042	-	7,884.14	-	43,874.41	-	16,387.09	-	68,145.64	68,145.64	12	5,678.80	68,145.64		2041
8/15/2042	21,141.00	7,884.14	116,358.00	43,874.41	32,472.00	16,387.09	169,971.00	68,145.64	238,116.64	12	19,843.05	238,116.64	303,353.72	2041
2/15/2043	-	7,329.18	-	40,820.01	-	15,331.75	-	63,480.94	63,480.94	12	5,290.08	63,480.94		2042
8/15/2043	21,870.00	7,329.18	121,770.00	40,820.01	35,178.00	15,331.75	178,818.00	63,480.94	242,298.94	12	20,191.58	242,298.94	303,889.65	2042

Due Date	Bond Series 2023 South Line Porjects		Bond Series 2023A Expansion / Water Sale		Bond Series 2023B Expansion / Water Sale		Total for All Bonds			Number of Billing Months	Average Monthly Amount	Bond Payment Total	Fiscal Year Totals	Fiscal Year
	Principle	Interest	Principle	Interest	Principle	Interest	Principle	Interest	Total					
2/15/2044	-	6,755.10	-	37,623.55	-	14,188.46	-	58,567.11	58,567.11	12	4,880.59	58,567.11		2044
8/15/2044	23,328.00	6,755.10	128,986.00	37,623.55	36,982.00	14,188.46	189,296.00	58,567.11	247,863.11	12	20,655.26	247,863.11	303,377.19	2043
														2044
2/15/2045	-	6,142.74	-	34,237.67	-	12,986.55	-	53,366.96	53,366.96	12	4,447.25	53,366.96		2045
8/15/2045	24,057.00	6,142.74	135,300.00	34,237.67	39,688.00	12,986.55	199,045.00	53,366.96	252,411.96	12	21,034.33	252,411.96	303,775.85	2044
														2045
2/15/2046	-	5,511.24	-	30,686.04	-	11,696.69	-	47,893.97	47,893.97	12	3,991.16	47,893.97		2046
8/15/2046	25,515.00	5,511.24	142,516.00	30,686.04	42,394.00	11,696.69	210,425.00	47,893.97	258,318.97	12	21,526.58	258,318.97	303,078.64	2045
														2046
2/15/2047	-	4,841.47	-	26,945.00	-	10,318.88	-	42,105.35	42,105.35	12	3,508.78	42,105.35		2047
8/15/2047	26,973.00	4,841.47	149,732.00	26,945.00	45,100.00	10,318.88	221,805.00	42,105.35	263,910.35	12	21,992.53	263,910.35	303,302.15	2046
														2047
2/15/2048	-	4,133.43	-	23,014.53	-	8,853.13	-	36,001.09	36,001.09	12	3,000.09	36,001.09		2048
8/15/2048	28,431.00	4,133.43	157,850.00	23,014.53	47,806.00	8,853.13	234,087.00	36,001.09	270,088.09	12	22,507.34	270,088.09	302,969.72	2047
														2048
2/15/2049	-	3,387.12	-	18,870.97	-	7,299.44	-	29,557.53	29,557.53	12	2,463.13	29,557.53		2049
8/15/2049	29,889.00	3,387.12	165,968.00	18,870.97	51,414.00	7,299.44	247,271.00	29,557.53	276,828.53	12	23,069.04	276,828.53	302,892.16	2048
														2049
2/15/2050	-	2,602.53	-	14,514.31	-	5,628.48	-	22,745.32	22,745.32	12	1,895.44	22,745.32		2050
8/15/2050	31,347.00	2,602.53	174,988.00	14,514.31	54,120.00	5,628.48	260,455.00	22,745.32	283,200.32	12	23,600.03	283,200.32	302,943.20	2049
														2050
2/15/2051	-	1,779.67	-	9,920.87	-	3,869.58	-	15,570.12	15,570.12	12	1,297.51	15,570.12		2051
8/15/2051	32,805.00	1,779.67	184,008.00	9,920.87	57,728.00	3,869.58	274,541.00	15,570.12	290,111.12	12	24,175.93	290,111.12	302,335.99	2050
														2051
2/15/2052	-	918.54	-	5,090.66	-	1,993.42	-	8,002.62	8,002.62	12	666.89	8,002.62		2052
8/15/2052	34,992.00	918.54	193,930.00	5,090.66	61,336.00	1,993.42	290,258.00	8,002.62	298,260.62	12	24,855.05	298,260.62	301,946.02	2051
													276,740.00	2052
	541,647.00	536,063.81	3,021,700.00	2,981,144.65	850,586.00	1,079,940.64	4,413,933.00	4,597,149.10	9,011,082.10			9,011,082.10	9,011,082.10	

RESOLUTION NO. R-2022-0037

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN THE AMENDED AND RESTATED MUNICIPAL SYSTEM CUSTOMER CONTRACT BETWEEN THE GULF COAST WATER AUTHORITY AND THE CITY OF LA MARQUE, TEXAS

WHEREAS, the City currently purchases its potable water from the Gulf Coast Water Authority.

WHEREAS, the City and the Gulf Coast Water Authority entered into negotiations to extend its potable water supply contract and increase the capacity of potable water available to the City.

WHEREAS, the City of La Marque Texas previously authorized the City Manager to sign the Amended and Restated Municipal System Customer Contract in May 2022.

WHEREAS, the Gulf Coast Water Authority has updated its fiscal calculations to provide amended water rates for the purchase of existing and additional capacity.

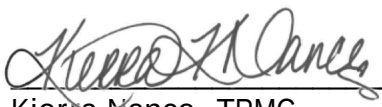
WHEREAS, the increase in water supply will provide additional water for the City and support additional growth.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LA MARQUE THAT:

The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

The City Manager and Mayor are authorized to sign the Amended and Restated Municipal System Customer Contract between the Gulf Coast Water Authority and the City of La Marque, Texas.

DULY PASSED by a majority vote of all members of the City Council of the City of La Marque on the 11th day of July 2022.


Kieria Nance, TRMC
City Clerk



Keith Bell
Mayor

AMENDED AND RESTATED
MUNICIPAL SYSTEM CUSTOMER CONTRACT

between

GULF COAST WATER AUTHORITY

and

CITY OF LA MARQUE, TEXAS

Dated as of _____, 2022

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AMENDED AND RESTATED
MUNICIPAL SYSTEM CUSTOMER CONTRACT

THIS AMENDED AND RESTATED MUNICIPAL SYSTEM CUSTOMER CONTRACT (this “Agreement”), dated the ____ day of _____, 2022, is entered into by and between GULF COAST WATER AUTHORITY, a Texas conservation and reclamation district (the “Authority”), and CITY OF LA MARQUE, TEXAS (“Purchaser”). This Agreement completely amends, repeals and replaces and supersedes any prior agreements between the parties (or their predecessors in interest) regarding the subject matter herein, including, without limitation, the Mainland Water Project Customer Contract, entered into between the Authority, formerly known as Galveston County Water Authority, and Purchaser, dated as of August 7, 1981, as amended by the First Amendment, dated as of September 14, 1981, the Second Amendment, dated as of June 22, 1998, the Third Amendment, dated as of June 16, 2011, and the Fourth Amendment, dated as of May 1, 2014, and the Mainland Water Project Customer Contract (South Project), entered into between the Authority and Purchaser on July 1, 1998, as amended by the First Amendment, dated as of June 16, 2011, and the Second Amendment, dated as of May 1, 2014 (collectively, the “Existing Agreements”).

WITNESSETH:

RECITALS

WHEREAS, Purchaser is located in Galveston County, Texas, and needs a reliable supply of Potable Water (as defined herein); and

WHEREAS, the Authority supplies water to customers in its Canal Division, Industrial Division and Mainland Division (each as hereafter defined); and

WHEREAS, through its Mainland Division, the Authority supplies Potable Water to various customers through the Mainland Project (as hereafter defined); and

WHEREAS, in order to more accurately reflect the composition of the Customers currently served by the Mainland Division and the operation of the water system, the Authority will now refer to the Mainland Project and the Mainland Division as the Municipal System; and

WHEREAS, the Customers (as hereafter defined) have previously entered into the Existing Agreements through which the Customers receive Potable Water that is supplied by the Municipal System and the parties to such contracts now wish to amend and restate the terms thereof; and

WHEREAS, Purchaser and other entities entering into a Municipal System Customer Contract (as defined herein) similar to this Agreement acknowledge that the Authority will issue contract revenue bonds from time to time as provided herein for the improvement, construction, reconstruction expansion and equipment of the facilities utilized to provide water to the Customers and the development of water supplies to serve the Municipal System, and the Purchaser has agreed pursuant to the terms hereof to pay all charges related to such indebtedness and to purchase Potable Water from the Authority; and

WHEREAS, Purchaser is aware that the water to be supplied to Purchaser by the Municipal System under the terms of this Agreement will primarily be supplied by means of the Authority's Canal Division and Industrial Division, and therefore the Authority must comply with certain provisions of the Industrial Division Customer Contract (as defined herein) related to the Canal System (as defined herein) and the Texas City Reservoir and Raw Water Conveyance System (as defined herein), including provisions related to the payment of debt service on certain bonds issued for the purposes of such systems as part of the Raw Water Charges (as defined herein), and Purchaser is familiar with its terms and provisions; and

WHEREAS, the references in the Industrial Division Customer Contracts to the Reserved Capacity of Municipal System Customers shall now be understood to refer to the Contract Quantity of Municipal System Customers; and

WHEREAS, the Authority and Purchaser each, for and on behalf of itself, represents to the other that it is authorized to enter into this Agreement under the constitution and laws of the State of Texas, including without limitation, the Authority Act (as defined herein), Chapters 49 and 54, Texas Water Code, as amended, and Section 791.026, Texas Government Code, as amended.

NOW THEREFORE, for and in consideration of the mutual premises, covenants, obligations and benefits in this Agreement, the Authority and Purchaser agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. For all purposes of this Agreement, the following definitions of certain terms used herein shall apply:

"Additional Municipal System Reserve Fund" shall have the meaning ascribed thereto in Section 7.4 of this Agreement.

"Annual Budget" shall mean the budget of anticipated expenditures for the Municipal System which is to be prepared each year by the Authority pursuant to Section 4.9 hereof.

"Authority" shall mean Gulf Coast Water Authority and its successors and assigns.

"Authority Act" shall mean Chapter 712, Acts of the 59th Texas Legislature, 1965, as amended (compiled as Article 8280-339 Vernon's Texas Civil Statutes, as amended).

"Bayshore Transmission System" shall mean the water transmission line and related appurtenances running from an origination point at the intersection with the North Transmission System at the northwest of the intersection of N. Humble Camp Road and Paula Lane, to a termination point at the intersection with the Kemah Transmission System to the west of the Highway 146, north of mile marker 11 on the western edge of the utility/pipeline easement (as depicted on Exhibit C-2). The Bayshore Transmission System is further subdivided into segments. Segment D-F running from the origin point north to where the line splits for the San Leon Municipal Utility District point of delivery, Segment F-G from the San Leon Municipal Utility District split to the location where the line splits for the Bacliff Municipal Utility District point of delivery, and Segment G-H from the Bacliff Municipal Utility District split to the termination point

(as depicted on Exhibit C-2). For purposes of clarity, the Bayshore Transmission System includes any laterals to the points of delivery identified below. The following four (4) Customer points of delivery (located and numbered as depicted on Exhibit C-2) are currently located on this transmission system (points of delivery may be added or changed from time to time):

6. City of Texas City;
7. San Leon Municipal Utility District;
8. Bacliff Municipal Utility District; and
9. Bayview Municipal Utility District.

“Board” shall mean the Board of Directors of the Authority or any successor governing body of the Authority.

“Bonds” shall mean the Municipal System Bonds and any Special Project Bonds that are Outstanding at any time.

“BRA” shall mean Brazos River Authority and its successors and assigns.

“Budgeted Capital Charges” shall mean the charges described in Section 4.4 of this Agreement.

“Budgeted Capital Expenses” shall mean the budgeted capital costs (within the meaning of generally accepted accounting principles applicable to governmental entities and not otherwise funded through the issuance of Municipal System Bonds or related Customer contributions) included in each Annual Budget for any capital repair, renewal, replacement, rehabilitation, modification, extension, expansion, merger, enlargement, acquisition, addition, or improvement to the Municipal System that extends the lifespan of the asset, including the accumulation of reasonable reserves therefor. Budgeted Capital Expenses shall not include capital expenditures associated with any Special Project Facilities, except as may be provided in an amendment to this Agreement.

“Canal A System” shall mean the water canal system located in Brazoria, Fort Bend, and Galveston Counties, Texas, including all or most of the properties and interests in property, real, personal, or mixed, acquired by BRA from American Canal Company of Texas and thereafter acquired by Authority from BRA, together with all additions to, replacements in, and expansions and extensions of such properties and interests in property heretofore or hereafter made or acquired by BRA or Authority, including the headquarters office building currently in Texas City, Texas, and property at Alvin, Texas, and the water canal connecting the Canal A System to the Canal B System.

“Canal B System” shall mean the water canal system located in Fort Bend, Brazoria, and Galveston Counties, Texas, including all or most of the properties and interests in property, real, personal, or mixed, acquired by BRA from the Briscoe Irrigation Company and thereafter acquired by Authority from BRA, together with all additions to, replacements in, and expansions and

extensions of such properties and interests in property heretofore or hereafter made or acquired by BRA or Authority.

“Canal Division” or “Canal System” shall mean the physical properties and interests in physical property of the canal systems benefitting the Municipal System from time to time, including without limitation the Canal A System, the Canal B System, and the Canal G System, and which may upon action of the Board be expanded to include the Canal J System (provided that at the time of combination the conditions outlined in Section 6.2 of this Agreement are met), together with all additions to, replacements in, and expansions and extensions of such properties and interests in property, all exclusive, however, of any physical properties which constitute Special Project Facilities or which constitute the Industrial Division.

“Canal G System” shall mean the water canal system located in Galveston County, Texas, including all of the properties and interests in property, real, personal, or mixed, acquired by BRA from Industrial Water Company and thereafter acquired by Authority from BRA, together with all additions to, replacements in, and expansions and extensions of such properties and interests in property heretofore or hereafter made or acquired by BRA or Authority.

“Canal J System” shall mean the water canal system located in Brazoria and Fort Bend Counties, Texas, including the Chocolate Bayou, Halls Bayou, Juliff, and Mustang Bayou Canal Systems, collectively purchased by Authority in 2006 from the Chocolate Bayou Water Company, together with the associated water rights and appurtenances, and extensions, enlargements and replacements thereof

“Canal System Revenue Bonds” shall have the meaning ascribed thereto in the Industrial Division Customer Contracts.

“Commission” shall mean the Texas Commission on Environmental Quality or its successor agency.

“Components of the Municipal System” or “Component” shall mean, collectively or individually, as of the date of this Agreement, the Mackey Plant, the Bayshore Transmission System, the Kemah Transmission System, the North Transmission System, the North-South Interconnect, the South Transmission System (which includes the South Transmission Line, the Highway 6 Transmission Line and the 39-Inch Transmission Line), and the 7.9 MGD Mackey Plant Expansion, and any other project designated as such in an addendum, supplement, or amendment to this Agreement or any contract relating to a Special Project Facility. For avoidance of doubt, each line that constitutes a Component of the Municipal System is defined to end at the Customers’ respective points of delivery, specifically at the flange on the downstream side of the applicable meter. “Component” or “Component of the Municipal System” singularly shall mean any one of the aforementioned Components of the Municipal System. Subject to the terms hereof, additional Components of the Municipal System (i.e., other additions, improvements and extensions) may subsequently be acquired or constructed, and thereafter be considered Components of the Municipal System.

“Contract Quantity” shall mean that maximum quantity of water that the Authority is obligated to provide to each Customer from the Mackey Plant as provided in Section 2.1 of this

Agreement. The Contract Quantities for all of the Customers as of August 31, 2022 and in connection with the execution of this Agreement, are set forth in Exhibit A attached hereto, which Exhibit A may be updated by the Authority from time to time, upon notice to each Customer pursuant to Section 2.5 to reflect changes in Customer's Contract Quantities pursuant to the terms of this Agreement or the addition of new Customers.

"Contract Year" shall mean the Authority's Fiscal Year.

"Customers" or "Municipal System Customers" shall mean the Bacliff Municipal Utility District, Bayview Municipal Utility District, Galveston County Water Control and Improvement District No. 1, Galveston County Water Control and Improvement District No. 12, San Leon Municipal Utility District, the City of La Marque, the City of Galveston, the City of League City, the City of Texas City, the City of Hitchcock, Galveston County Fresh Water Supply District No. 6, Galveston County Water Control and Improvement District No. 8, Galveston County Municipal Utility District No. 12, and any additional entities that become parties to Municipal System Customer Contracts as provided under the terms of this Agreement, and their successors and assigns.

"Customer Group" shall mean any Customer Group established by the Authority and its Customers pursuant to the terms of this Agreement. A listing of the Current Customer Groups is included in Exhibit B-2 of this Agreement, which exhibit may be updated from time to time by the Authority to reflect changes in Customer participation.

"Discretion" shall mean reasonable discretion unless otherwise defined within the Section.

"Effective Date" shall mean the effective date of this Agreement as described in Section 13.2 of this Agreement.

"Excess Use Charges" shall mean the additional charges that accrue when Purchaser exceeds the Contract Quantity as described in Section 4.6 of this Agreement.

"Existing Agreements" shall have the meaning ascribed thereto in the introductory paragraph to this Agreement.

"Fiscal Year" shall mean the one-year period, currently beginning September 1 and ending on August 31, designated by the Board as the Fiscal Year of the Authority, which Fiscal Year is subject to change by the Board.

"Highway 6 Transmission Line" shall mean the water transmission line and related appurtenances running from an origination point at the 36-Inch Valve and the 30-Inch Valve adjacent to the Alta Loma Pump Station Pressure Reduction Station to a termination point near the northern end of the Galveston Island Railroad Crossing Bridge (as depicted on Exhibit C-7-B). The Highway 6 Transmission Line is further subdivided into segments. Segment N-K running from the origin point east along Highway 6 to the meter at the intersection with the South Transmission Line, Segment K-M from the meter at the intersection with the South Transmission Line to where the line splits for the Galveston County Fresh Water Supply District No. 6 point of delivery, and Segment M-L from the Galveston County Fresh Water Supply District No. 6 split to the termination point (as depicted on Exhibit C-7-B). For purposes of clarity, the Highway 6

Transmission Line includes any laterals to the points of delivery identified below. The following four (4) Customer points of delivery (located and numbered as depicted on Exhibit C-7-B) are currently located on this transmission line (points of delivery may be added or changed from time to time):

- 11A. City of Galveston;
- 12. Galveston County Fresh Water Supply District No. 6;
- 13. Galveston County Municipal Utility District No. 12; and
- 14. City of Hitchcock.

“Industrial Division” shall mean the Industrial Pump Station and Raw Water Transmission System (as defined in the Industrial Division Customer Contracts) and the Texas City Reservoir and Raw Water Conveyance System (as defined in the Industrial Division Customer Contracts), including the reservoir and water distribution system (and the lands and rights of way on which the same are situated) used in supplying water to industrial customers having plants in the Texas City industrial area and other physical properties acquired by the Authority from Industrial Water Company, under that certain “GCWA Agreement” dated June 1, 1971, between Industrial Water Company and the Authority (then known as Galveston County Water Authority of Galveston County, Texas), together with all additions to, replacements in, and expansions and extensions of said facilities and physical properties heretofore or hereafter made or acquired by the Authority, all exclusive, however, of any physical properties which are used exclusively for other than industrial water purposes, or which constitute Special Project Facilities (as defined in the Industrial Division Customer Contracts), or which are part of the Canal Division.

“Industrial Division Customer Contracts” shall mean the Amended and Restated Industrial Customer Contracts between the Authority and the Industrial Division Customers, initially executed beginning in 2015, and providing for the sale of water for industrial purposes to the Industrial Division Customers, as they may be as amended or supplemented from time to time.

“Industrial Division Customers” shall mean each of Union Carbide Corporation, Eastman Chemical Texas City, Inc., Valero Refining – Texas, L.P., Blanchard Refining Company LLC, ISP Technologies, Inc., the City of Texas City, and their successors and assigns, and any additional entities that become parties to Industrial Division Customer Contracts, and their successors and assigns.

“Kemah Transmission System” shall mean the water transmission line and related appurtenances running from an origination point at the intersection with the Bayshore Transmission System to the west of the Highway 146, north of mile marker 11 on the western edge of the utility/pipeline easement to a termination point south of the intersection of Marina Bay Drive and Hanson Road in the City of Kemah (as depicted on Exhibit C-3, Segment H-I). For purposes of clarity, the Kemah Transmission System includes any laterals to the point of delivery identified below. One Customer has a point of delivery (located and numbered as depicted on Exhibit C-3) that is currently located on this transmission system (points of delivery may be added or changed from time to time):

10. Galveston County Water Control and Improvement District No. 12.

“League City Transmission Line” shall mean the transmission lines and related appurtenances running from an origination point at the pump station located in the City of Webster, Texas near the border line between Galveston County and Harris County to a termination point at the Calder Meter Station located northwest of the intersection of FM 517 and Calder Drive in the City of League City (as depicted on Exhibit C-6).

“Mackey Plant” shall mean the existing Thomas S. Mackey Water Treatment Plant located in Texas City, as it may be expanded from time to time, and all other improvements, equipment, pumps, pump stations, fixtures and facilities located thereon or used in association therewith, and all additions and improvements thereto.

“Mainland Division” shall now mean the Municipal System.

“Mainland Project” shall now mean the Municipal System.

“Municipal System” shall mean and include the water supply, treatment and distribution system heretofore constructed and acquired by the Authority for the benefit of the Customers as may be extended, expanded or improved from time to time, including, but not limited to, all water plants, pipelines, valves, pumps, treatment equipment, interests in land, and everything appurtenant thereto or necessary to supply Purchaser and the other Customers with Potable Water at their respective points of delivery (which Municipal System on the date of this Agreement consists of the components depicted in Exhibit C hereto). Subject to the terms hereof, additional Components of the Municipal System (i.e., other additions, improvements, expansions and extensions) may subsequently be acquired or constructed, and thereafter be considered Components of the Municipal System. The “Municipal System” shall not, however, mean or include the Industrial Division, the Canal Division or any part or parts thereof. The Municipal System was formerly known as the Mainland Project.

“Municipal System Bonds” shall mean any bonds, notes or credit agreements issued or entered into by the Authority for the purpose of financing or refinancing the Municipal System or any one or more Components of the Municipal System from time to time, and any bonds, notes or credit agreements issued or entered into to refund or refinance such bonds, notes or credit agreements.

“Municipal System Customer Contracts” shall mean the various contracts between the Authority and the Customers for the construction and operation of the Municipal System, as amended, supplemented or related from time to time.

“Municipal System Debt Service Charges” shall mean the charges described in Section 4.7 of this Agreement.

“Municipal System Debt Service Reserve Fund” shall mean the special fund or funds to be established, maintained, and utilized, from time to time as debt service reserve funds for any one or more series Municipal System Bonds issued under this Agreement under a bond resolution.

“Municipal System Debt Service Reserve Fund Requirement” shall mean an amount equal to the lesser of (i) the maximum annual debt service required on the Outstanding principal of the Municipal System Bonds, (ii) one-hundred-twenty-five percent (125%) of the average annual debt service required thereof, or (iii) ten percent (10%) of the principal amount of the Municipal System Bonds, or such lesser amount required by Treasury Regulation § 148-2(f)(2) or any successor Treasury Regulation.

“Municipal System Operating Advisory Committee” shall mean the operating advisory committee described in Article IX of this Agreement.

“Municipal System Operating Charges” shall mean the charges described in Section 4.3 of this Agreement.

“Municipal System Operating Expenses” shall mean all (i) non-capital costs and expenses paid or incurred by the Authority in connection with the ownership, operation, maintenance or repair of the Municipal System, including a reasonable allocation of the Authority’s general overhead and administrative expenses attributable to the Municipal System, the costs of adopting and implementing the Authority’s water conservation and drought contingency plans and rules and regulations related thereto as generally described in Section 3.7 hereof, as well as the accumulation of reasonable reserves for operations and maintenance costs, emergencies, and contingencies, (ii) costs of developing and exploring new or potential sources of water to serve the Municipal System, including the accumulation of reasonable reserves therefor, and (iii) costs of water to be purchased or produced by the Authority, including the accumulation of reasonable reserves therefor, to the extent such charges are not included as Raw Water Charges. Municipal operating reserves established as part of the Municipal System Operating Expenses shall not exceed six months of Municipal System Operating Expenses. Municipal System Operating Expenses shall not include the cost of operating or maintaining any Special Project Facilities, except as provided in an amendment to this Agreement.

“North-South Interconnect” shall mean the portion of the water transmission lines and related appurtenances owned by the Authority or operated by the Authority pursuant to contractual arrangements running from an origination point at the intersection with the North Transmission System northeast of the intersection of Attwater Avenue and North Humble Camp Road in the City of Texas City running roughly parallel to Canal G System to a termination point where the Canal G System intersects 39-Inch Transmission Line at Avenue L in the City of Santa Fe (as depicted on Exhibit C-5, Segment C-R), as may be modified to address future changes in ownership or contractual arrangements. For purposes of clarity, the North-South Interconnect includes any laterals to any point(s) of delivery. No Customer has a point of delivery currently located on this transmission line (points of delivery may be added or changed from time to time).

“North Transmission System” shall mean the water transmission lines and related appurtenances running from an origination point at the above ground transmission meter at the Thomas Mackey Water Treatment Plant to a termination point at the intersection with the Bayshore Transmission System to the northwest of the intersection of Humble Road and Paula Lane (as depicted on Exhibit C-4). The North Transmission System is further subdivided into segments. Segment A-B running from the origin point to the split in the line at Attwater Avenue, and Segment B-C running from the split in the line at Attwater Avenue to where it intersects the North-South

Interconnect adjacent to North Humble Camp Road, and Segment C-D from the intersection with the North-South Interconnect to the point where the North Transmission System intersects with the Bayshore Transmission System, and Segment D-E running from the point where the North Transmission System intersects with the Bayshore Transmission System west to the Galveston County Water Control and Improvement District No. 1 point of delivery (as depicted on Exhibit C-4). For purposes of clarity, the North Transmission System includes any laterals to the points of delivery identified below. The following six (6) Customer points of delivery (located and numbered as depicted on Exhibit C-4) are currently located on this transmission system (points of delivery may be added or changed from time to time):

1. City of Texas City – two points of delivery located at the above ground transmission meters at the Thomas Mackey Water Treatment Plant;
2. City of La Marque;
3. City of Texas City;
4. City of Texas City; and
5. Galveston County Water Control and Improvement District No. 1.

“Outstanding” shall have the meaning ascribed thereto in Section 14.2 of this Agreement.

“Point(s) of Delivery” shall mean the points of delivery constructed and installed by agreement of the Authority and Purchaser pursuant to this Agreement, which initial Points of Delivery are as follows:

2. City of La Marque; and
16. City of La Marque.

“Point of Delivery Contract Quantity” shall mean the maximum portion of a Customer’s Contract Quantity delivered to the Customer by means of a specified Point of Delivery as further provided in Section 2.1 of this Agreement. The Point of Delivery Contract Quantities for all of the Customers as of August 31, 2022, are set forth in Exhibit B-1 attached hereto, which Exhibit B-1 may be updated by the Authority from time to time to reflect changes in Point of Delivery Contract Quantity for Customers of the Municipal System pursuant to the terms of this Agreement.

“Potable Water” shall mean water that has been treated for public drinking water supply purposes.

“Purchaser” shall mean the Purchaser named on page 1 of this Agreement, and its successors and assigns.

“Raw Water Charges” shall mean the dollar amounts required to be paid by Municipal System Customers to the Industrial Division for raw water, which includes components for operations and maintenance costs, costs of capital, and debt service for the Canal Division and the

Texas City Reservoir and Raw Water Conveyance System as more specifically described in Article VI of the Industrial Division Customer Contracts.

“Seller’s Revenue Bonds” shall have the meaning ascribed thereto in the Industrial Division Customer Contracts.

“7.9 MGD Mackey Plant Expansion” shall mean the construction, acquisition and equipment of facilities and improvements required to expand the capacity of the Mackey Plant by 7,900,000 gallons per day from 49,700,000 gallons per day to 57,600,000 gallons per day, which includes Canal System capital charges associated with the additional raw water to serve the expansion.

“7.9 MGD Mackey Plant Expansion Bonds” shall mean the Municipal System Bonds issued in one or more series for the purpose of financing the design, construction, and equipment of improvements to the 7.9 MGD Mackey Plant Expansion.

“South Transmission System” shall mean the water transmission lines and related appurtenances running from an origination point at meter at the south end of the Mackey Plant high service header to termination points at the end of the South Transmission Line located near the northern end of the Galveston Island Railroad Crossing Bridge and at the intersection with the League City Transmission Line at the Calder Meter Station located northwest of the intersection of FM 517 and Calder Drive in the City of League City (as depicted on Exhibit C-7). The South Transmission System is further subdivided into the South Transmission Line, the Highway 6 Transmission Line, and the 39-Inch Transmission Line.

“South Transmission Line” shall mean the water transmission lines and related appurtenances running from an origination point at meter at the south end of the Mackey Plant high service header to termination points at the end of the South Transmission Line located near the northern end of the Galveston Island Railroad Crossing Bridge (as depicted on Exhibit C-7-A). This line is further subdivided into segments. Segment J-K running from the origin point to the meter at the intersection with the Highway 6 Transmission Line, and Segment K-L from the meter at the intersection with the Highway 6 Transmission Line to the termination point (as depicted on Exhibit C-7-A). For purposes of clarity, the South Transmission Line includes any laterals to the point of delivery identified below. One Customer has a point of delivery (located and numbered as depicted on Exhibit C-7-A) that is currently located on the South Transmission Line (points of delivery may be added or changed from time to time):

11B. City of Galveston.

“Special Project Bonds” shall have the meaning ascribed thereto in Section 7.8 of this Agreement.

“Special Project Facilities” shall have the meaning ascribed thereto in Section 7.8 of this Agreement.

“Special Project Customers” shall have the meaning ascribed thereto in Section 7.8 of this Agreement.

“Tax-Exempt Bonds” shall mean bonds the interest of which is excludable from gross income for federal income tax purposes.

“Texas City Reservoir and Raw Water Conveyance System” shall have the meaning ascribed thereto in the Industrial Division Customer Contracts.

“Texas City Reservoir and Raw Water Conveyance System Revenue Bonds” shall have the meaning ascribed thereto in the Industrial Division Customer Contracts.

“39-Inch Transmission Line” shall mean the water transmission lines and related appurtenances running from an origination point at the intersection with the Highway 6 Transmission Line, at the 36-Inch Valve and the 30-Inch Valve adjacent to the Alta Loma Pump Station Pressure Reduction Station to a termination point at Calder Meter Station where it intersects with the League City Transmission Line (as depicted on Exhibit C-7-C). The 39-Inch Transmission Line is further subdivided into segments. Segment N-O running from the origin point north to the split for the Galveston County Water Control and Improvement District No. 8 11th Street point of delivery, Segment O-P running from the 11th Street split north to where the line splits for the City of La Marque point of delivery on FM 1764, Segment P-Q from the City of La Marque split to where the line splits for the Santa Fe Avenue L point of delivery, Segment Q-R from the Avenue L split to the intersection with the North-South Interconnect adjacent to the intersection of the Galveston Canal and Avenue L in the City of Santa Fe, Segment R-S from the intersection with the North-South Interconnect to the where the line splits for the Galveston County Water Control and Improvement District No. 1 point of delivery on FM 517, and Segment S-T from the Galveston County Water Control and Improvement District No. 1 point of delivery to the termination point. For purposes of clarity, the 39-Inch Transmission Line includes any laterals to the points of delivery identified below. The following five (5) Customer points of delivery (located and numbered as depicted on Exhibit C-7-C) are currently located on this transmission line (points of delivery may be added or changed from time to time):

15. Galveston County Water Control and Improvement District No. 8;
16. City of La Marque;
17. Galveston County Water Control and Improvement District No. 8;
18. Galveston County Water Control and Improvement District No. 1; and
19. City of League City.

“Water Treatment Plants” shall mean the Mackey Plant and any additional Potable Water treatment facilities and all other improvements, equipment, pumps, pump stations fixtures and facilities located at the potable plant sites or used in association therewith as may be added to the Municipal System from time to time.

Section 1.2. Table of Contents, Titles and Headings. The table of contents, titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in

construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.3. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) The coordinates utilized in this Agreement are provided in the World Geodetic System (WGS) 1984.

ARTICLE II
CONTRACT QUANTITY

Section 2.1. Contract Quantity. (a) The Municipal System has been designed and constructed, in such a way that after the completion of the 7.9 MGD Mackey Plant Expansion, the Mackey Plant will be able to deliver and the Authority shall be obligated to deliver to Purchaser a maximum number of gallons of water per day (averaged over each calendar month) equal to Purchaser's Contract Quantity, subject to the provisions of this Agreement.

(b) The Authority will deliver Purchaser's Contract Quantity to Purchaser's Point(s) of Delivery through Components of the Municipal System. In some instances, constraints in the capacity of Components of the Municipal System may prevent the delivery of a portion of a Customer's Contract Quantity to one or more of Purchaser's Points of Delivery. To that end, the Point of Delivery Contract Quantity is the maximum portion of a Customer's Contract Quantity that can be delivered to a Customer by means of the Municipal System to a Point of Delivery. The Authority's obligation to deliver Purchaser's Contract Quantity shall be limited by the Point of Delivery Contract Quantity. The current Contract Quantities and Point of Delivery Contract Quantities are set forth in Exhibit A and Exhibit B-1 attached hereto, which exhibits may be updated by the Authority from time to time to reflect the then-current Contract Quantity and Point of Delivery Contract Quantities of Municipal System Customers.

(c) Purchaser acknowledges that the Municipal System was developed to accommodate the delivery of Potable Water to Customers at identified points of delivery taking into account Contract Quantities at the time Components of the Municipal System were constructed. To the extent that it is necessary to make additions, extensions, or improvements to the Municipal System as a result of Purchaser's acquisition of additional Contract Quantity from the Authority or another Customer or by virtue of Purchaser's change in Point of Delivery, such Customer shall be responsible for any and all costs associated with such additions, extensions, or improvements. The additional capacity associated with such additions, extensions, or improvements, when made, shall be reflected in Purchaser's applicable Point of Delivery Contract Quantities, as applicable.

(d) If Purchaser desires to reallocate its Point of Delivery Contract Quantity, it may request such reallocation by the Authority no later than 180 days prior to the beginning of the Authority's Fiscal Year, and the Authority's approval of such reallocation shall not be

unreasonably withheld. If approved by the Authority, such reallocation shall be evidenced by written agreement between Purchaser and the Authority, provided that the Authority's obligation to deliver water in accordance with such reallocation is not effective until any necessary additions, extensions, or improvements to the Municipal System as described in clause (c) above are complete. Following such written agreement, the updated Point of Delivery Contract Quantity will be reflected in an update to Exhibit B-1 hereto.

(e) Subject to the other provisions of this Agreement (including specifically the allocation of Municipal System Operating Charges by actual water usage pursuant to Section 4.3(b) hereof), the Authority shall sell and deliver to Purchaser, and Purchaser shall take and pay for or pay for whether taken or not, its Contract Quantity as provided herein. Purchaser's Contract Quantity shall remain in effect until the termination of this Agreement, unless increased or decreased pursuant to the provisions of this Agreement. Except as provided in Article V and VIII, nothing in this Agreement shall be interpreted to allow Authority to increase or decrease Purchaser's Contract Quantity without the express written consent of Purchaser.

(f) In connection with its execution of this Agreement, Purchaser is increasing its Contract Quantity by 1.247 million gallons per day through participation in the 7.9 MGD Mackey Plant Expansion, which amount is included in the attached Exhibit A. In connection with Purchaser's increase in Contract Quantity, Purchaser is financing its \$3,491,600 share of the costs associated with the 7.9 MGD Mackey Plant Expansion by participating in the issuance of the 7.9 MGD Mackey Plant Expansion Bonds to be issued after the Effective Date of this Agreement, such issuance expected to be between April 1, 2022 and December 31, 2022. Purchaser acknowledges and agrees that the issuance of the 7.9 MGD Mackey Plant Expansion Bonds will additionally include costs of issuance and may include reserve fund requirements that will also be financed through the 7.9 MGD Mackey Plant Expansion Bonds, with such amounts determined at the time the bonds are issued and apportioned among participants in the 7.9 MGD Mackey Plant Expansion Bonds. Purchaser's share of the 7.9 MGD Mackey Plant Expansion Bonds being issued for the 7.9 MGD Mackey Plant Expansion is described in Addendum 1 to this Agreement, which may be updated in advance of the issuance of the 7.9 MGD Mackey Plant Expansion Bonds to reflect the final participants in the 7.9 MGD Mackey Plant Expansion Bonds.

Purchaser's Point of Delivery Contract Quantities following the 7.9 MGD Mackey Plant Expansion are set forth in Exhibit B-1 hereto.

Purchaser's obligation to make the Municipal System charges described in Article V of this Agreement for the additional Contract Quantity associated with the 7.9 MGD Mackey Plant Expansion (which additional Contract Quantity is described in this Section 2.1(f)) shall commence in the Authority Fiscal Year that begins on September 1, 2022. Purchaser recognizes that prior to the completion of the 7.9 MGD Mackey Plant Expansion, Purchaser will not be entitled to utilize the increase in Contract Quantity described in this Section 2.1(f). However, if prior to the completion of the 7.9 MGD Mackey Plant Expansion, Purchaser requests the delivery of water up to its total Contract Quantity following the increase described in this Section 2.1(f) and the Authority, in its sole discretion, determines that it can deliver to the Purchaser some or all of such water based on the then current demands on the Municipal System, the Authority may choose to deliver such water to Purchaser. Purchaser acknowledges that to the extent this Agreement does not become effective in its entirety prior to the need to finance the 7.9 MGD Mackey Plant

Expansion, additional agreements between the Purchaser and the Authority will be required to facilitate the completion and financing of the 7.9 MGD Mackey Plant Expansion and the delivery of water from such project.

(g) The unit of measurement for water delivered pursuant to this Agreement shall be in gallons, U.S. Standard Liquid Measure.

Section 2.2. Decrease in Contract Quantity.

(a) Purchaser's Contract Quantity, as set forth in Exhibit A hereto, may be decreased by Purchaser at any time and from time to time by any amount equal to the Contract Quantity that (i) one or more financially responsible Municipal System Customers, whether new or old, determined in accordance with subsection (c) below, are willing to contract for from the Authority by means of the Municipal System for a term extending to and including the later of last stated maturity of any then outstanding Municipal System Bonds or the end of the Term of this Agreement (upon and subject to substantially the same provisions as contained in this Agreement, including but not limited to all applicable charges under Article IV of this Agreement), (ii) will be available (taking into account Purchaser's requested decrease) from the Authority to such other Municipal System Customer, and (iii) the Authority determines is capable of being distributed to the proposed points of delivery for the entities acquiring such Contract Quantity through Municipal System and other Authority facilities (including the facilities of the Industrial Division or Canal Division).

(b) Each decrease in Contract Quantity pursuant to this Section 2.2 shall be accomplished by written notice from Purchaser to the Authority which (i) shall be signed also by the Municipal System Customers acquiring such Contract Quantity, (ii) shall specify the amount and effective date of such decrease and the Contract Quantity desired by such other Municipal System Customers, (iii) shall express such other Municipal System Customers' willingness to enter into such an agreement with the Authority effective as of the specified effective date for such decrease, and (iv) shall be given at least three (3) months in advance of such effective date. Purchaser may include a negotiated price per 1,000 gallons of Contract Quantity to be paid to the Purchaser by the Municipal System Customer acquiring such Contract Quantity; provided, however, that such charge shall be in addition to any amounts due under a Municipal System Customer Contract. If such a charge is included as a condition to the acquisition of such Contract Quantity, the notice to the Authority shall include the amount of such charge on a price per 1,000 gallon basis.

(c) Purchaser shall give the existing Municipal System Customers the right of first refusal to assume the decrease in Contract Quantity being effected (each Municipal System Customer's right of first refusal with respect to the decrease in Contract Quantity to be in the same proportion as such Municipal System Customer's Contract Quantity bears to the sum of the Contract Quantities of all Municipal System Customers exercising their rights of first refusal); and, provided, further, that the exercise of rights of first refusal shall not be binding on Purchaser unless the Municipal System Customers invoking their rights of first refusal are willing to pay the per 1,000 gallon charge to the Purchaser, if any, that was included in the notice. Such right of first refusal must be exercised, if at all, within forty-five (45) days after Purchaser notifies the Authority and the Municipal System Customers of such proposed decrease. If after such right of first refusal

period all of the available Contract Quantity has not been assumed by existing Municipal System Customers, the remaining portion of the available Contract Quantity may be made available to a new customer, subject to the requirements of this Section 2.2.

(d) In connection with a proposed reallocation of Contract Quantity under this Section 2.2, Municipal System Customers, new or old, seeking to acquire Contract Quantity shall provide the Authority with the information the Authority deems necessary to determine whether the Municipal System and other Authority facilities (including the facilities of the Industrial Division or Canal Division) can support the delivery of water to the proposed points of delivery. If the Authority determines that the Municipal System or other Authority facilities are not capable of supporting the delivery of water to the proposed points of delivery, the acquisition of additional Contract Quantity shall be conditioned upon the completion of any improvements to the facilities of the Authority that the Authority deems necessary or desirable for delivery of the additional Contract Quantity to the proposed points of delivery, with the costs of such improvements to be borne by the Municipal System Customer(s) seeking to acquire additional Contract Quantity requiring such improvements. If a Municipal System Customer wishes to acquire additional Contract Quantity following a determination by the Authority that the Components of the Municipal System are not capable of supporting the delivery of water to the proposed points of delivery, such Municipal System Customer may still contract for such additional Contract Quantity provided that the Contract specifies that the Authority is not required to deliver such additional Contract Quantity until such time as the improvements to the Components of the Municipal System required to enable such delivery have been made as well as such Municipal System Customer's obligation to pay for such improvements.

(e) The Municipal System Customer Contract of any existing Municipal System Customer acquiring additional Contract Quantity shall be amended to add, and any Municipal System Customer Contract of a new Municipal System Customer acquiring Contract Quantity shall include, an assumption by such Municipal System Customer, whether new or old, of the charges described in Article IV, herein associated with the Contract Quantity being acquired. The proposed decrease, however, shall not become effective if the Authority and such other Municipal System Customers should fail to execute such agreements by such effective date, unless the effective date is extended in the Authority's sole Discretion.

(f) So long as any Municipal System Bonds are Outstanding (as that term is defined in Section 14.2 of this Agreement), a decrease in Contract Quantity pursuant to this Section 2.2 shall not have the effect of relieving Purchaser of any liability that it would otherwise have pursuant to Article IV, herein if no such decrease had occurred, except to the extent that such liability is offset from time to time by payments actually made to the Authority by such assuming Municipal System Customer.

(g) If the acquisition of Contract Quantity by any customer under this Section 2.2 would result in the interest on any bonds of the Authority losing their eligibility for exclusion from federal income taxation, the customer acquiring such Contract Quantity shall be responsible for all costs associated with any remedial action necessitated by such acquisition. Prior to entering into an acquisition contract with a customer under this Section 2.2 that is not a political subdivision of the State of Texas, Purchaser will be required to provide to the Authority, at the Purchaser's expense, an opinion of bond counsel to the Authority to the effect that entering into such contract

will not adversely affect the excludability of interest on any issue of then-outstanding Tax-Exempt Bonds from gross income for federal income tax purposes.

Section 2.3. Effective Date of Decreases. Each decrease in the Contract Quantity pursuant to Section 2.2 herein shall be effective as of the effective date specified for such decrease, and the new Contract Quantity and Point of Delivery Contract Quantity shall be reflected in updates to Exhibit A and Exhibit B-1 to this Agreement and remain in effect hereunder until the termination of this Agreement unless otherwise changed pursuant to the provisions of this Agreement.

Section 2.4. Availability of Additional Capacity; Increases in Contract Quantity. To the extent there is additional capacity available in the Municipal System or the Authority is undertaking an expansion to the Municipal System that increases capacity in the Municipal System beyond the total amount of all Municipal System Customers' Contract Quantities, the Board may in its sole Discretion contract with any one or more existing Municipal System Customers or a new customer that is a financially responsible party willing to contract with the Authority for the acquisition of new Contract Quantity upon and subject to substantially the same provisions contained in this Agreement; provided, however that the Authority shall first make the additional capacity available to existing Customers and may only bring on a new customer to the extent that existing Customers do not avail themselves of the additional capacity within the time period specified by the Board. In connection with the acquisition of new or additional Contract Quantity by any existing or new Customer, the Authority may require the payment of a buy-in fee in an amount established by the Board from time to time. Any such buy-in fee paid to the Authority shall be utilized by the Authority to pay capital expenses associated with the Municipal System or the acquisition of additional water supplies to serve the Municipal System. Additionally, if the Authority determines that the Municipal System or other Authority facilities are not capable of supporting the delivery of water to the proposed points of delivery, the Authority shall condition its approval of a proposed contract upon the completion of any improvements to the facilities of the Authority that the Authority deems necessary or desirable for delivery of water to the proposed points of delivery under the proposed contract, with the costs of such improvements to be borne by the party seeking additional Contract Quantity or a change to Point of Delivery Contract Quantity.

Section 2.5. Notices of Increases and Decreases. Following any change to Customer Contract Quantities under this Agreement, the Authority shall provide an updated Exhibit A to each Customer. Upon written request from a Customer, the Authority will provide to the requesting Customer written confirmation of the Authority's determination that such adjustments will not prevent the Authority from providing service to such requesting Customer as provided in this Agreement.

ARTICLE III WATER DELIVERY, USE, QUALITY AND MEASUREMENT

Section 3.1. Point of Delivery. All water delivered by the Authority to Purchaser pursuant to this Agreement shall be delivered at Purchaser's Point(s) of Delivery.

As between the parties hereto the Authority shall be in exclusive control and possession of, and solely responsible for, all water deliverable hereunder until the same shall pass through the flange on the downstream side of the meter at such Point(s) of Delivery, and thereafter Purchaser shall be in exclusive control and possession thereof and solely responsible therefor. Additionally, Purchaser shall be solely responsible for the operations and maintenance of any facilities located downstream of such flange.

Section 3.2. Use. The Authority recognizes that the water delivered to Purchaser under this Agreement will be distributed to Purchaser's customers through Purchaser's water distribution system, and that such system is now or may hereafter be interconnected with the distribution system or systems of one or more Municipal System Customers. Purchaser recognizes that the water delivered by the Authority hereunder is not intended for resale by Purchaser's customers, and Purchaser agrees that no water delivered by the Authority hereunder will be sold or made available to any third party that intends to resell such water other than another Municipal System Customer or to the State or a political subdivision of the State (i) under emergency conditions or (ii) if the State or political subdivision of the State provides such water to its customers pursuant to published rates. Purchaser acknowledges that any such customers do not constitute Municipal System Customers or third-party beneficiaries of this Agreement and have no rights under this Agreement nor any right to enforce the provisions hereof.

Section 3.3. Quality and Pressure. The Authority agrees to sell and deliver to Purchaser Potable Water at the Point(s) of Delivery of a quality and pressure that meets the minimum federal and state regulatory standards. EXCEPT AS OTHERWISE PROVIDED HEREIN, THE AUTHORITY MAKES NO WARRANTY, EXPRESSED OR IMPLIED, REGARDING THE QUALITY OR DELIVERY PRESSURE OF THE WATER, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 3.4. Rate of Flow Limitation. The Authority will deliver to Purchaser at its Point(s) of Delivery an amount up to, but not to exceed, Purchaser's total Contract Quantity (subject to the limitations in Section 2.1(b)) during any 24-hour period at a maximum rate of flow expressed in gallons per minute not to exceed Customer's Contract Quantity in million gallons per day ("MGD") divided by 1,440 minutes times 1.3. If Purchaser informs the Authority that it temporarily needs a rate of flow greater than that described in the previous sentence and the Authority determines in its sole discretion that it can accommodate such increase without compromising its ability to deliver water to other Customers or the efficient operation of the Municipal System, the Authority will work with Purchaser to facilitate the temporary provision of water at a greater rate of flow. The Authority may from time to time establish reasonable adjustments to the rate of flow and time of flow limitations contained in this Section in order to ensure that each Customer receives its Contract Quantity share and to maintain the efficient operation of the Municipal System. Purchaser is not entitled to rely upon the delivery by the Authority of water in excess of Purchaser's Contract Quantity or an increase in the rate of flow of water delivered from the Municipal System to compensate for loss of pressure or other failure within Purchaser's water transmission and distribution system.

Section 3.5. Measurement. Purchaser and Authority agree that the meters at the Point(s) of Delivery shall be owned by Authority and tested and calibrated for accuracy by the Authority once each calendar year at intervals of approximately twelve (12) months. A report of such test

and calibration shall be furnished to Purchaser. The Purchaser shall be given at least five (5) days' prior notice of the time of any test and calibration of a meter and Purchaser and the Authority shall have the right to have a representative present at the test to observe the test and any adjustments found thereby to be necessary. In the event any questions arise at any time as to the accuracy of a meter, the meter shall be tested within a reasonable period of time following such request for testing by Authority or the Purchaser. The expense of such test is to be borne by the party requesting the test if the meter is found to be correct and by the Authority if it is found to be incorrect. Readings that vary within 1.5 per cent (1.5%) of accuracy, plus or minus, shall be considered correct. If, as a result of any test, any meter is found to be registering inaccurately (i.e., currently in excess of 1.5% plus or minus of accuracy), then the readings of such meter shall be corrected at the rate of its inaccuracy for any period which is definitely known and agreed upon, but in case the period is not definitely known and agreed upon, the period shall be extended back ninety (90) days from the date of the initial request for meter testing, and the records of readings shall be adjusted accordingly. Following each test of a meter, the Authority shall cause the same to be calibrated to register accurately and a report forwarded to the Purchaser. If two meters are located at a Point of Delivery, the readings from Authority's meter shall control. IN NO EVENT SHALL ANY ADJUSTMENT BE MADE TO ANY PAYMENT FOR WATER BASED UPON ANY METER ERROR, METER READING ERROR, OR BILLING ERROR RESULTING FROM SUCH METER OR METER READING ERROR, KNOWN OR UNKNOWN, MORE THAN NINETY (90) DAYS AFTER SUCH PAYMENT IS MADE OR RECEIVED.

The Authority agrees that it will keep accurate records of the monthly readings from the meters it owns, which records shall be subject to inspection by Purchaser at reasonable times and places. The Authority agrees to make such readings available to Purchaser electronically.

Section 3.6. Rules and Regulations. It is understood and agreed that the Authority has and shall have the sole authority and responsibility for operation of the Municipal System. The Authority may from time to time establish reasonable standards and rules for such operation which are not inconsistent with providing water service to Purchaser in accordance with the other terms and provisions of this Agreement.

Section 3.7. Conservation of Water. It is the intent of the parties to this Agreement to provide to the maximum extent practicable for the conservation of water, and Purchaser agrees that it is a condition of this Agreement that it shall reasonably maintain and operate its facilities in a manner that will promote beneficial use, and prevent unnecessary waste, of water. The Authority, in accordance with applicable law or regulation, may from time to time adopt reasonable rules and regulations relating to water conservation and drought management for water supplied by the Authority to Purchaser and other customers of the Authority with which Purchaser must comply. Purchaser shall adopt and implement a water conservation and drought contingency plan, as required by applicable law, which may be reviewed by the Authority. If required by applicable law or regulation, Purchaser agrees that, in the event Purchaser furnishes water or water services to a third party that in turn will furnish the water or provide water services to the ultimate consumer, the requirements relative to water conservation shall be met through contractual agreements between Purchaser and the third party providing for the establishment and implementation of a water conservation and drought contingency plan in compliance with such applicable law or regulation.

Section 3.8. Breaks in Lines. The Authority will promptly and reasonably act to repair any leaks or breaks in water transmission lines of the Municipal System that could cause a reduction in water supply to the Point(s) of Delivery.

ARTICLE IV RATES, FEES, CHARGES AND ASSESSMENTS

Section 4.1. Municipal System Charges. The parties hereto recognize that because the operation, maintenance, repair, and replacement expenses of the Municipal System will vary from time to time, it is neither practical nor possible to fix a schedule of specific rates in this Agreement that will control the price paid by Purchaser to the Authority for water delivered throughout the term of this Agreement. The parties recognize, however, that the Authority is not organized for profit and that its rates for water should at all times be the economically reasonable rates that are consistent with good business management on the part of the Authority and with the commitment that the Authority must make to its bondholders in order to provide funds with which to expand, improve, construct, and equip the Municipal System. Purchaser further recognizes that all or a portion of the raw water supplied to it will be supplied by means of the Authority's Canal Division and Industrial Division, and that the Municipal System must pay for such water through the payment of the Raw Water Charges.

As full and complete payment for its Contract Quantity from time to time in effect, and the water from time to time hereafter taken and received hereunder, Purchaser shall pay monthly to the Authority, in the manner set forth in Section 5.1 of this Agreement, total charges which shall include its allocated share (as defined in the Sections for each charge set forth in this Article IV) of the (1) Raw Water Charges; (2) Municipal System Operating Charges; (3) Budgeted Capital Charges; (4) Excess Use Charges, if any; (5) Municipal System Debt Service Charges; and (6) any fee or rate established by rate order of the Board. A rate or charge imposed by the Authority is conclusively presumed valid and to have occurred in accordance with all applicable statutes and contracts of the Authority on the second anniversary of the date such rate or charge is set unless a lawsuit or administrative action to invalidate such rate or charge has been filed before such second anniversary.

Section 4.2. Raw Water Charges. Raw Water Charges shall be allocated among all Customers each month based on their Contract Quantities, pursuant to the Industrial Division Customer Contracts, as amended.

As of the Effective Date of this Agreement, the Authority has two series of bonds Outstanding that are secured by the debt service component of the Raw Water Charges for the Texas City Reservoir and Raw Water Conveyance System. These are the Gulf Coast Water Authority Contract Revenue Bond (Texas City Reservoir and Raw Water Conveyance System Project), Series 2016A (Tax-Exempt) and the Gulf Coast Water Authority Contract Revenue Bond (Texas City Reservoir and Raw Water Conveyance System Project), Series 2016B (Taxable). Purchaser acknowledges and agrees that it has previously consented to and is obligated to pay Raw Water Charges associated with its allocated share of the debt service payments on such series of bonds and any bonds issued to refund such bonds as well as any bonds issued for the purposes described in Section 7.5 of this Agreement, pursuant to the Industrial Division Customer Contracts.

Section 4.3. Municipal System Operating Charges.

(a) Establishment of Municipal System Operating Charges. Municipal System Operating Charges shall mean a monthly charge equal to Purchaser's allocated share (as set forth in subsection (b) below) of the Municipal System Operating Expenses determined as hereinafter provided for each monthly billing period:

(i) One-twelfth (1/12th) of the estimated annual Municipal System Operating Expenses, based upon the Annual Budget more fully described below; plus

(ii) An amount sufficient to provide for the reimbursement of the Authority's operating reserves established as part of the Municipal System Operating Expenses in substantially equal monthly installments for any amounts withdrawn therefrom within a period of one-year.

The Municipal System Operating Charges described in this Section 4.3 shall be based upon Annual Budgets prepared by the Authority in accordance with Section 4.9 of this Agreement. Any excess or deficiency in amounts paid by Customers with regard to Municipal System Operating Charges in a given Fiscal Year will be taken into account by the Authority in preparing the Annual Budget for the next Fiscal Year.

(b) Allocation of Municipal System Operating Charges. Municipal System Operating Charges shall be determined by Component and allocated among Customers participating in each Component on a pro rata basis based upon their actual water usage for the last complete calendar year for which data is available at the time the Authority prepares its Annual Budget. (For purposes of illustration, when the Authority is preparing its 2022-2023 Annual Budget, the last complete calendar year for which usage data will be available will be for calendar year 2021.) In the event that a Customer's water usage for the last complete calendar year includes an unusual increase or decrease in water usage due to a hurricane or other tropical event, fire, flood, or freeze, or a catastrophic event for which the Governor has issued a declaration of emergency, such Customer may request an adjustment to the quantity of water used by the Authority in making the allocations described in this subsection to more accurately reflect such Customer's expected water use in the upcoming year. The Authority may choose whether to make some or all of the requested adjustment in its sole Discretion. A request for adjustment must be made in writing and identify the cause of the unusual increase or decrease in water usage as well as the amount of the requested adjustment in a form that is acceptable to the Authority. Any such request must be received by the Authority not later than April 15 in order to be included in the calculations for the next Fiscal Year. Under no circumstances shall the inability to receive water from the Municipal System relieve any Customer from the obligation to pay Municipal System Operating Charges.

Section 4.4. Budgeted Capital Charges.

(a) Establishment of Budgeted Capital Charges. Budgeted Capital Charges shall mean a monthly charge equal to Purchaser's allocated share (as set forth in subsection (b) below) of the Budgeted Capital Expenses determined as hereinafter provided for each monthly billing period:

(i) One-twelfth (1/12th) of the estimated annual Budgeted Capital Expenses, based upon the Annual Budget more fully described below; plus

(ii) An amount sufficient to provide for the reimbursement of the Authority's reserves, such annual reimbursements not to exceed five percent (5%) of the total Annual Budget for such Fiscal Year, established as part of the Budgeted Capital Expenses in substantially equal monthly installments for any amounts withdrawn therefrom within a period of one-year.

The Budgeted Capital Charges described in this Section 4.4 shall be based upon Annual Budgets prepared by the Authority in accordance with Section 4.9 of this Agreement.

(b) Allocation of Budgeted Capital Charges. Budgeted Capital Charges shall be determined by Customer Group and allocated among the Customers in each Customer Group on a pro rata basis based upon their applicable Contract Quantity at the time the Authority prepares its Annual Budget. Under no circumstances shall the inability to receive water from the Municipal System relieve any Customer from the obligation to pay Budgeted Capital Charges.

Section 4.5. Municipal System Reserves. Any Municipal System reserves established by the Board may be used by the Authority for any purpose designated by the Board, including:

(a) to pay Municipal System Operating Expenses or Budgeted Capital Expenses if there is insufficient money for such purposes;

(b) to pay the cost of ordinary and extraordinary capital repairs and replacements to the Municipal System;

(c) to pay Raw Water Charges if the Board determines that such expenditure is necessary in order to maintain a reliable water supply or prevent a default in the payment of principal of or interest on Seller's Revenue Bonds and there is insufficient money for such purposes; and

(d) to prevent a default in the payment of principal of or interest on the Municipal System Bonds.

Section 4.6. Excess Use Charges. If Purchaser takes water from the Municipal System during any month in excess of Purchaser's then existing Contract Quantity or Point of Delivery Contract Quantity (each expressed as an average daily amount in gallons per day), Purchaser shall pay, for each one thousand (1,000) gallons, or portion thereof, of such excess, three times the amount per one thousand (1,000) gallons payable by Purchaser as Municipal System Operating Charges during that Fiscal Year on such excess usage (the "Excess Use Charge"). The Authority shall use the revenues derived from such Excess Use Charges to pay expenses of the Municipal System. Purchaser acknowledges and agrees that it does not have a right to use water in excess of its Contract Quantity or Point of Delivery Contract Quantity. If the Authority, in its sole discretion, determines that water in excess of a Customer's Point of Delivery Contract Quantity can be delivered to a Customer's Point of Delivery in excess of its applicable Point of Delivery Contract Quantity based on the then current demands on the System or in an emergency situation, the Board may choose not to impose an Excess Use Charge for the delivery of such water.

Section 4.7. Municipal System Debt Service Charges. The following provisions describe the Municipal System Debt Service Charges and the allocation of such charges among Customers and owed by the Purchaser:

(a) Debt Service Requirements. When used in this Agreement, the term Debt Service Requirements shall mean a monthly charge equal to Purchaser's allocated share (determined as hereinafter provided for the monthly billing period) of the sum of the following:

(i) One-twelfth (1/12) of the annual sum required to be deposited into the applicable debt service fund to pay (A) principal of (whether upon maturity or earlier optional or mandatory redemption), premium, if any, on any Municipal System Bonds, (B) amounts required to be paid under credit agreements, paying agent fees and other expenses paid in connection with any Municipal System Bonds, and (C) amounts required to meet any rate covenant with respect to coverage of the principal of, premium, if any and interest on any Municipal System Bonds, as provided in the bond resolution authorizing the issuance of such Municipal System Bonds; plus

(ii) In substantially equal monthly installments, the amount required to be deposited into the applicable debt service fund to pay the interest becoming due on the next interest payment date on any Municipal System Bonds as provided in the bond resolution authorizing the issuance of such Municipal System Bonds; plus

(iii) The monthly amount required to be deposited into the Municipal System Debt Service Reserve Fund, as set out in a bond resolution authorizing the issuance of Municipal System Bonds for each Contract Year beginning in the first Contract Year during which such Municipal System Bonds are Outstanding; including the amounts required for the replenishment of the Municipal System Debt Service Reserve Fund so that it meets the Municipal System Debt Service Reserve Fund Requirement, as provided in a bond resolution; plus

(iv) The monthly amount required to be deposited into an Additional Municipal System Reserve Fund, if any, as set out in the bond resolution authorizing the issuance of the such Municipal System Bonds for each Contract Year beginning in the first Contract Year during which such series of Municipal System Bonds are Outstanding including the amounts required for the replenishment of such Additional Municipal System Reserve Fund as provided in a bond resolution; plus

(v) Arbitrage rebate payments, credit or liquidity fees, other payments, fees, and expenses due under a credit agreement associated with Municipal System Bonds and termination payments for any credit agreement associated with a series of Municipal System Bonds.

In calculating the Debt Service Requirements, Customers shall be entitled to a credit against the Debt Service Requirements described above equal to (i) proceeds designated in a bond resolution for a series of Municipal System Bonds for the purpose of paying interest on any series of Municipal System Bonds during the construction of any portion of the Municipal System; (ii) surplus amounts on deposit in the interest and sinking fund

for a series of Municipal System Bonds that is available to pay any Debt Service Requirements by reason of interest earnings on funds in the interest and sinking fund, any overpayment, or because of the deposit of surplus proceeds of the Municipal System Bonds in an interest and sinking fund after completion of any portion of the Municipal System funded with such series of Municipal System Bonds; and (iii) amounts received from other sources that are dedicated by the Board to payment of the Debt Service Requirements. Purchaser's allocated share of the Debt Service Requirements for a particular series of Municipal System Bonds shall be determined as provided in subsections (b), (c), or (d) below, as appropriate.

If any Customer defaults in the payment of its allocated share of the Debt Service Requirements described in subsection (iii) above for a particular Series of Municipal System Bonds, such amount shall be reallocated pro rata by the Authority based on the Contract Quantities of all non-defaulting Customers so that the full amount of the Debt Service Charges described in subsection (iii) above shall always be paid notwithstanding the failure of any Customer to pay any portion thereof. The obligation to fund deficiencies in the Debt Service Charges described in subsection (iii) above shall apply to all Municipal System Bonds. Purchaser shall be given a credit for any amounts paid pursuant to this provision if the defaulting Customer (or a successor in interest to such defaulting Customer) subsequently makes a payment for which it was in default. The Authority shall exercise good faith efforts to pursue all available legal remedies against the defaulting Customer to obtain payment from the defaulting Customer of its share of the Debt Service Requirements as reasonably practicable after such Customer defaults.

(b) Allocation of Municipal System Debt Service Charges, Generally. Municipal System Debt Services Charges shall be allocated as set forth below. The Authority shall provide notice of such allocation as provided in Section 4.7(c) herein.

(i) Improvement, Construction, Reconstruction, Repair, Equipment, and Modification of the Mackey Plant. Debt Service Requirements for Municipal System Bonds issued for the improvement, construction, reconstruction, repair, equipment, or modification of the Mackey Plant, including the improvement or addition of equipment or facilities determined by the Board to improve the reliability, redundancy, or resiliency of the Mackey Plant, the Municipal System, or additional water supplies for the Municipal System, shall be shared by all of the Municipal System Customers as provided in this subparagraph (b)(i). Unless reduced through the payment of a capital contribution by a Municipal System Customer, the amount of the Municipal System Debt Service Charges to be paid by a particular Customer in connection with a series of Municipal System Bonds issued for a purpose described in this subparagraph (b)(i) shall be determined by the application of the total of the Debt Service Requirements for the applicable series of Municipal System Bonds (less any credit to such amount that may result from the payments received from additional customers of the Authority under a Municipal System Contract entered into subsequent to the date such Municipal System Bonds are issued) times a fraction, the numerator of which is the Contract Quantity of the Purchaser and the denominator of which is the total of all of the Contract Quantities of the Municipal System Customers from time to time.

(ii) Expansions of the Municipal System Resulting in Additional Contract Quantity. Debt Service Requirements for Municipal System Bonds issued for the purpose of expanding the capacity of the existing Municipal System in a manner that results in the availability of additional Contract Quantity shall be shared by the Municipal System Customers in accordance with this subparagraph (b)(ii). The Customers participating in such an expansion shall be considered a Customer Group for the purposes of financing or refinancing such expansions. Unless reduced through the payment of a capital contribution by a Municipal System Customer, the amount of the Municipal System Debt Service Charges to be paid by a particular Municipal System Customer in connection with a series of Municipal System Bonds issued for a purpose described in this subparagraph (b)(ii) shall be determined by the application of the total of the Debt Service Requirements for the applicable series of Municipal System Bonds (less any credit to such amount that may result from the payments received from additional customers of the Authority under a Municipal System Contract entered into subsequent to the date such Municipal System Bonds are issued) times a fraction, the numerator of which shall be the incremental increase in the Contract Quantity of the Purchaser and the denominator of which is the total of all the incremental increases in the Contract Quantities of the Municipal System Customers participating in the issuance of Municipal System Bonds for such expansion as the result of such expansion.

(iii) Other Authority Projects. Debt Service Requirements for Municipal System Bonds issued for the improvement, construction, reconstruction, repair, equipment, modification of or extensions to or the refinancing of one or more Components of the Municipal System (other than described in subparagraphs (b)(i) and (ii) above), shall be shared by all of the Customers participating in such Component or Components as provided in this subparagraph (b)(iii). The Customers participating in a Component shall be considered a Customer Group for the purposes of financing or refinancing such Component. A list of the current Customer Groups associated with Components of the Municipal System is attached as Exhibit B-2. Unless reduced through the payment of a capital contribution by a Customer, the amount of the Municipal System Debt Service Charges to be paid by a particular Customer in connection with a series of Municipal System Bonds issued for a purpose described in this subparagraph (b)(iii) shall be determined (a) by allocation of the Debt Service Requirements to each the Components being financed based on the portion of the Municipal System Bonds allocated to such Component (less any credit to such amount that may result from the payments received from additional customers of the Authority under a Municipal System Contract entered into subsequent to the date such Municipal System Bonds are issued) and (b) allocating the Debt Service Requirements for each Component pro rata among the Customers in the applicable Customer Groups based on their Contract Quantities as shown in Exhibit B-2, as amended. Notwithstanding the foregoing, if the improvement, construction, reconstruction, repair, equipment, modification of or extensions to or the refinancing of one or more Components includes the oversizing, extension, enhancement or other modification of one or more Components at the request of one or more Customers, the Authority and the Customers participating in the Component(s) may agree to an alternate allocation of Municipal System Debt Services Charges in connection with such Component(s). Any such alternative arrangement shall be reflected in an addendum or supplement to this Agreement approved by the Customers participating in the

Component(s) that evidences such alternate allocation of Municipal System Debt Service Charges.

(iv) Refunding Bonds. The Municipal System Debt Service Charges on the refunding bonds shall be allocated in the same manner as the Municipal System Debt Service Charges on the Municipal System Bonds being refunded.

(v) Capital Contributions. Purchaser may pay a capital contribution for its pro rata share of any project described in Section 4.7(b)(i)-(iii) (in lieu of having Municipal System Bonds issued), which will reduce its share of Municipal Debt Service Charges associated with such project.

(c) Notice Evidencing Allocation of Debt Service Charges. With respect to each issuance of Municipal System Bonds hereafter issued to finance the items described in subparagraph (b), the Authority shall provide written notice not later than sixty (60) days prior to the proposed sale date of the Bonds to each Municipal System Customer that is part of a Customer Group for such Series of Municipal System Bonds setting forth the following information:

- (i) a description of the purpose(s) for the Municipal System Bonds;
- (ii) the estimated aggregate principal amount and series designation (if applicable) of the Municipal System Bonds being issued by the Authority and a percentage allocation of the debt service on such Municipal System Bonds; and
- (iii) the aggregate incremental increase in Contract Quantity for each Customer, if any, as a result of an expansion, and a listing of the Contract Quantities or other mechanism to be used in the allocation of Debt Service Requirements for the Municipal System Bonds among Customers as described in subparagraph (b) above.

(d) Allocation of Municipal System Debt Service Charges for the 7.9 MGD Mackey Plant Expansion Bonds. The Debt Service Charges for the 7.9 MGD Mackey Plant Expansion Bonds shall be allocated as shown in Addendum 1 hereto. Each Customer shown in Addendum 1 as participating in the 7.9 MGD Mackey Plant Expansion Bonds hereby consents to the issuance of such Municipal System Bonds for the purposes of Section 7.9 of this Agreement.

Section 4.8. Customers' Systems; Rates and Operating Expenses. All sums due to the Authority pursuant to this Agreement from any Customer that is a municipal corporation or a political subdivision of the State of Texas shall constitute operating expenses of such Customer's water supply system. Each such Customer shall fix, establish, charge and collect fees, rates, and charges for service from its water supply system as will at all times be fully sufficient to enable such Customer to pay when due all operating expenses of such system, including all sums due from such Customer to the Authority pursuant to this Article IV. Nothing in this Section, however, shall be construed as preventing the Purchaser, in its sole Discretion from making any payment due to the Authority from sources other than revenues and income of the Purchaser's water supply system. In accordance with Section 791.026(b) and (c), Texas Government Code, during the term of this Agreement, so long as the Authority has Potable Water available from the Water Treatment Plants to supply Purchaser in amounts sufficient to meet Purchaser's needs, Purchaser shall not obtain Potable Water from a source other than the Authority except (i) from facilities owned by

the Purchaser, contracted for, or included in Purchaser's capital improvement plan, on the date hereof, (ii) from groundwater sources now or hereafter available to the Purchaser, (iii) as may otherwise be permitted by this Agreement, or (iv) with the consent of the Authority, which consent shall not be unreasonably withheld.

Section 4.9. Annual Budget. The Authority shall prepare an Annual Budget. Annual Budgets shall be based on estimates prepared by the Authority. The Authority shall hold annual budget meetings with Customers and provide Purchaser with a copy of each Annual Budget at least two months prior to the effective date of such Annual Budget. The Board may amend the Annual Budget during the course of a Fiscal Year without consent of the Customers to address unanticipated events affecting the operation of the Municipal System; provided, however, that prior to implementing any such budget amendment, the Authority will give Purchaser sixty (60) calendar days' advance written notice of such proposed budget amendment and an opportunity to comment on the proposed budget amendment. Notwithstanding the foregoing, budget amendments that do not increase the costs allocated to Customers do not require such notifications (e.g., receipt of grant funds).

Section 4.10. Audits. After the end of each Fiscal Year the Authority will have an audit of accounts and expenses prepared in accordance with generally accepted accounting principles applicable to entities like the Authority during the last Fiscal Year, prepared by an independent certified public accountant or firm of certified public accountants, not in the regular employ of the Authority, which audit will be made available either (i) through the posting of such audit on the Authority's website or (ii) upon receipt of a written request, through the delivery of such audit to Purchaser, within one hundred thirty-five (135) days after the end of the Fiscal Year, and if not completed with such one hundred thirty-five (135) day period shall be provided as soon as such audit is completed.

ARTICLE V BILLING AND PAYMENT; DEFAULTS AND REMEDIES

Section 5.1. Billing and Payment. The Authority shall bill Purchaser monthly for Raw Water Charges, Municipal System Debt Service Charges, Municipal System Operating Charges, Budgeted Capital Charges, Excess Use Charges, if any, and amounts charged under the Authority's rate order, if any, commencing in the first month following the Effective Date. The Authority shall bill Purchaser monthly in advance for all Municipal System Debt Service Charges and Raw Water Charges. All such billings shall be sent to Purchaser not later than the fifth (5th) day of each month. The amount so billed shall be due and paid by Purchaser by the twenty-fifth (25th) day of the month. All payments hereunder by Purchaser shall be made to the Authority at the address shown for the Authority in Section 12.1 of this Agreement, or at such other address as may have been designated pursuant to Section 12.1 of this Agreement.

Section 5.2. Event of Default. If any bill has not been fully paid within thirty (30) days after the due date, such failure to pay shall constitute an event of default under this Agreement.

Section 5.3. Remedies. If an event of default shall occur and be continuing, the Authority shall have the right to cease delivery of water under this Agreement by giving to Purchaser thirty (30) days advance written notice of the effective date of such cessation. Such

cessation, however, shall not be effective if prior to the effective date of cessation Purchaser shall have fully paid such bill and the interest accrued thereon or the Authority has agreed to other arrangements. In addition, the Authority shall have all other rights and remedies afforded by the constitution and laws of the State of Texas, and shall further have the right to terminate all of Purchaser's other rights under this Agreement, including Purchaser's Contract Quantity hereunder, or to sell water to other purchasers for the account of Purchaser, but only after all other remedies have failed. If Purchaser pays any disputed amount, the Authority shall not have any right to terminate any of Purchaser's rights, including, but not limited to, selling of Purchaser's Contract Quantity. Payment of a disputed amount shall not affect Purchaser's right to recover the disputed amount. Payments by the Purchaser shall be subject to the provisions of the Texas Prompt Payment Act, Texas Government Code Chapter 2251. If the Authority terminates all of Purchaser's rights under this Agreement, each other Customer not in default shall have the option to acquire any of said rights (in the same proportion as such Customer's Contract Quantity bears to the sum of the Contract Quantities of all Customers exercising their options or in such other proportions as the Customers exercising their options may agree), including Purchaser's Contract Quantity hereunder; provided, however, that any Customer acquiring any terminated rights of Purchaser shall assume and be liable for all of Purchaser's duties, obligations and liabilities attributable to the rights acquired, including payment of Purchaser's allocated share of the Raw Water Charges, Municipal System Debt Service Charges, Municipal System Operating Charges, Budgeted Capital Charges, and Excess Use Charges, if any, and amounts charged under the Authority's rate order, if any. Customers exercising an option to acquire terminated rights of Purchaser must exercise said option, if at all, within forty-five (45) days after the Authority notifies such Customers of the termination of Purchaser's rights under this Agreement. No termination or reacquisition of any rights of Purchaser shall have the effect of relieving Purchaser of any liability which it would otherwise have had if no such termination or reacquisition had occurred, except to the extent that such liability is offset from time to time by payments actually made to the Authority by Customers acquiring terminated rights of Purchaser (or their successors or assigns). If other Customers do not assume all the defaulting Customer's Contract Quantity and the defaulting Customer fails to pay any amounts due under this Agreement, the remaining total of Contract Quantities of all Customers, exclusive of such amounts, shall be used as the basis for calculating the pro rata shares of the Customers hereunder although such readjustment shall not relieve the defaulting Customer of its liability hereunder.

ARTICLE VI SPECIAL PROVISIONS

Section 6.1. League City Transmission Line. The Authority has contracted with the City of League City for provision of Potable Water through the League City Transmission Line in the event of a drought or other emergency (subject to the pumping capacity of the City of League City's pump station located in the City of Webster and any physical and hydraulic limitations on the ability of the Authority's water transmission system to receive such volume of water). When necessitated by catastrophic failure or the lines reaching the end of their useful life, the costs of the replacement of or a mutually acceptable alternative rehabilitation process for the League City Transmission Line will be shared between the City of League City and the Authority, with eighty percent (80%) of such replacement or mutually acceptable alternative rehabilitation costs to be borne by the City of League City and twenty percent (20%) to be borne by the Authority. If the replacement of the League City Transmission Line is necessitated by other than catastrophic failure

or the end of its useful life, the City of League City and the Authority will meet to discuss the extent to which the replacement is beneficial to the Authority and the extent, if any, of the Authority's participation in the replacement project. The capacity of the current line or lines will not be materially reduced (i.e. a reduction of more than 10%) in connection with any such replacement project, absent consent from 60% of the Municipal System Customers. The Authority's share of the costs of such replacement will be shared by the Municipal System Customers pro rata based on their Contract Quantities. The Authority shall establish the price for emergency water delivered to or received from League City through the League City Transmission Line, and amounts paid or received for such emergency water under the contract between the Authority and the City of League City shall be a cost or revenue allocable to the Municipal System.

Section 6.2. Combination of the Canal J System into the Canal Division. The Authority reserves the right to expand the Canal Division to include the Canal J System, subject to the following condition: the Board determines that the total water rates charged to Municipal System Customers in the year such combination is implemented shall not increase by more than 5% as a result of such combination, as shown in the Annual Budget for such Fiscal Year.

ARTICLE VII THE MUNICIPAL SYSTEM: FINANCING AND OWNERSHIP

Section 7.1. The Municipal System. The Authority owns, operates and maintains the Municipal System to provide Potable Water to Purchaser and the other Municipal Customers. The Purchaser and the Authority agree to cooperate as provided in this Agreement in order to permit the Authority to acquire, construct, expand, extend, repair, and replace the Municipal System, to provide for the development of additional water supplies, to provide all necessary financing therefor, and to provide for the operation thereof. If any portion of the Municipal System should be located on any land now or hereafter owned by Purchaser or in any present or future rights-of-way or public place of Purchaser, Purchaser hereby consents thereto and hereby grants or will grant to the Authority the non-exclusive right, privilege, easement and right-of-way to use such lands, rights-of-way, or public places for the purpose of maintaining, operating, laying, and repairing such portion of the Municipal System until termination of this Agreement, in order for the Authority to comply with the provisions of this Agreement.

Section 7.2. Financing the Municipal System; Issuance of Municipal System Bonds.

(a) Subject to Section 7.9 hereof, the Authority may issue Municipal System Bonds in one or more series at such time or times and in such amounts as the Authority shall deem appropriate to finance the estimated costs of the improvement, construction, renovation, reconstruction, expansion and equipment of the Municipal System and the development of water supplies to serve the Municipal System, after taking into account any capital contributions by any of the Customers for costs of the Municipal System or any of the Components of the Municipal System and other revenues dedicated by the Board for such purposes, and to refund all or any portion of any Municipal System Bonds Outstanding or other obligation issued to finance one or more Components of the Municipal System.

(b) The Municipal System Bonds shall be special revenue obligations of the Authority payable from and secured by the Municipal System Debt Service Payments to be made under this

Agreement and similar agreements with the other Customers, certain proceeds of the Municipal System Bonds, and other amounts from time to time on deposit in the various funds created in connection with the issuance of the Municipal System Bonds from time to time. Municipal System Bonds may be secured by a lien on and pledge of revenues that is superior to, on parity with, or junior and subordinate to revenues securing other Municipal System Bonds.

(c) The Authority shall use good faith efforts to sell the Municipal System Bonds, within the limits prescribed by law, under terms that are the most advantageous reasonably attainable by the Authority at the time of the sale.

(d) The Authority shall apply the proceeds of each series of Municipal System Bonds as provided in the resolution authorizing such series of Municipal System Bonds.

(e) Purchaser hereby agrees to promptly furnish the Authority with such certificates, data, projections and related information as may be required or requested by the Authority (i) in connection with the sale of Municipal System Bonds in order to comply with all applicable laws, rules and regulations, including 17 CFR 240.15c2-12 (municipal securities disclosure), as amended from time to time, including entering into any continuing disclosure agreements as may be required in connection with the issuance of the Municipal System Bonds, and (ii) the approval of Municipal System Bonds by the Attorney General of the State of Texas.

Section 7.3. Municipal System Debt Service Reserve Funds. (a) Each resolution of the Authority authorizing the issuance of a series of Municipal System Bonds shall provide for the establishment and maintenance of a Municipal System Debt Service Reserve Fund in which there shall be capitalized and/or accumulated the Municipal System Debt Service Reserve Fund Requirement. Such bond resolutions shall also provide that all interest earnings and investment income from the Municipal System Reserve Fund shall remain therein so long as the balance therein is less than the Municipal System Debt Service Reserve Fund Requirement. However, whenever the balance therein is at least equal to the Municipal System Debt Service Reserve Fund Requirement, all interest earnings and investment income shall be transferred to the interest and sinking fund for the Municipal System Bonds and shall constitute a credit against the payment of Debt Service Charges.

(b) Amounts in the Municipal System Reserve Fund may be used at any time by the Authority to prevent a default in the payment of principal of or interest on the Municipal System Bonds or to make the final payments thereof.

Section 7.4. Additional Municipal System Reserve Funds. In addition to the creation of Municipal System Debt Service Reserve Funds, a resolution of the Authority authorizing the issuance of a series of Municipal System Bonds may provide for the establishment and maintenance of such other reserve funds as are determined by the Authority to be necessary or desirable in connection with the issuance of a series of Municipal System Bonds (collectively, "Additional Municipal System Reserve Funds"). Purchaser agrees that the Authority may utilize such Additional Municipal System Reserve Funds in the manner and for the purposes established in the applicable bond resolution.

Section 7.5. Canal System Revenue Bonds and Texas City Reservoir and Raw Water Conveyance System Revenue Bonds. The Authority reserves the right to issue, and pursuant to Section 6.2 of the Industrial Division Customer Contract, Purchaser hereby consents to the issuance of revenue bonds by the Authority classified as Canal System Revenue Bonds or Texas City Reservoir and Raw Water Conveyance System Bonds in one or more series, for such purposes, at such time or times and in such amounts as the Board shall deem appropriate.

Section 7.6. Expansion of Municipal System. The Authority reserves the right to expand, improve, or modify the Municipal System from time to time in such manner and by such increments as the Authority shall deem appropriate; to allocate additional capacity provided thereby among the Customers and others subject to the provisions hereof; to acquire additional raw water for future capacity for the Water Treatment Plants; and to provide for the financing thereof by issuing additional Municipal System Bonds or Special Project Bonds, from capital contributions or from any other lawful source of funds, subject to the applicable provisions of this Agreement.

Section 7.7. Ownership and Operation. It is expressly agreed and understood that as between the parties hereto, the Authority shall be the owner and operator of the Municipal System. The Authority shall operate the Municipal System in a safe, efficient and economical manner in accordance with (i) sound business principles, (ii) accepted good engineering and management practices for the operation by political subdivisions of water systems of a similar type and size, (iii) the Authority's safety and security program, which will include reasonable precautions and measures recognized in the municipal water industry in connection with the operation by political subdivisions of water systems of a similar type and size to address cybersecurity threats, domestic and foreign terrorism threats, and public health and welfare, and (iv) applicable regulatory requirements.

Section 7.8. Special Projects. The Authority reserves the right and will reserve the right, in each of its resolutions authorizing the issuance of Municipal System Bonds, to issue bonds (hereinafter, the "Special Project Bonds") for the purpose of constructing, acquiring, adding, expanding or extending facilities to serve any new or existing water customers ("Special Project Customers") by means of the Municipal System or the Industrial Division. Facilities constructed or acquired with the proceeds of Special Project Bonds or paid for by any Special Project Customers are hereinafter called "Special Project Facilities." The principal of and interest on Special Project Bonds shall be payable from revenue derived from Special Project Facilities. Debt service on Special Project Bonds and expenses and other expenditures attributable to Special Project Facilities shall not be included in either the annual budget of the Industrial Division or the Annual Budget of the Municipal System or treated as their expense and expenditures, except as set forth in this Agreement.

The Authority's general overhead and administrative expenses and any other expenses and expenditures applicable to the Industrial Division, the Municipal System and Special Project Facilities shall be fairly apportioned between them, as shown in the annual budget of the Industrial Division or the Annual Budget of the Municipal System, as applicable.

To the extent of the quantity of water that is supplied to a Special Project Customer by means of the Municipal System or any Component of the Municipal System, such Special Project

Customer shall pay to the Authority as revenue of the Municipal System the charges which would be payable under the other provision of the Agreement if such Special Project Customer were the purchasing party under a contract similar hereto and such quantity of water were its Contract Quantity. Each such payment by a Special Project Customer shall be a maintenance and operating expense of the Special Project Facility serving such Special Project Customer.

Section 7.9. Consent Provisions for Municipal System Bonds. The following consent provisions shall apply to the issuance of Municipal System Bonds.

(a) Refunding Obligations. The term Municipal System Bonds shall include and Purchaser is deemed to have consented to the issuance of bonds, notes, commercial paper, credit agreements or other obligations issued for the purpose of refunding Municipal System Bonds, provided that:

(i) (A) the issuance of such refunding obligations results in debt services savings; and

(B) the last maturity of such refunding obligations does not mature on a date later than the maturity date of the last maturity of the Municipal System Bonds being refunded; or

(ii) the issuance of such refunding obligations is for the purpose of providing long term financing for commercial paper, short term notes, bond anticipation notes, or other short term financing instruments; or

(iii) the Authority has received the consent of the applicable Customers, as determined in the manner provided in subsection (b)(ii) below, for the issuance of refunding obligations for purposes other than those described in subsections (i) or (ii) above.

(b) New Money Municipal System Bonds. The term Municipal System Bonds shall include and Purchaser is deemed to have consented to the issuance of the following bonds, notes, commercial paper, credit agreements or other obligations:

(i) the issuance of which the Board determines is necessary to (A) comply with any state or federal regulatory requirements; (B) maintain the integrity of the Municipal System, including the repair or replacement of equipment or Components damaged or destroyed as a result of a natural disaster or other catastrophic event; or (C) prevent or lessen an imminent threat to the health, welfare, or safety of the public (an “imminent threat to the health, welfare, or safety of the public” means, a significant threat or immediate danger to health, welfare, or safety and is considered to exist when the Board determines that a condition, practice, circumstance, or event exists that may cause damage or injury to persons or property or the inability to provide water to one or more Customers and requires prompt correction or cessation of operation to prevent such damage, injury, or inability); or

(ii) the issuance of which is consented to by either (A) 60% of the Customers in the Customer Group for the Component being financed or refinanced, or (B) Customers

in the Customer Group for a Component being financed or refinanced that represent 70% of the total Contract Quantity for such Customer Group as shown in Exhibit B-2.

(c) Notwithstanding the provisions of Section 7.9(b), Purchaser hereby consents to the issuance of one or more series of Municipal System Bonds, notes or other obligations for the design, construction, acquisition, equipment, and improvements associated with the relocation of portions of the South Transmission Line, including right of way acquisition and the removal of the existing line from Texas Department of Transportation rights of way. The Authority agrees the relocation is limited to the portion of SH 3/146 between FM 519 and the Texas City Wye, as the same may be amended by Texas Department of Transportation within the scope of such project.

(d) Notwithstanding the provisions of Section 7.9(b), Purchaser hereby consents to the issuance of one or more series of Municipal System Bonds, notes or other obligations for the design, construction, acquisition, equipment, and improvements associated with the costs of the replacement or rehabilitation of the League City Transmission Line pursuant to Section 6.1 of this Agreement.

ARTICLE VIII FORCE MAJEURE

Section 8.1. General. Other than with respect to Purchaser's unconditional obligation to make the payments identified in Section 14.1 of this Agreement, neither party hereto shall be liable in damages or otherwise suffer any default for any failure to perform, or for delay in performing, its obligations under this Agreement where the same is due to acts of God, fire, storm, flood, hurricanes, drought, insufficiency of water in the Brazos River and in Jones and Upper Oyster Creeks, Chocolate Bayou, Mustang Bayou or Halls Bayou, or other water source, landslide, subsidences of land, lightning, earthquake, washout, explosion, epidemic, war, acts of enemies or belligerents, sabotage, interference by, orders of, or compliance with requests or recommendations of civil or military courts or other authorities, including any agency or person appointed by any such authority or by any official thereof (whether de jure or de facto and whether acting legally or not), inability to obtain materials, strikes or other differences with labor (whether or not within the power of the party to settle the same), breakage or accident to machinery, canals, reservoirs or lines of pipe, or any other cause (whether or not of the same class or kind as those set forth above) not otherwise due to the fraud, criminal misconduct, willful misconduct or gross negligence of such party, while and so long as and to the extent that performance is prevented from such cause (hereinafter sometimes referred to as a "force majeure") and due diligence is being used to resume performance at the earliest practicable time. The failure in whole or in part of Purchaser to take water under the terms of this Agreement where such is due to the inability of Purchaser to take water for any of the above causes shall be deemed a force majeure applicable to Purchaser, but only in proportion and to the extent that Purchaser's demand, or ability to take water, is reduced thereby.

Section 8.2. The Authority's Water Supply. (a) The Authority receives delivery of its supply of water out of the Brazos River and other sources, and such water must be transported over long distances before it is received by the Authority at the Water Treatment Plants. It is agreed, therefore, that the event of stoppage or diminution of the water received by the Authority from one or more of its sources of supply, including, but not limited to, the BRA (other than by

reason of the Authority's failure to make payments due to its suppliers) shall be deemed a force majeure, and that the Authority cannot and does not guarantee constant availability of water hereunder under such circumstances but does agree to use its best efforts to maintain such availability.

(b) It is further agreed that the Authority may, without liability or default, interrupt its service hereunder to make necessary alterations to or repairs in its Canal Division, Industrial Division, or the Municipal System, but only if such interruption cannot otherwise reasonably be avoided. If possible, the Authority shall give reasonable prior notice of any such interruption to Purchaser.

(c) Purchaser is not guaranteed any specific quantity or pressure of water during times that the water supply from the Water Treatment Plants is limited, whether as a result of a period of drought or other reason, or when equipment becomes inoperative due to unforeseen breakdown or scheduled maintenance and repairs. Notwithstanding the other provisions of this Section, the Authority may reduce the supply of water in accordance with the laws of the State of Texas, particularly section 11.039(a) of the Texas Water Code, as may be amended from time to time.

ARTICLE IX OPERATING ADVISORY COMMITTEE; CUSTOMER REPORTING

Section 9.1. Creation and Composition. The Authority has created and will maintain during the term of this Agreement a Municipal System Operating Advisory Committee on which Purchaser will have one representative selected by the Purchaser. The Municipal System Operating Advisory Committee shall be composed of only those representatives so selected by each Customer, and if any Customer fails to select a representative, the Municipal System Operating Advisory Committee shall be deemed fully composed of only the representatives selected by the other Customers.

Section 9.2. Functions. Members of the Municipal System Operating Advisory Committee shall have access at all reasonable times to inspect the books, records, facilities and properties of the Authority pertaining to the Municipal System and shall receive advance notice of, and be entitled to attend, all meetings of the Board. Prior to the execution of any contract by the Authority for the purchase of an additional water supply for the Municipal System and prior to the adoption of each annual operating budget for the Municipal System copies of such instruments shall be supplied to all members of the Municipal System Operating Advisory Committee, and they shall be given a reasonable time to examine each such instrument and to make comments and recommendations to the Board in regard thereto. The Authority shall solicit the advice and counsel of each member of the Municipal System Operating Advisory Committee in regard to the operation, maintenance, repair, replacement and enlargement of the Municipal System and each member shall be given full opportunity from time to time to express his views in regard to all such matters.

Section 9.3. Procedures. In addition to functioning as provided in Section 9.2 of this Article, the members of the Municipal System Operating Advisory Committee may establish dates for and hold regular periodic meetings, provide for the calling of and hold special meetings, provide for the election of a chairman and other offices, and establish such other procedures for

the functioning of the Municipal System Operating Advisory Committee as the members may agree upon. However, members of said Committee shall not receive any compensation from the Authority for their services as members or for expenses incurred by them.

Section 9.4. Reporting. The Authority shall make available upon written request financial statements for each month (within 30 days following the close of each month) detailing the projected budget to actual results and the balance of all reserve funds. At least two months prior to each Fiscal Year, the Authority shall make the following information available on its website or deliver it to Purchaser upon receipt of a written request: (i) a written description of its current planned capital improvements program including project descriptions and cost estimates and (ii) a written projection of Municipal System charges and associated rate projections for the next five years so that Purchaser may adequately plan for its own budgeting and retail rate setting. The Authority shall cooperate with any reasonable requests for additional budgeting or financial information by Purchaser on a timely basis. Purchaser shall designate and communicate to the Authority in writing the appropriate staff member to receive such reports on its behalf.

ARTICLE X SUCCESSORS AND ASSIGNS

Section 10.1. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. However, this Agreement may not be assigned in whole or in part by the Authority, except that the Authority expressly reserves the right to pledge the revenues to be received under this Agreement to secure the payment of the Municipal System Bonds and the Seller's Revenue Bonds; and no assignment hereof, in whole or in part, by Purchaser shall relieve Purchaser of its obligation to make the payments for water as herein provided. Nothing in this Section shall prevent Purchaser from pledging its rights under this Agreement to secure debt.

ARTICLE XI MISCELLANEOUS

Section 11.1. Complete Agreement. This Agreement constitutes the entire agreement between the parties hereto relating to the funding, construction, operation and maintenance of the Municipal System. There are no warranties, representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter hereof that are not fully expressed or provided for herein, and the parties shall not be bound by or liable for any alleged warranty, representation, agreement, arrangement, or understanding. Neither of the parties hereto have relied on any statements or representations that have been made by any other party that are not set forth in this Agreement, and neither party is entitled to rely on any representation, agreement or obligation that is not expressly stated in this Agreement.

Section 11.2. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Texas.

Section 11.3. Repealer. Upon the full Effective Date of this Agreement, this Agreement completely amends, repeals and replaces and supersedes the Existing Agreements and all prior

agreements, understandings, negotiations, and discussions, oral or written, between the parties hereto.

Section 11.4. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 11.5. Table of Contents, Etc. The table of contents, titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part thereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 11.6. Amendment. This Agreement may only be amended by means of an amendment in writing.

Section 11.7. Special Conditions. This document is in the form of a standard contract proposed for the Customers.

ARTICLE XII NOTICE

Section 12.1. Addresses. Wherever notice from one party to the other is required or permitted hereunder and no other method is provided, such notice shall be in writing and shall be given by delivery of the same to the other party or by mailing the same by registered mail to the other party at the following address of the other party:

The Authority's Mailing Address until June 30, 2022:

Gulf Coast Water Authority
3630 Highway 1765
Texas City, Texas 77591
Attention: General Manager

The Authority's Mailing Address beginning July 1, 2022:

Gulf Coast Water Authority
4243 Emmett F. Lowery Parkway
Texas City, Texas 77591
Attention: General Manager

Purchaser's Mailing Address:

City of La Marque, Texas
1500 Municipal
La Marque, Texas 77568
Attention: Public Works Manager

or to such other address of the other party as may have been theretofore designated in writing by the other party to the one giving the notice. Notice by mail shall be deemed to have been given as of the date it is received.

ARTICLE XIII
TERM

Section 13.1. Term. This Contract shall become effective as of the Effective Date and remain in effect from the date set forth above until 11:59 pm, Central Time, on December 31, 2062, and thereafter until payments in full of the principal, premium, if any and interest on all Municipal System Bonds or Seller's Revenue Bonds and all related fees to be paid under any bond resolution or indenture securing the same.

Section 13.2. Required Approval by Customers; Effective Date. This Agreement shall become effective upon the earlier to occur of (i) the execution of amended and restated contracts in substantially the form of this Agreement by all of the Municipal System Customers under Municipal System Contracts in effect as of April 15, 2022, or (ii) to the extent this Agreement has not been signed by one or more of such Customers, upon the termination of the existing Municipal System Contracts for such Customers, which termination date is December 31, 2027, unless earlier termination occurs pursuant to the terms of such contracts. If and when such condition has been satisfied, the Agreement shall become effective, and the date on which such conditions are satisfied shall be the "Effective Date." Notwithstanding the foregoing, if this Agreement has not been signed by all Municipal System Customers by August 31, 2022, the provisions of Section 2.1 hereof shall be effective on August 31, 2022 as an amendment to the Existing Agreements until the Effective Date. Purchaser acknowledges that to the extent this Agreement does not become effective in its entirety prior to the need to finance the 7.9 MGD Mackey Plant Expansion, additional agreements between the Purchaser and the Authority will be required to facilitate the completion and financing of the 7.9 MGD Mackey Plant Expansion and the delivery of water from such project. The Authority shall promptly notify the Customers in writing upon the satisfaction of the condition precedent to the effectiveness of this Agreement and identifying the Effective Date.

ARTICLE XIV
UNCONDITIONAL COMMITMENTS

Section 14.1. Payments; Obligation to Pay Municipal System Debt Service Charges and Raw Water Charges Unconditional. It is understood and acknowledged by Purchaser that the Municipal System Bonds may be and the bonds issued under the Industrial Division Customer Contracts have been and may be sold to the purchasers thereof and the Authority purchases raw water for the Municipal System under the Industrial Division Customer Contracts in reliance upon

the commitment of Purchaser to make payments of Municipal System Debt Service Charges and Raw Water Charges provided by this Agreement. Accordingly, any other provision of this Agreement notwithstanding, Purchaser's obligation to pay Municipal System Debt Service Charges and Raw Water Charges shall be absolute and unconditional under any and all circumstances. So long as the Municipal System Bonds or Seller's Revenue Bonds remain Outstanding, Purchaser (i) will not suspend or discontinue any payments of Municipal System Debt Service Charges or Raw Water Charges provided herein; and (ii) will not terminate this Agreement or otherwise seek to avoid or to reduce the payment of Municipal System Debt Service Charges or Raw Water Charges for any reason, including, without limiting the generality of the foregoing, failure of any other Customer to perform its obligations under any agreement or any acts or circumstances that may constitute failure of consideration, any event of force majeure, destruction or damage to the Municipal System, frustration of purpose, any change in the tax or other laws of the United States of America or the State of Texas, or any political subdivision of either, or any failure of the Authority to perform or observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement. It is provided, however, that nothing contained in this Section shall be construed to release the Authority from the performance of any of the agreements on its part herein contained, and if the Authority should fail to perform any such agreement, Purchaser may institute such actions against the Authority as it may deem necessary to compel the performance thereof or to restrain or enjoin forbidden acts so long as such shall not result in a reduction of the payment of Municipal System Debt Service Charges and Raw Water Charges hereunder.

Section 14.2. Outstanding Bonds. For the purposes of this Agreement, no Municipal System Bond or Seller's Revenue Bonds shall be deemed to be "Outstanding" after the date:

- (a) of its stated maturity;
- (b) on which it is retired by reason of payment to the holder thereof of the principal thereof and accrued interest thereon; or
- (c) on which, due provision having been made therefor pursuant to the terms of the resolution authorizing its issuance, there has been deposited with the paying agent or authorized escrow agent, cash and/or investments designated for such purpose which is sufficient to pay or provide for the timely payment of the principal or redemption price thereof and interest accrued thereon as of the date of maturity or the redemption date of bonds duly called for prior redemption pursuant to the terms of such bond resolution, whichever first occurs.

Section 14.3. Exhibits. Exhibits may be modified, changed or substituted without amendment to this Agreement. The Authority may modify, change or substitute any Exhibit to this Agreement, as amended, by a letter agreement that is signed by (i) the Authority and (ii) the party affected by the modification, change or substitution.

[Execution Pages To Follow]

EXECUTED in multiple counterparts, each of which shall be deemed to be an original.

GULF COAST WATER AUTHORITY

By: _____
Name: _____
Title: President, Board of Directors

ATTEST:

By: _____
Name: _____
Title: Secretary, Board of Directors

PURCHASER

CITY OF LA MARQUE, TEXAS

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Name: _____
Title: _____

Exhibit A
Contract Quantities of Municipal System Customers
(in gallons per day)

	Contract Quantity (Total for Mackey Plant)	7.9 MGD Mackey Plant Expansion	Contract Quantity After 7.9 MGD Mackey Plant Expansion
City of Galveston	20,990,000	--	20,990,000
City of Texas City	11,505,000	--	11,505,000
City of League City	2,544,000	3,000,000	5,544,000
Galveston County WCID No. 1	4,165,000	--	4,165,000
City of La Marque	2,780,000	1,247,000	4,027,000
Galveston County WCID No. 12	1,043,000	2,044,000	3,087,000
San Leon MUD	1,785,000	--	1,785,000
Galveston County WCID No. 8	1,000,000	659,000	1,659,000
City of Hitchcock	1,500,000	500,000	2,000,000
Bacliff MUD	1,190,000	--	1,190,000
Galveston County FWSD No. 6	360,000	450,000	810,000
Galveston County MUD No. 12	450,000	--	450,000
Bayview MUD	388,000	--	388,000
Total	49,700,000	7,900,000	57,600,000

Exhibit B-1
Municipal System – Point of Delivery Contract Quantities

Customer	Transmission Component	Exhibit Number	Segment	Point of Delivery Number	Point of Delivery Contract Quantity - Current (in gallons per day)	Point of Delivery Contract Quantity after Plant Expansion (in gallons per day)	Point of Delivery Contract Quantity following necessary Component improvements (in gallons per day)
City of Texas City (TMWTP East & West)	North Transmission System	C-4	A:B	1	8,205,000	6,055,000	5,015,000
City of La Marque (North)	North Transmission System	C-4	A:B	2	2,380,000	2,380,000	2,380,000
City of Texas City (Corrections Facility point of connection)	North Transmission System	C-4	A:B	3	500,000	500,000	500,000
City of Texas City (Humble Camp point of delivery)	North Transmission System	C-4	B:C	4	2,500,000	4,250,000	4,900,000
Galveston County Water Control & Improvement District No. 1 (Dickinson)	North Transmission System	C-4	D:E	5	3,100,000	3,100,000	3,100,000
City of Texas City (FM 517 point of delivery)	Bayshore Transmission System	C-2	D:F	6	300,000	700,000	1,090,000
San Leon Municipal Utility District	Bayshore Transmission System	C-2	F:G	7	1,785,000	1,785,000	1,785,000
Bacliff Municipal Utility District	Bayshore Transmission System	C-2	F:G	8	1,190,000	1,190,000	1,190,000
Bayview Municipal Utility District	Bayshore Transmission System	C-2	G:H	9	388,000	388,000	388,000
Galveston County Water Control & Improvement District No. 12 (Kemah)	Kemah Transmission System	C-3	H:I	10	2,043,000	2,043,000	3,087,000
City of Galveston	South Transmission Line & Highway 6 Transmission Line	C-7-B	K:L	11A & 11B*	20,990,000	20,990,000	20,990,000
Galveston County Fresh Water Supply District No. 6 (Tiki Island)	Highway 6 Transmission Line	C-7-B	K:M	12	360,000	810,000	810,000
Galveston County Municipal Utility District No. 12 (Bayou Vista)	Highway 6 Transmission Line	C-7-B	K:N	13	450,000	450,000	450,000
City of Hitchcock	Highway 6 Transmission Line	C-7-B	K:N	14	1,500,000	2,000,000	2,000,000
Galveston County Water Control & Improvement District No. 8 (Santa Fe)	39-Inch Transmission Line	C-7-C	N:O	15	500,000	829,500	829,500
City of La Marque (South)	39-Inch Transmission Line	C-7-C	O:P	16	400,000	1,647,000	1,647,000
Galveston County Water Control & Improvement District No. 8 (Santa Fe)	39-Inch Transmission Line	C-7-C	P:Q	17	500,000	829,500	829,500
Galveston County Water Control & Improvement District No. 1 (Dickinson)	39-Inch Transmission Line	C-7-C	R:S	18	1,065,000	1,065,000	1,065,000
City of League City	39-Inch Transmission Line	C-7-C	S:T	19	2,544,000	5,544,000	5,544,000
Total					50,700,000	56,556,000	57,600,000

* Points of Delivery 11A and 11B are interoperable.

Exhibit B-2
Municipal System – Customer Groups*

North System

North Transmission System

Customer	Contract Quantity (in gallons per day)	% of Total
City of La Marque	2,380,000	10.16 %
City of Texas City	11,505,000	49.09 %
Bacliff Municipal Utility District	1,190,000	5.08 %
Bayview Municipal Utility District	388,000	1.66 %
Galveston County WCID No. 1 (Dickinson)	3,100,000	13.23 %
San Leon Municipal Utility District	1,785,000	7.62 %
Galveston County WCID No. 12 (Kemah)	3,087,000	13.17 %
Total	23,435,000	100.00 %

Bayshore Transmission System

Customer	Contract Quantity (in gallons per day)	% of Total
Bacliff Municipal Utility District	1,190,000	17.63 %
Bayview Municipal Utility District	388,000	5.75 %
City of Texas City	300,000	4.44 %
San Leon Municipal Utility District	1,785,000	26.44 %
Galveston County WCID No. 12 (Kemah)	3,087,000	45.73 %
Total	6,750,000	100.00 %

Kemah Transmission System

Customer	Contract Quantity (in gallons per day)	% of Total
Galveston County WCID No. 12 (Kemah)	3,087,000	100.00 %
Total	3,087,000	100.00 %

* Totals may not tie due to rounding.

South System

South Transmission System

Customer	Contract Quantity (in gallons per day)	% of Total
City of Galveston	20,990,000	61.44 %
City of Hitchcock	2,000,000	5.85 %
City of La Marque	1,647,000	4.82 %
City of League City	5,544,000	16.23 %
Galveston County FWSD No. 6 (Tiki Island)	810,000	2.37 %
Galveston County MUD No. 12 (Bayou Vista)	450,000	1.32 %
Galveston County WCID No. 8 (Santa Fe)	1,659,000	4.86 %
Galveston County WCID No. 1 (Dickinson)	1,065,000	3.12 %
Total	34,165,000	100.00 %

Interconnect

North-South Interconnect

Customer	Contract Quantity (in gallons per day)	% of Total
Bacliff Municipal Utility District	1,190,000	2.07 %
Bayview Municipal Utility District	388,000	0.67 %
City of Galveston	20,990,000	36.44 %
City of Hitchcock	2,000,000	3.47 %
City of La Marque	4,027,000	6.99 %
City of League City	5,544,000	9.63 %
City of Texas City	11,505,000	19.97%
Galveston County FWSD No. 6 (Tiki Island)	810,000	1.41 %
Galveston County MUD No. 12 (Bayou Vista)	450,000	0.77 %
Galveston County WCID No. 12 (Kemah)	3,087,000	5.36 %
Galveston County WCID No. 8 (Santa Fe)	1,659,000	2.88 %
Galveston County WCID No. 1 (Dickinson)	4,165,000	7.23 %
San Leon Municipal Utility District	1,785,000	3.10 %
Total	57,600,000	100.00 %

Mackey Plant (as Expanded by the 7.9 MGD Mackey Plant Expansion)

Customer	Contract Quantity (in gallons per day)	% of Total
Bacliff Municipal Utility District	1,190,000	2.07 %
Bayview Municipal Utility District	388,000	0.67 %
City of Galveston	20,990,000	36.44 %
City of Hitchcock	2,000,000	3.47 %
City of La Marque	4,027,000	6.99 %
City of League City	5,544,000	9.63 %
City of Texas City	11,505,000	19.97 %
Galveston County FWSD No. 6 (Tiki Island)	810,000	1.41 %
Galveston County MUD No. 12 (Bayou Vista)	450,000	0.78 %
Galveston County WCID No. 12 (Kemah)	3,087,000	5.36 %
Galveston County WCID No. 8 (Santa Fe)	1,659,000	2.88 %
Galveston County WCID No. 1 (Dickinson)	4,165,000	7.23 %
San Leon Municipal Utility District	1,785,000	3.10 %
Total	57,600,000	100.00 %

Exhibit C

Depictions of Components of the Municipal System

Index to Points of Delivery

North Transmission System

1. City of Texas City (two points of delivery located at the above ground transmission meters at the Thomas Mackey Water Treatment Plant)
2. City of La Marque (southwest of the intersection of 5th Avenue North and North Orchid Drive in City of Texas City)
3. City of Texas City (Corrections Facility point of delivery located east of point B on the south side of Attwater Avenue in the City of Texas City)
4. City of Texas City (Humble Camp point of delivery located at the intersection of Attwater Avenue and North Humble Camp Road in the City of Texas City)
5. Galveston County Water Control and Improvement District No. 1 (west of Ecret Drive adjacent to the ground storage tank in the City of Dickinson)

Bayshore Transmission System

6. City of Texas City (FM 517 point of delivery)
7. San Leon Municipal Utility District (east of Highway 146 in the City of Texas City)
8. Bacliff Municipal Utility District (west of the intersection of Sevan Street and Avenue A within the Bacliff Municipal Utility District)
9. Bayview Municipal Utility District (just west of the termination point and adjacent to the Bayview Municipal Utility District ground storage tank)

Kemah Transmission System

10. Galveston County Water Control and Improvement District No. 12 (west of Hanson Road adjacent to the Ground Storage Tank in the City of Kemah)

South Transmission Line

- 11B. City of Galveston (northeast of Old Highway 75 at Virginia Point)

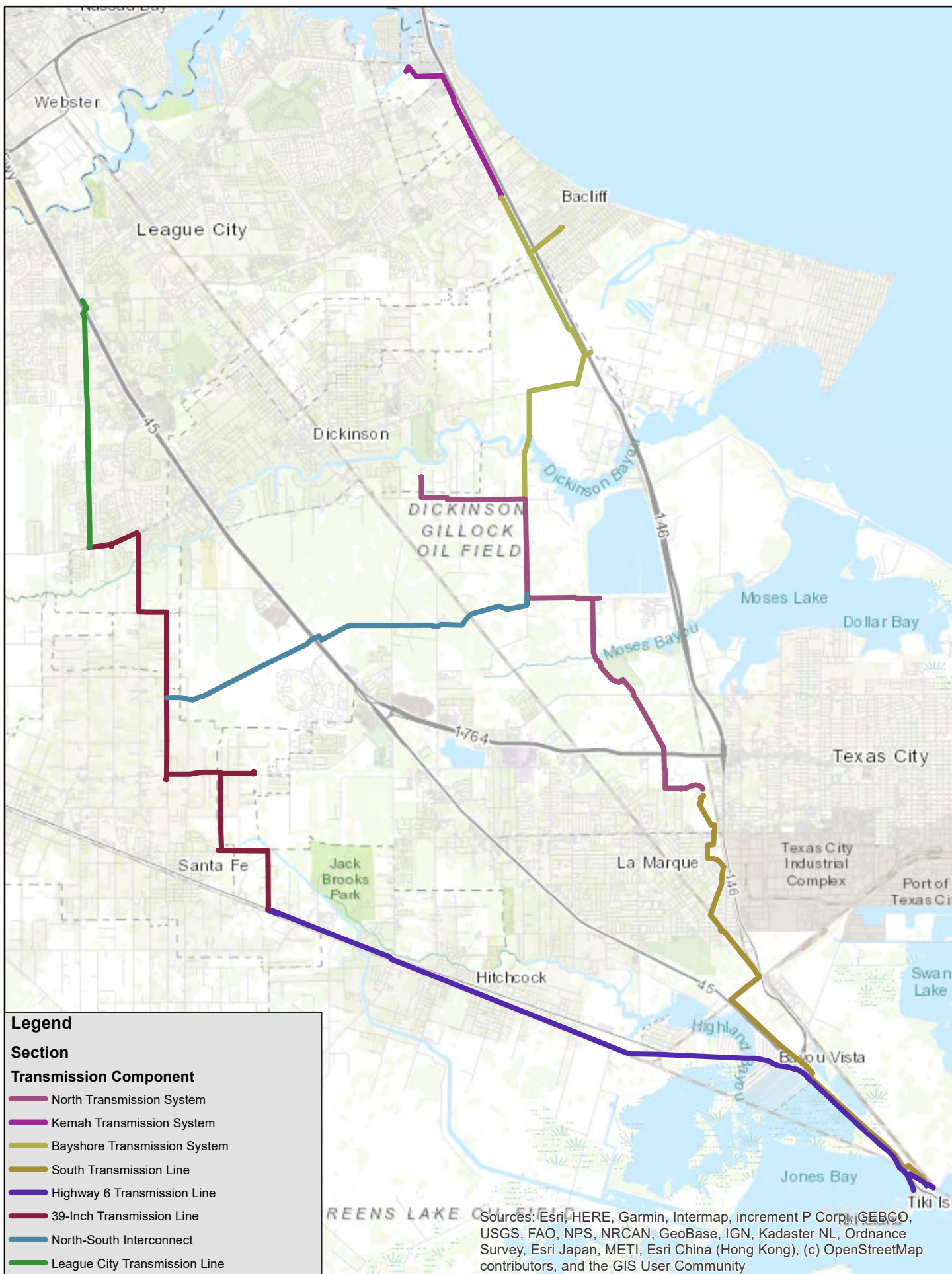
Highway 6 Transmission Line

- 11A. City of Galveston (southwest of Old Highway 75 at Virginia Point)
12. Galveston County Fresh Water Supply District No. 6 (west of Virginia Point Road adjacent to the ground storage tank in the Village of Tiki Island)
13. Galveston County Municipal Utility District No. 12 (just south of the intersection of Ling Street and Neptune Drive in the City of Bayou Vista)
14. City of Hitchcock (just south of North Martin Luther King Avenue between 1st Street and 2nd Street in the City of Hitchcock)

39-Inch Transmission Line

15. Galveston County Water Control and Improvement District No. 8 (south of 14th Street between Avenue K and Avenue L and adjacent to the tower in the City of Santa Fe)
16. City of La Marque (north of FM 1764 and adjacent to the ground storage tank in the City of La Marque)
17. Galveston County Water Control and Improvement District No. 8 (southwest of the intersection of FM 1764 and Avenue L and adjacent to the ground storage tanks in the City of Santa Fe)
18. Galveston County Water Control and Improvement District No. 1 (south of FM 517 and adjacent to the ground storage tank in the City of Dickinson)
19. City of League City (in the meter station north of FM 517 and west of Calder Drive in the City of League City)

EXHIBIT C-1



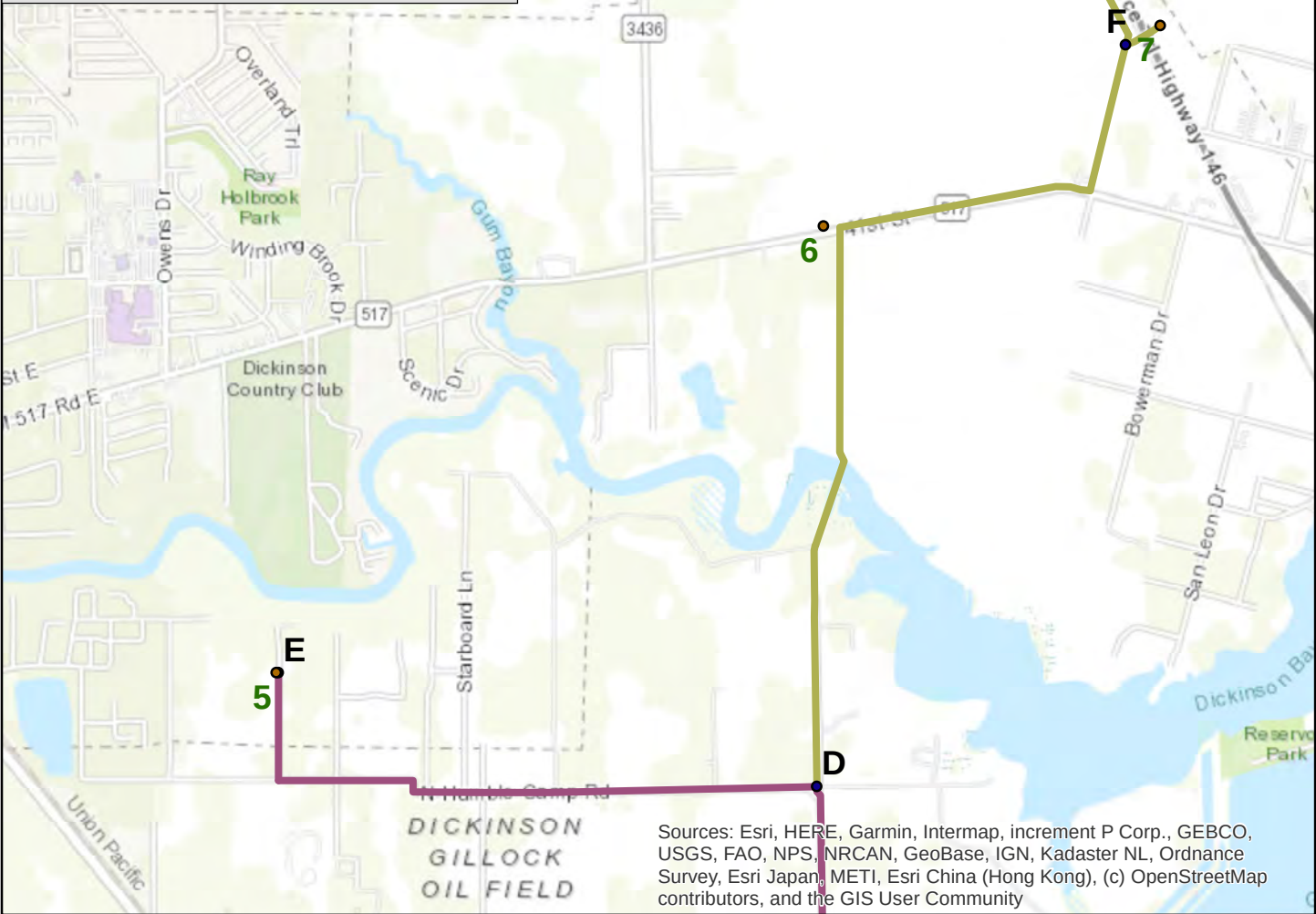
Legend

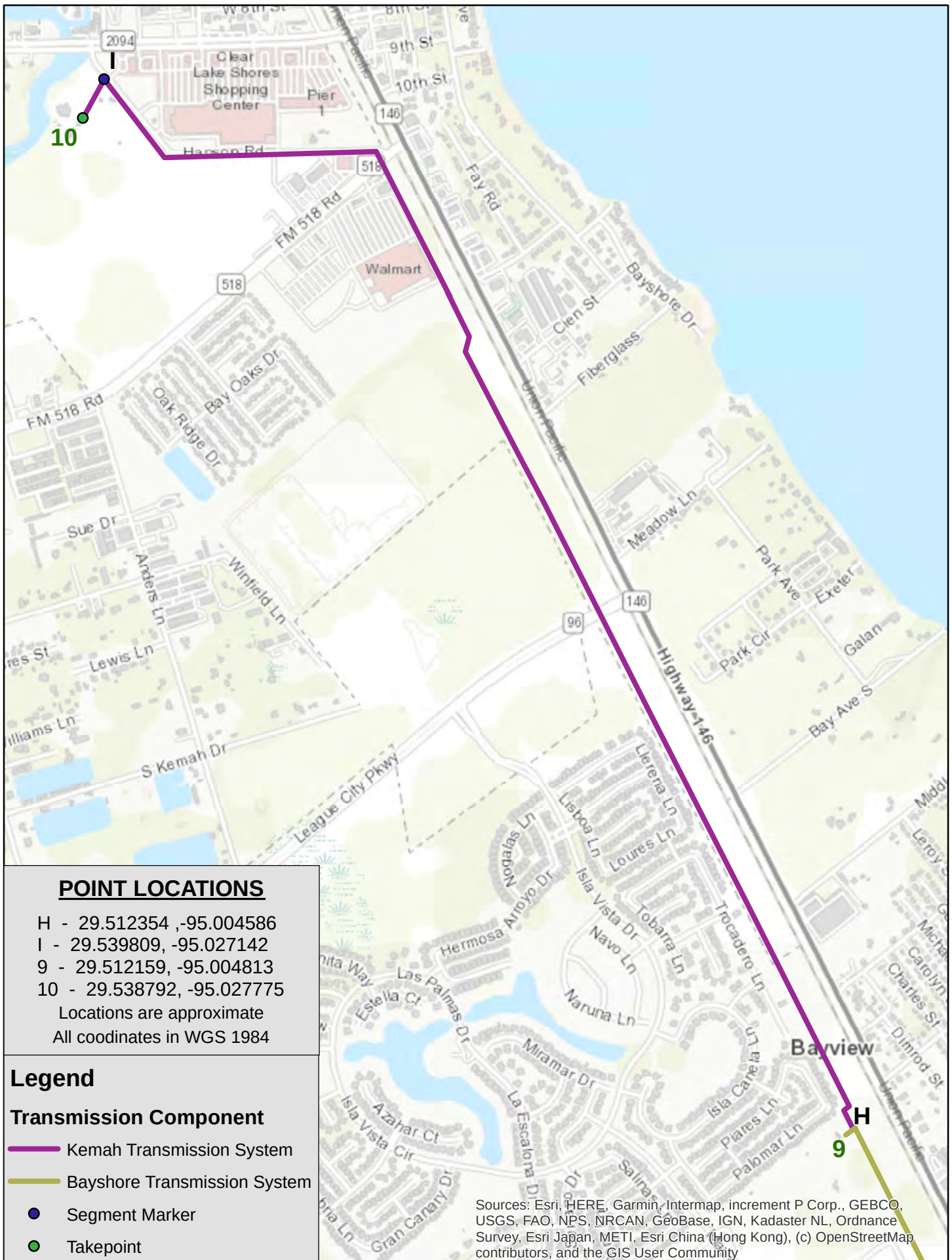
Transmission Component

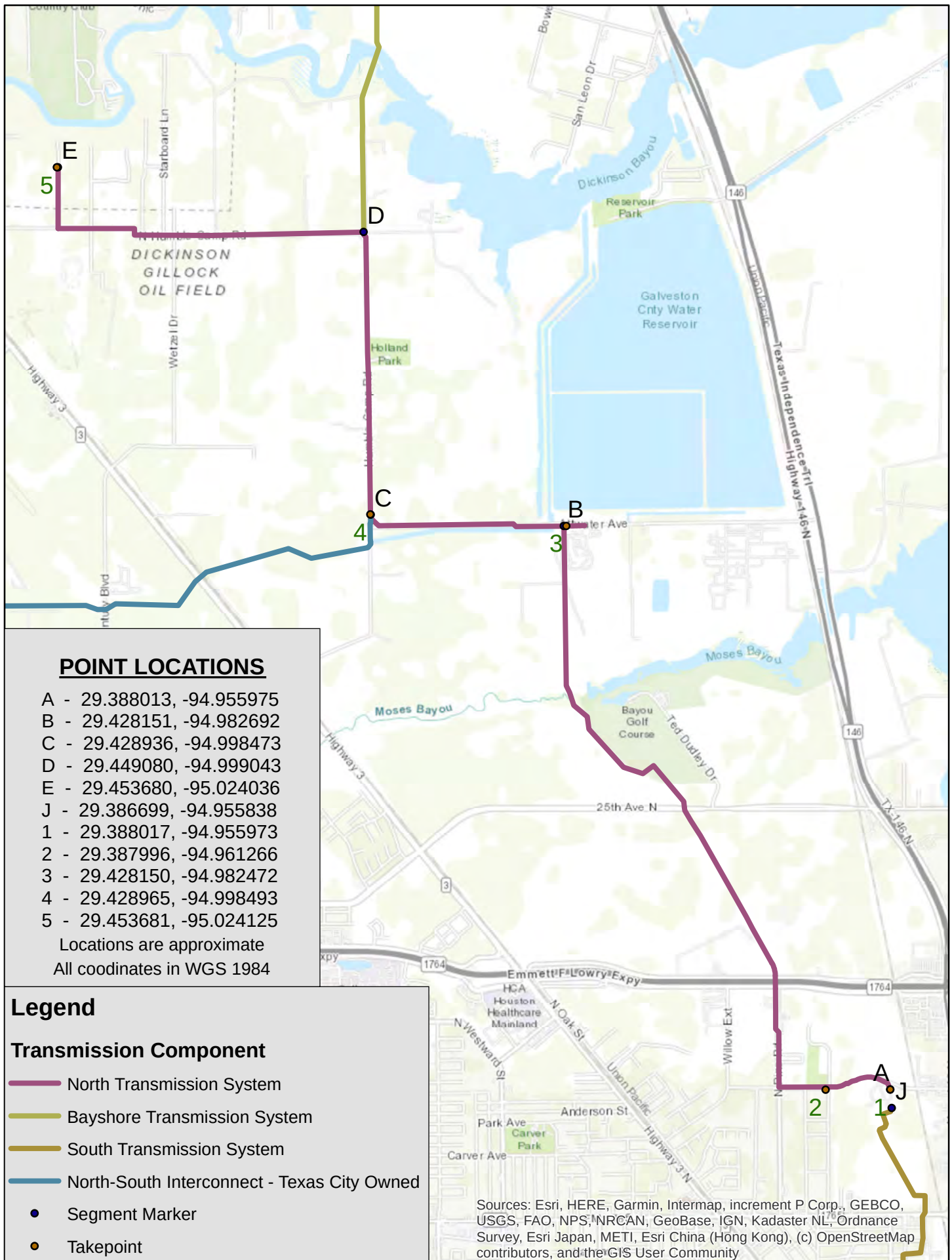
- Bayshore Transmission System
- Kemah Transmission System
- North Transmission System
- Segment Marker
- Takepoint

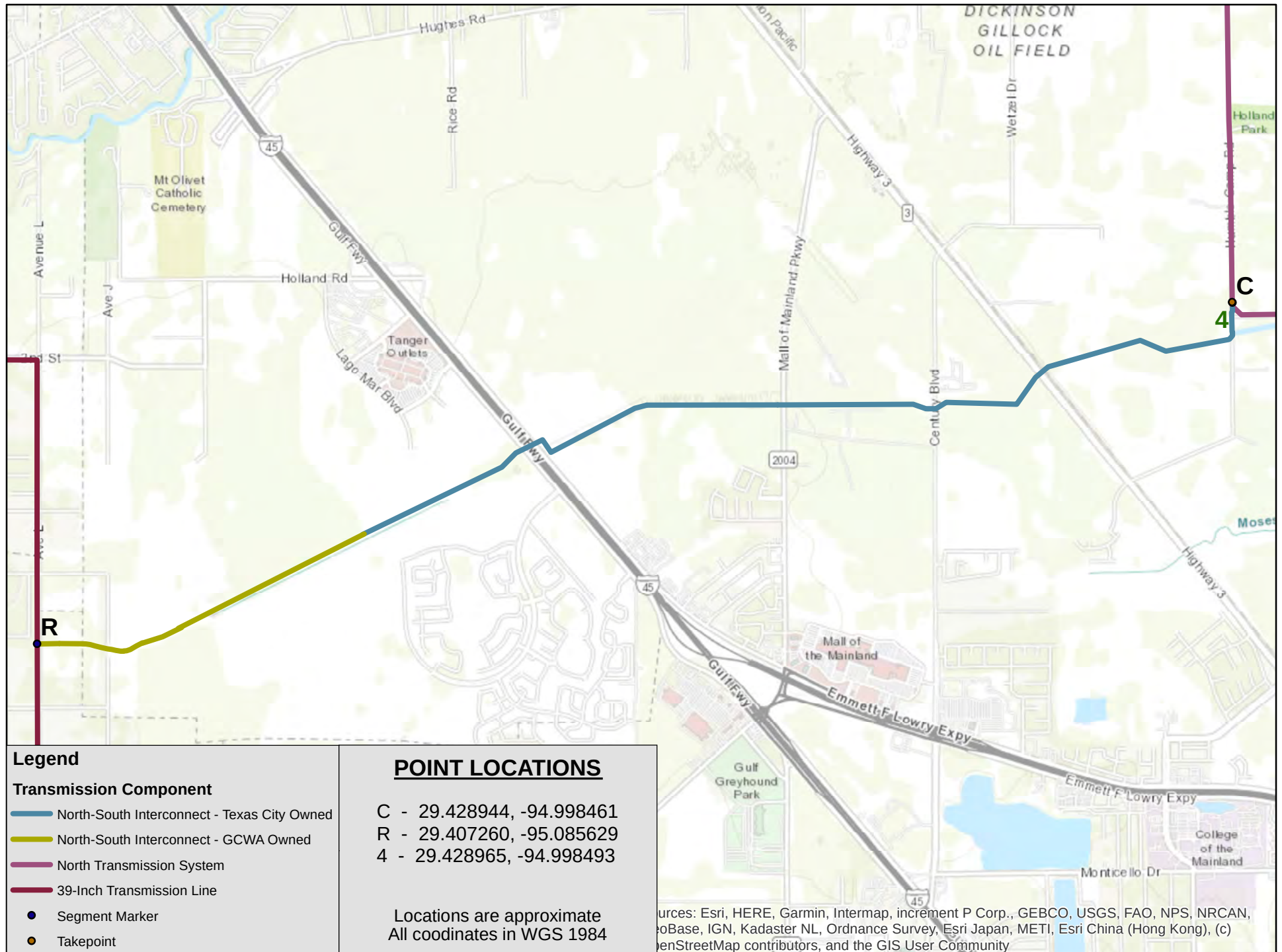
POINT LOCATIONS

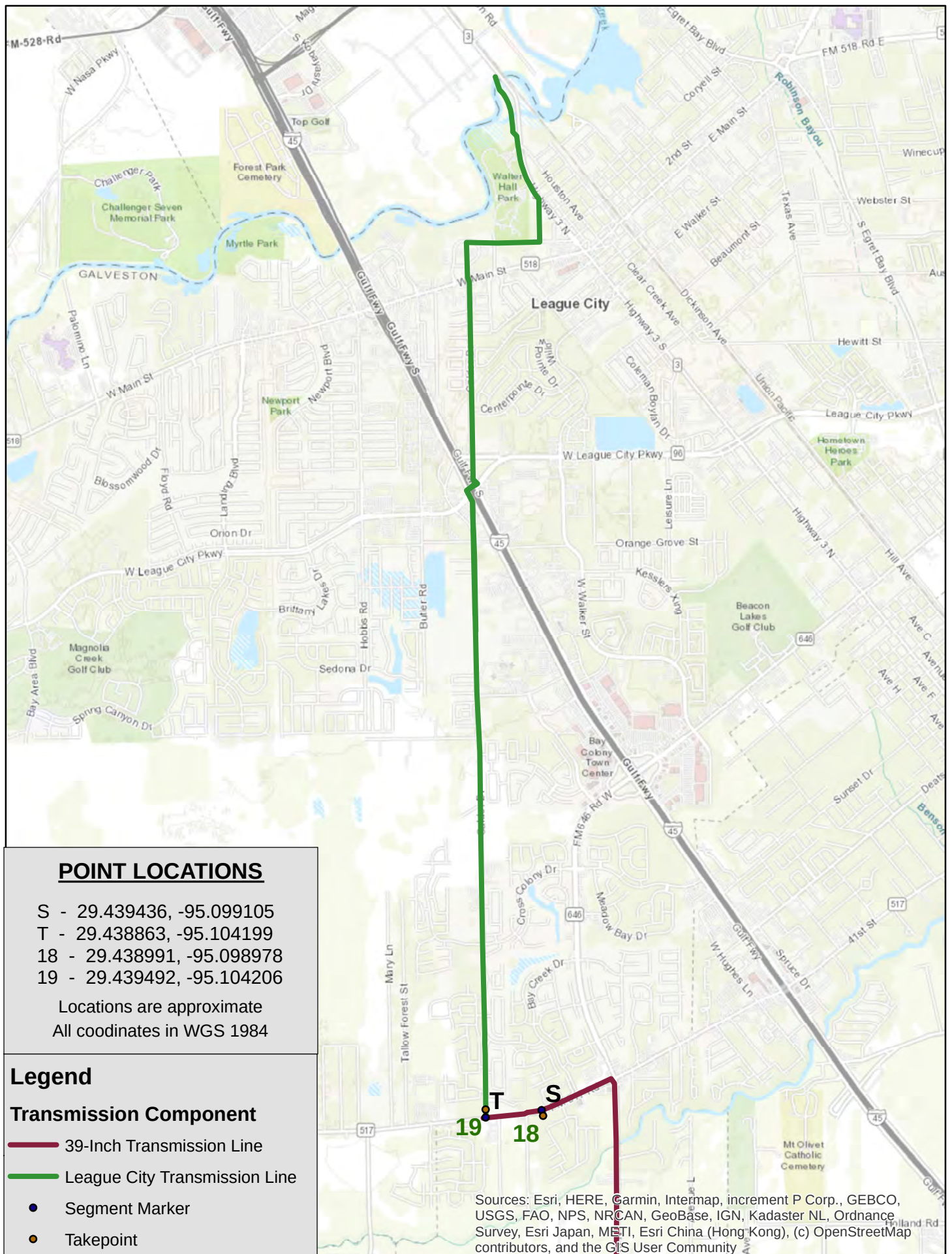
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 - E - 29.453680, -95.024036
 - F - 29.479053, -94.984700
 - G - 29.500673, -94.997769
 - H - 29.512354, -95.004586
 - 5 - 29.453681, -95.024125
 - 6 - 29.471738, -94.998727
 - 7 - 29.479830, -94.983094
 - 8 - 29.506087, -94.990127
 - 9 - 29.512159, -95.004813
- Locations are approximate
All coodinates in WGS 1984

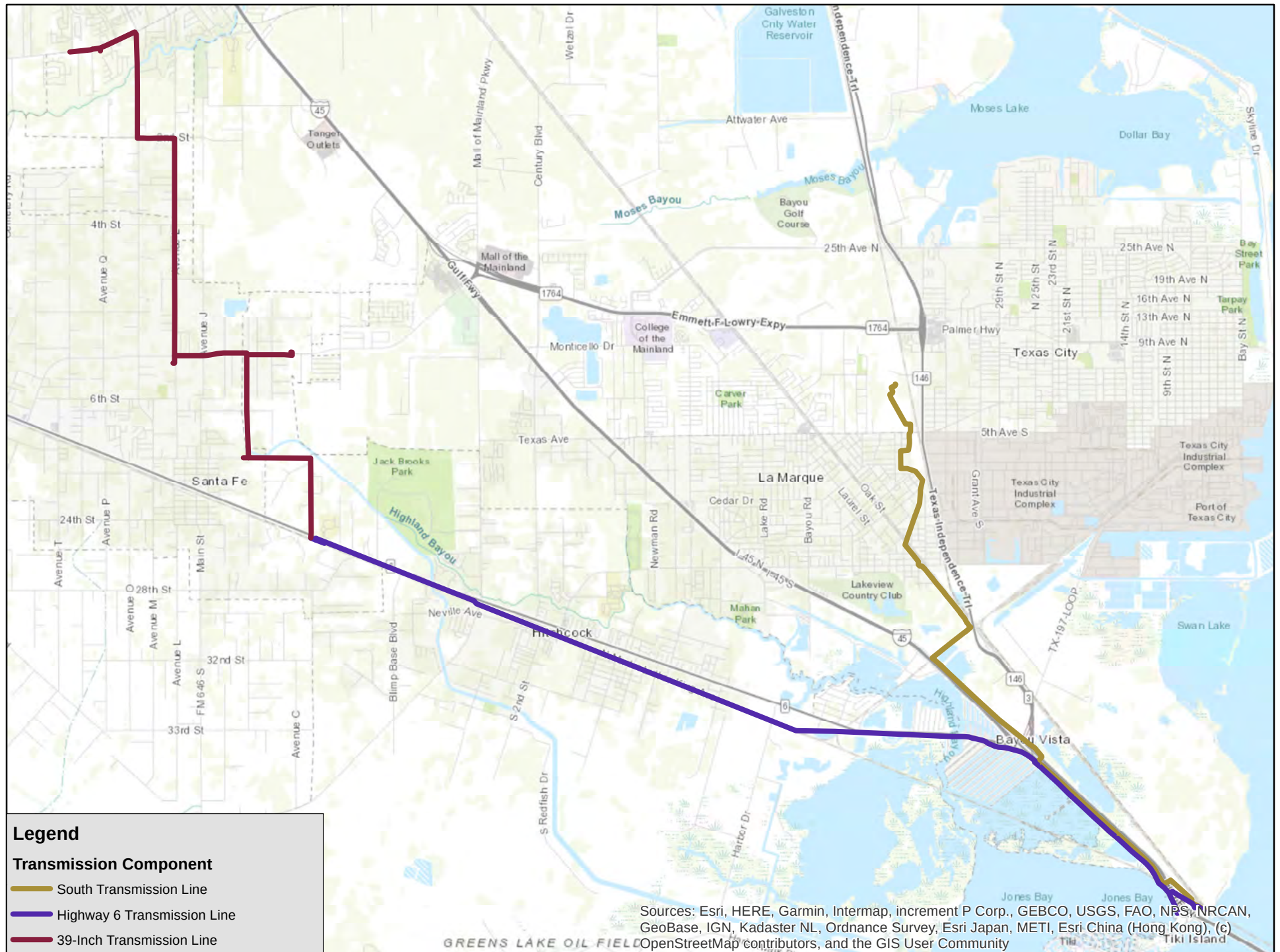


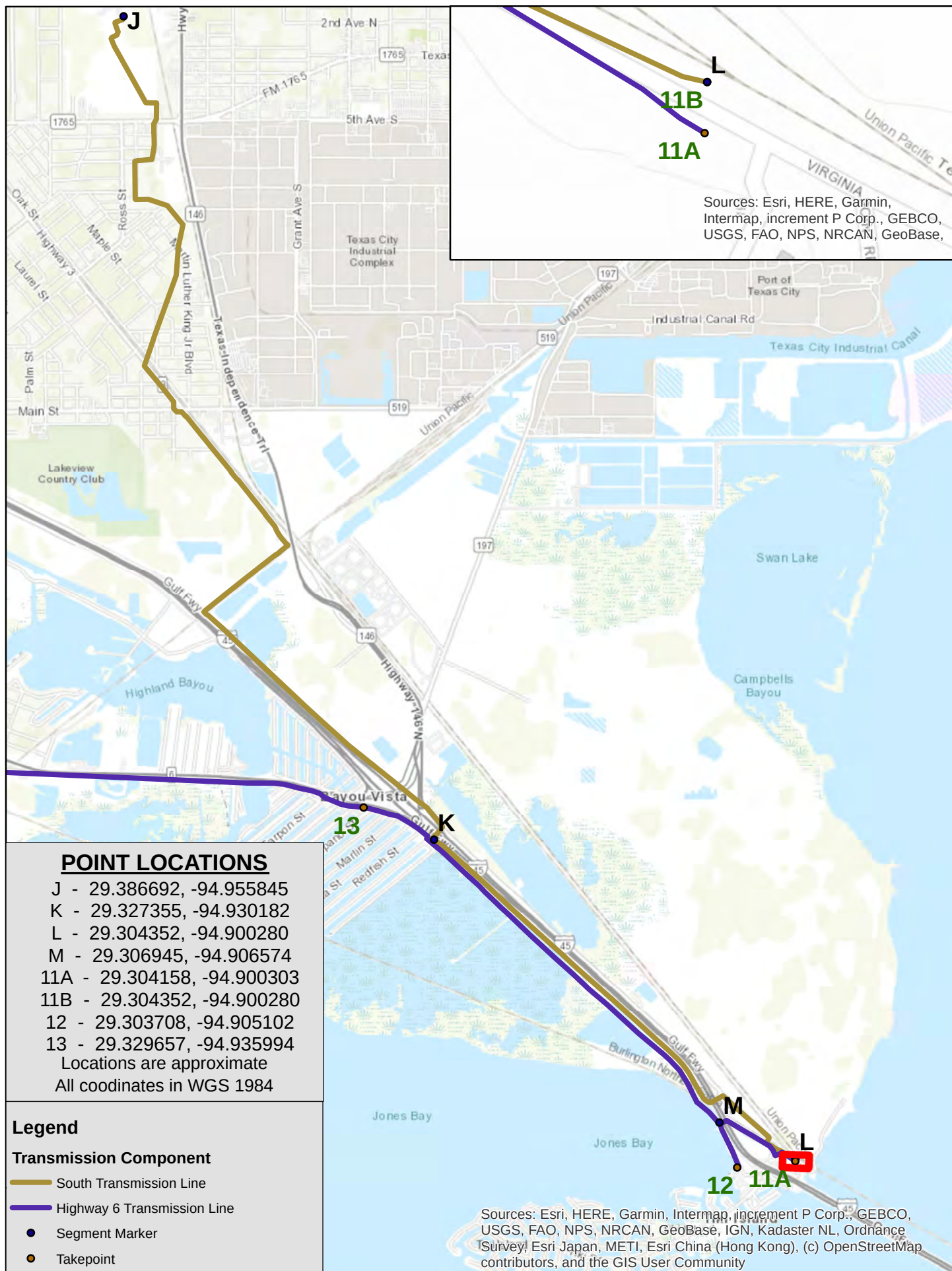


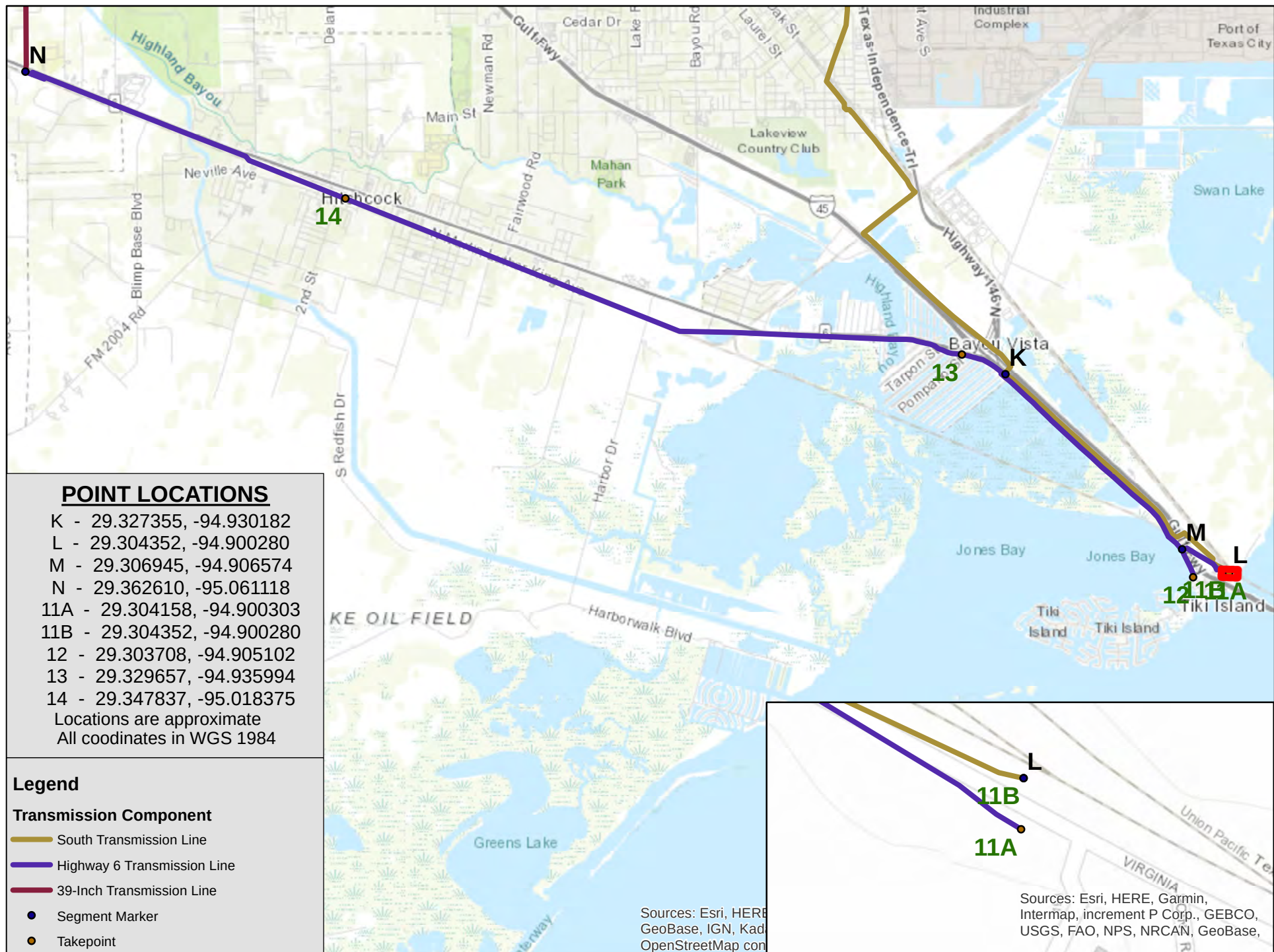


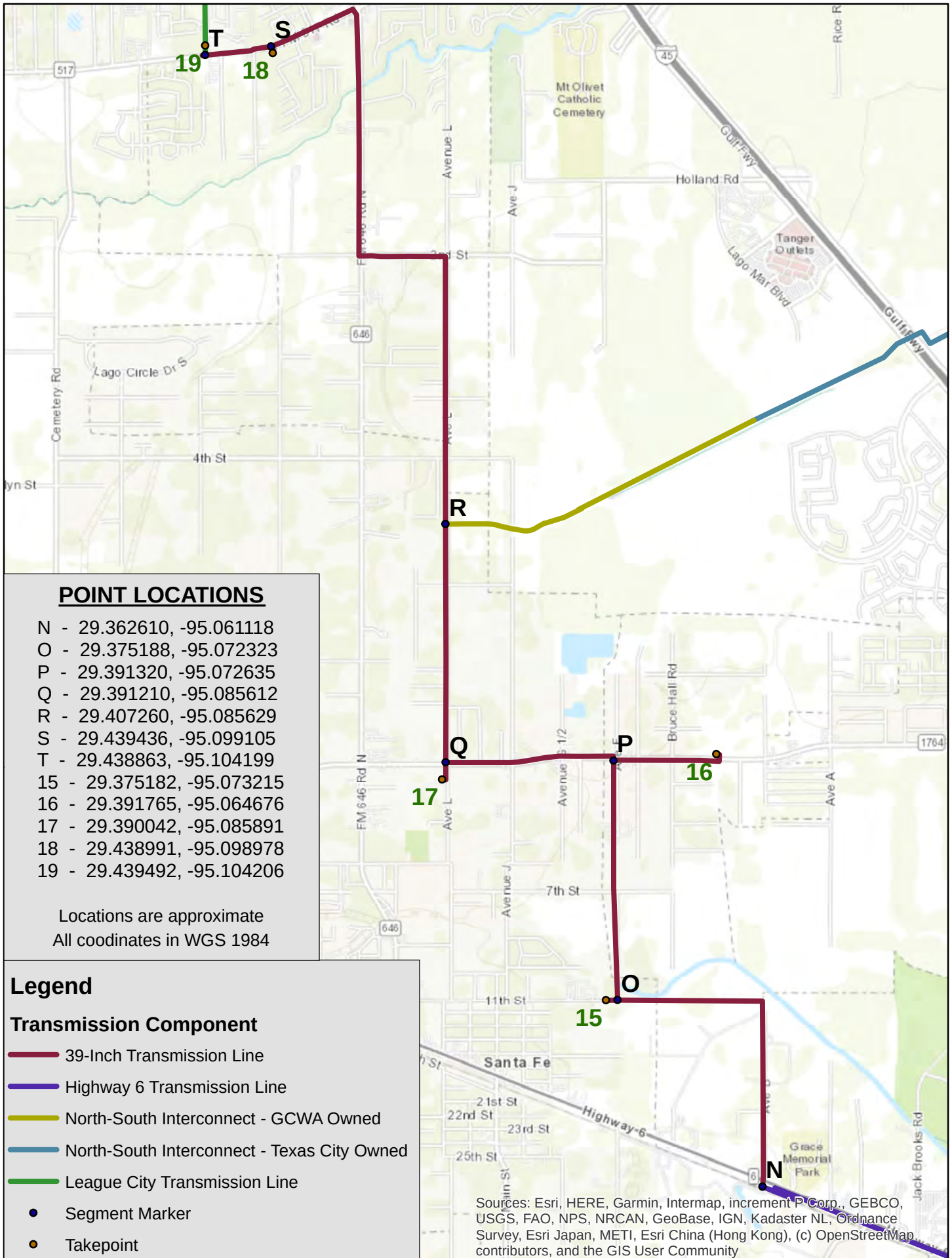












Addendum 1
7.9 MGD Mackey Plant Expansion Bonds

The following table describes the Customers participating in the 7.9 MGD Mackey Plant Expansion and the allocation of Debt Service Charges associated with the 7.9 MGD Mackey Plant Expansion Bonds. This table may be updated in advance of the issuance of the 7.9 MGD Mackey Plant Expansion Bonds to reflect the final participants in the 7.9 MGD Mackey Plant Expansion Bonds.

Customer	Contract Quantity Associated with the 7.9 MGD Mackey Plant Expansion (in gallons per day)	Contract Quantity Associated with Capital Contribution For 7.9 MGD Mackey Plant Expansion (in gallons per day)	Contract Quantity Associated with Amounts being Financed with the 7.9 MGD Mackey Plant Expansion Bonds (in gallons per day)	Allocation of Debt Service Charges associated with the 7.9 MGD Mackey Plant Expansion Bonds⁽¹⁾
City of League City	3,000,000			
City of La Marque	1,247,000			
Galveston County WCID No. 12	2,044,000			
Galveston County WCID No. 8	659,000			
Galveston County FWSD No. 6	450,000			
City of Hitchcock	500,000			
Total	7,900,000			100%

⁽¹⁾ The allocation is expressed as a percentage derived by dividing the incremental increase in Contract Quantity associated with the 7.9 MGD Mackey Plant Expansion that is being bond financed by a Customer participating in the 7.9 MGD Mackey Plant Expansion Bonds by total of all incremental increases in Contract Quantity associated with the 7.9 MGD Mackey Plant Expansion being financed by all Customers participating in the 7.9 MGD Mackey Plant Expansion Bonds.



CITY COUNCIL AGENDA FORM

Meeting Date: January 23, 2022

Prepared by: Rick Sailer

Department: Public Works

Agenda item: _____

Reviewed by: _____

AGENDA ITEM DESCRIPTION: **Discussion/possible action regarding**
Authorization for the Issuance of Special Project Bonds for Water Facilities
Financing Agreements for the South Transmission System.



ATTACHMENTS FOR REFERENCE:

- 1. Water Facilities Financing Agreement - South Transmission System**
- 2. Estimated Bond Repayment Schedule**
- 3. 2022 Municipal System Customer Contract**
- 4. Resolution 2022-0037 - Approval of Current Customer Contract**

STAFF BRIEFING:

- The 2022 Municipal System Customer Contract contains a section pertaining to Water Facilities Improvements and Special Project Bonds. (Article 7)
- The Water Facilities Financing Agreement for the South Transmission System specifies four (4) maintenance related projects in an amount not to exceed \$4,175,000; the City share of the planned project is 14.58%
- The estimated additional monthly costs for both Bond Payments is \$3,050
- The Project Bond costs were included in the current Customer Contract and the costs were included in the 2023 FY Budget.

- City Manager has reviewed and approved.
- Finance Director has reviewed and approved.
- City Attorney has reviewed and approved.

HISTORY:

- The current Agreement was approved on July 11, 2022

TARGET IMPLEMENTATION -

- January 23, 2023

Cost Details:



CITY COUNCIL AGENDA FORM

ACTION:

- | | |
|--|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Municode Codification | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Budgeted	
Actual Bid	
Estimated Expenditure	\$36,600 (Annually)
Acct. Name(s)	Water Purchases
Line Items #	02-6011-24
Other Funding	

STAFF'S RECOMMENDATION:

Motion to approve the Water Facilities Financing Agreements for the South Transmission System.

FISCAL IMPACT: \$36,600 Annually (30 years)

RESOLUTION NO. R-2023-00

A RESOLUTION OF THE CITY OF LA MARQUE, TEXAS AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SIGN THE WATER FACILITIES FINANCING AGREEMENT (SOUTH TRANSMISSION SYSTEM) BETWEEN THE CITY OF LA MARQUE, TEXAS AND GULF COAST WATER AUTHORITY (THE "CONTRACT")

WHEREAS, The City of La Marque, Texas ("City") and the Gulf Coast Water Authority (GCWA) are parties to a Mainland Water Project Customer Contract, dated as of August 7, 1981, as amended by the First Amendment, dated as of September 14, 1981, the Second Amendment, dated as of June 22, 1998, the Third Amendment, dated as of June 16, 2011, and the Fourth Amendment, dated as of May 1, 2014, and the Mainland Water Project Customer Contract (South Project), entered into between the Authority and Purchaser on July 1, 1998, as amended by the First Amendment, dated as of June 16, 2011, the Second Amendment, dated as of May 1, 2014, and the operative portions of the Amended and Restated Customer Contract, and as amended from time to time.

WHEREAS, the GCWA provides drinking water through the South Project to the City.

WHEREAS, the GCWA desires to upgrade and improve the South Project.

WHEREAS, such improvements to the South Project will provide for a more reliable flow of water through the South Project.

WHEREAS, the City has agreed to pay portion of the costs associated with the improvement of the South Project.

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

The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

The City Manager or his designee is authorized to sign and deliver the Contract attached as Exhibit 1 to this Resolution to the GCWA and bind the City of La Marque, Texas to the terms found in the Contract.

DULY PASSED by a majority vote of all members of the City Council of the City of La Marque on the _____ day of _____, 2023.

Keith Bell
Mayor

Kierra Nance, TRMC
City Clerk

**WATER FACILITIES FINANCING AGREEMENT
(SOUTH TRANSMISSION SYSTEM)**

BETWEEN

CITY OF LA MARQUE, TEXAS

AND

GULF COAST WATER AUTHORITY

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WATER FACILITIES FINANCING AGREEMENT
BETWEEN
CITY OF LA MARQUE, TEXAS
AND
GULF COAST WATER AUTHORITY
(SOUTH TRANSMISSION SYSTEM)

This WATER FACILITIES FINANCING AGREEMENT (this “Agreement”), is entered into as of the ____ day of _____, 2022, by and between the CITY OF LA MARQUE, TEXAS (the “Participant”), a Texas municipal corporation and political subdivision, and the GULF COAST WATER AUTHORITY (the “Authority”), a Texas conservation and reclamation district.

WITNESSETH:

RECITALS

The Authority was created under and pursuant to the provisions of Section 59 of Article XVI of the Constitution of State of Texas (the “State”) as a conservation and reclamation district, a governmental agency and body politic and corporate.

The Participant was created under and pursuant to the laws of the State and its home rule charter as a municipal corporation and political subdivision. a governmental agency and body politic and corporate.

The Participant and the Authority have previously entered into a Mainland Water Project Customer Contract, dated as of August 7, 1981, as amended by the First Amendment, dated as of September 14, 1981, the Second Amendment, dated as of June 22, 1998, the Third Amendment, dated as of June 16, 2011, and the Fourth Amendment, dated as of May 1, 2014, and the Mainland Water Project Customer Contract (South Project), entered into between the Authority and Purchaser on July 1, 1998, as amended by the First Amendment, dated as of June 16, 2011, the Second Amendment, dated as of May 1, 2014, and the operative portions of the Amended and Restated Customer Contract, and as amended from time to time (the “Customer Contract”) under the terms of which the Authority sells water to the Participant and has previously financed the construction and acquisition of water supply facilities to serve the Participants (as defined herein).

Section 791.026 of the Interlocal Cooperation Act (Chapter 791, Vernon’s Texas Government Code, as amended) (the “Act”), authorizes the Participant to enter into a contract with the Authority, under the terms of which the Authority will provide and operate water supply facilities for the Participant and authorizes such contract to remain in place until such time as the bonds specified in the contract and any refunding bonds issued to pay those bonds are paid.

The Participant desires for the Authority to acquire, construct and equip the water supply facilities and improvements described in **Exhibit A** and such additional facilities and improvements as the Participant and the Authority may agree in writing (collectively, the “Project”).

Pursuant to the Customer Contract, the Project is deemed a Special Project and the Bonds (as defined herein) are deemed Special Project Bonds. Upon the effective date of the Amended and Restated Customer Contract (as defined herein), the Project will be treated as part of the South Transmission System of the Municipal System (as defined therein).

The Participant acknowledges and agrees that the Participant's Reserved Capacity (as defined in the Customer Contract) and Contract Quantity (as defined in the Customer Contract and the Amended and Restated Customer Contract) in the Authority's Mainland System (as defined in the Customer Contract) and in the Authority's Municipal System (as defined in the Amended and Restated Customer Contract) is established in the Customer Contract and the Amended and Restated Customer Contract.

The Authority desires to assist the Participant and to acquire, design, construct and operate the Project.

A portion of the costs of the Project will be funded through capital contributions from customers of the Authority. The Authority proposes to issue its contract revenue bonds to finance the portion of the Project described herein that is not being funded through capital contributions, and to pledge to the payment of such bonds the revenues to be received from the Participants under this Agreement, including the Participant's covenant to charge its customers rates sufficient to repay its portion of the Bonds (as hereinafter defined) and to pledge such revenues to payment of the Bonds.

AGREEMENT

For and in consideration of the premises, benefits and mutual agreements contained herein, the Participant and the Authority hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions.

(a) The terms "Act," "Agreement," "Authority," "Customer Contract," "Mackey Plant," "Participant," "Project," and "State" shall have the meanings given in the Preamble and Recitals and such definitions are hereby incorporated into this Agreement for all purposes.

(b) Unless otherwise expressly provided in this Agreement or unless the context clearly requires otherwise, the following terms shall have the meanings specified below:

(1) "Amended and Restated Customer Contract" means, following its effective date, the amended and restated customer contract executed in 2022 under which the Authority sells water to customers through the Municipal System, as defined therein.

(2) "Bonds" means the bonds issued under this Agreement and the related bond resolutions, including any refunding bonds.

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

(4) “Debt Service Reserve Fund” shall mean the special fund or funds to be established, maintained, and utilized, from time to time as debt service reserve funds for any one or more series Bonds issued under this Agreement under a bond resolution.

(5) “Debt Service Reserve Fund Requirement” shall mean an amount equal to the lesser of (i) the maximum annual debt service required on the outstanding principal of the Bonds, (ii) one-hundred-twenty-five percent (125%) of the average annual debt service required thereof, or (iii) ten percent (10%) of the principal amount of the Bonds, or such lesser amount required by Treasury Regulation § 148-2(f)(2) or any successor Treasury Regulation.

(6) “Participants” means the entities participating in the issuance of the Bonds, listed in Schedule I hereto, including the Participant.

(7) “Participant Financing Charges” has the meaning ascribed in Section 4.01(a) of this Agreement.

(8) “Participant Financing Charges Payments” has the meaning ascribed in Section 4.02(a) of this Agreement.

(9) “Participant Operating Charges” has the meaning ascribed in Section 4.02(b) of this Agreement.

(10) “Participant Operating Charges Payments” has the meaning ascribed in Section 4.02(b).

(11) “Participant’s Pro-Rata Portion” means the Participant’s pro rata portion of the bonds and debt service thereon, determined in accordance with the percentages set forth in Schedule I hereto.

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

ARTICLE II CONSTRUCTION AND FINANCING OF THE PROJECT

Section 2.01 Construction.

(a) The Authority will cause plans, specifications and contract documents to be prepared by such consultants the Board of Directors of the Authority approves and determines are necessary for the preparation of the plans, specifications and contract documents for the Project.

(b) The Project may be constructed in one or more phases and in one or more separately bid construction contracts. When the plans, specifications and contract documents for a phase of the Project have been finalized, the Authority shall give notice and take competitive bids on the construction of such phase of the Project. The Authority agrees that it will make copies of the plans, specifications, and contract documents available for inspection by the Participant after the same have been finalized.

(c) Subject to the issuance of Bonds to finance the Project, the Authority shall award construction contracts and proceed with the construction of the Project. The Authority agrees that it will make copies of the contracts for construction of the Project available for inspection by the Participants upon request after the same are awarded and executed.

(d) The Authority shall determine the location of the Project's facilities and shall use its best efforts to acquire the rights in the real estate as the sites therefor to the extent not already owned by the Authority. The Authority shall determine the necessary rights-of-way that must be acquired, if any, and proceed to acquire the necessary real estate, permits or easements for the Project.

(e) The Authority agrees to use reasonable efforts in constructing and completing the Project and in seeking all permits and required approvals therefor pursuant to the provisions hereof. The Authority shall not be liable to the Participants for any delay in completion of construction of any damages arising out of any delay by Authority in placing the Project into service. The Authority shall report on the progress and costs of construction of the Project at the appropriate customer meetings, which are expected to take place not less frequently than once per quarter.

(f) The Authority shall not be responsible for paying for the design, construction or acquisition of the Project, including without limitation the costs of consultants and the costs of land and rights of way acquisition, out of any of its own funds other than from proceeds of contract revenue bonds issued by the Authority for such purpose in accordance with this Agreement.

Section 2.02 Financing.

(a) The Authority shall cause its financial advisor to prepare a plan for financing the costs of the Project and provide the same to the Participants for review. The costs of the Project shall include all design, construction and acquisition costs as those terms are generally understood in standard accounting practice as applied to water transmission systems of this

nature, including but not limited to, purchases of equipment, supplies, capitalized interest, costs of land, easements and rights of way, including damages to land and property, raw water, engineering, financing, financial consultants, auditing, permitting and legal expenses incurred in connection with the preparation of this Agreement, the acquisition, design and construction of the Project and the issuance of the contract revenue bonds by the Authority. The maximum principal amount of the Bonds issued for the Project shall not exceed \$4,175,000, unless a greater amount is consented to in writing by the Participant. The Bonds may be issued in one or more series and may be issued on a tax exempt or taxable basis as determined by the Authority.

(b) Subject to the Authority's ability to provide for the construction of the Project as provided in Section 2.01 of this Agreement and the Authority's receipt of the requisite approvals from applicable governmental authorities, the Authority shall issue the Bonds in one or more series at such times and in such amounts as the Authority shall deem appropriate to finance the costs of the Project, subject to the limitation on the maximum principal amount established in subsection (b), above. The Authority shall submit to the Participants for review, a copy of the official statement, if any, the bond resolution and the terms of the sale of the Bonds to be issued to finance or refinance the cost of the Project.

(c) The Authority, with the consent of the Participants, may determine in the future that it is in the best interest of the Participants and the Authority to refinance the Bonds, any Bonds previously or subsequently issued to finance or refinance the Projects, or any Bonds issued to complete or improve the Projects, and to issue additional series of Bonds for such purposes under the bond resolution of the Authority authorizing issuance of the Bonds and any additional or supplemental bond resolutions adopted by the Authority in connection with the issuance of any such refunding bonds or additional bonds; provided, however, that no consent shall be required to issue refunding bonds that produce net present value savings and do not extend the maturity of the Bonds being refunded.

(d) The Bonds shall be special revenue obligations of the Authority payable from and secured solely by the Participant Financing Charges Payments to be made by the Participant under this Agreement, the payments to be made by the other Participants under agreements in substantially the same form as this Agreement, certain proceeds of the Bonds, and other amounts from time to time on deposit in the various funds or accounts created under a bond resolution authorizing the issuance of the Bonds.

(e) The Authority and the Participant covenant and agree that neither of them shall use or permit to be used any of the Project acquired under this Agreement with tax-exempt bonds in any manner or for any purpose which would cause any Bond issued on a tax-exempt basis to be deemed a "private activity bond" within the meaning of Section 141 of the Code, or as an "arbitrage bond" within the meaning of Section 148 of the Code. Further, the Participant agrees to cooperate with the Authority in the issuance of any Bonds and the preparation of any offering document or application relating to such Bonds. Participant acknowledges that a portion of the Bonds may be issued on a taxable basis.

(f) The Participant covenants and agrees to provide to the Authority with such financial information, data, projections and related information as may reasonably be required by the Authority in connection with the sale of the Bonds, approval of the Bonds by the Texas

Attorney General, and ongoing compliance with all applicable laws, rules and regulations relating to the issuance of such Bonds, including the continuing disclosure obligations described in Section 8.01 hereof.

(g) Following the sale of a series of Bonds, the Authority shall furnish the Participants a maturity schedule showing the annual payments required to pay all principal of and interest on the Bonds when and as the same shall become due and payable (including any mandatory sinking fund payments in connection with such Bonds) and the Participant's Pro-Rata Portion of such payments, determined in accordance with the percentages set forth in Schedule I hereto.

(h) Any excess proceeds from the Bonds, including interest earnings on the proceeds of the Bonds, which remain after the completion of the Project shall be utilized to redeem Bonds, transferred to the interest and sinking fund for the Bonds or used to construct other facilities on behalf of the Participants (pursuant to a contract between the Authority and the Participants).

(i) The Participant shall have the right to cause the Authority to redeem or defease the Participant's Pro-Rata Portion of the Bonds, determined in accordance with the percentages set forth in Schedule I hereto, prior to their scheduled maturities, in whole or in part, as authorized by the applicable bond resolution. The Participant shall provide the Authority with written notice of such early redemption, including the maturities and amounts to be redeemed and evidence satisfactory to the Authority of the Participant's obligation to pay the principal amount of, plus accrued interest, on such Bonds scheduled for early redemption. Participant shall be responsible for all costs and expenses associated with any such redemption or defeasance, including the fees and expenses of the Authority's bond counsel, financial advisor, verification agent, escrow agent or other consultant.

Section 2.03 Reserve Funds.

(a) Each bond resolution of the Authority authorizing a series of Bonds shall provide for the establishment and maintenance of a Debt Service Reserve Fund to be used to prevent a default in the payment of principal of, premium, if any, and interest on and paying agent/registrars fees on the Bonds if there is insufficient money for such purposes in the interest and sinking fund established for such Bonds. Each Participant shall be responsible for the payment of its pro rata portion of the Debt Service Reserve Fund Requirement as part of the Participant Finance Charges.

(b) Each bond resolution of the Authority authorizing a series of Bonds may provide for the establishment and maintenance such other reserve funds as may be required in connection with the financing or refinancing of the Project.

Section 2.04 Additional Bonds. The Authority reserves the right to issue additional parity Bonds payable from the same source as the Bonds to finance any costs of completing the Project and to finance any additions, extensions or improvements to the Project or other facilities, but the Authority will not issue any such additional Bonds without the prior written consent of the Participants.

ARTICLE III

OWNERSHIP AND OPERATION

Section 3.01 Ownership of the Project. It is expressly agreed and understood that the Authority shall be the owner of the Project, including the related appurtenances, sites, rights of way, easements and improvements thereto. The Authority shall own all of the water delivered through the Project until it passes through the delivery point to the Participant as set forth in the Customer Contract and Amended and Restated Customer Contract.

Section 3.02 Operation of the Property.

(a) From and after the completion of the Project the Authority shall operate and maintain the Project, at the sole cost and expense of the Participants, throughout the term of this Agreement.

(b) The Authority agrees to operate and maintain the Project in good operating condition, consistent with other similar facilities operated by the Authority, and further agrees that such operation and maintenance shall be done and performed in a manner that will best assure that such facilities shall remain in good operational condition consistent with their intended uses.

(c) Operation and maintenance expenses related to the Project shall include expenses of the same character as those included in, as applicable, Mainland Project Operating Charges under the Customer Contract (as defined therein) or Municipal System Operating Expenses under the Amended and Restated Customer Contract (as defined therein).

ARTICLE IV

PAYMENTS BY PARTICIPANT TO THE AUTHORITY

Section 4.01 Amount of Payments. As full and complete consideration for the services to be performed by the Authority hereunder, for so long as any of the Bonds are outstanding under a bond resolution that authorized the issuance of such Bonds, the Participant shall pay to the Authority a sum equal to the following payments:

(a) *Participant Financing Charges.* The Participant's Pro-Rata Portion of all costs and expenses paid or incurred by the Authority in connection with the financing or refinancing of the Project (collectively, the "Participant Financing Charges"), including without limitation, the following:

(1) payments of principal (whether upon maturity or earlier optional or mandatory redemption), redemption premium, if any, and interest that the Authority makes on all Bonds and amounts that the Authority is required to make into any sinking fund, debt service reserve fund, operating and maintenance reserve fund or account under the terms of the applicable bond resolution;

(2) amounts related to the Bonds and required under the applicable bond resolution to be paid or deposited into any fund or account established by such bond resolution (other than funds and accounts referred to in clause (1) above), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in clause (1) above, provided that the Participants shall receive credits against any amounts due under the preceding paragraph (1) or this paragraph (2) for investment earnings (net of any losses and expenses), if any, on amounts deposited in any funds created under such bond resolution and required to be paid by the Participants under the preceding paragraph (1) or this paragraph (2);

(3) amounts which the Authority is required to pay under any credit agreements, agreements with any trustee, bond insurer, escrow agent, tender agent, or paying agent, or remarketing costs related to the Bonds;

(4) additional amounts that must be realized by the Authority in order to meet the requirement of any rate covenant contained in the applicable bond resolution with respect to coverage of principal of, premium, if any, and interest on the Bonds;

(5) the cost of preparing any arbitrage rebate reports and any arbitrage rebate payment payable to the United States of America in accordance with Section 148 of the Code, to the extent proceeds from the Bonds issued for the Project are insufficient to make such arbitrage rebate payments, together with all fiscal agent and legal fees and expenses associated with such payments, provided the Authority timely files arbitrage reports with the Internal Revenue Service and has made good faith efforts to minimize arbitrage rebate payments; and

(6) all costs relating to continuing disclosure obligations in connection with the Bonds.

(b) *Participant Operating Charges.* The “Participant Operating Charges,” shall be in an amount equal to the operations and maintenance expenses described in Section 3.02(c) of this Agreement. The Participant Operating Charges shall be allocated in the same manner as Mainland Project Operating Charges for the Water Plant under the Customer Contract (as defined therein). At such time as the Amended and Restated Customer Contract is effective, the Participant Operating Charges shall be allocated in the same manner as Municipal System Operating Charges (as defined therein).

Section 4.02 Timing of Payments.

(a) *Participant Financing Charges Payments.* Payments of Participant Financing Charges (the “Participant Financing Charges Payments”) shall be payable in periodic payments as follows:

(1) For the purpose of paying current debt service on the Bonds and maintaining required reserve funds the Participant’s pro rata share, determined in accordance with the percentages set forth in Schedule I hereto, of the following monthly payments shall be made by the Participant not later than the 25th day of the month:

- (i) One-sixth (1/6th) of the interest payments on all of the Bonds then outstanding that are due and payable on the next interest payment date; plus
- (ii) One-twelfth (1/12th) of all principal payments (whether at maturity or by reason of any mandatory or extraordinary redemption provisions) on all Bonds that are due and payable on the next principal payment or redemption date and the costs of any credit agreements entered into in connection with the Bonds; plus
- (iii) One-sixth (1/12th) of all paying agent/registrars, trustee fees, and other expenses paid in connection with the Bonds; plus
- (iv) the monthly amount required to be deposited into the Debt Service Reserve Fund, or operating and maintenance reserve fund, if any, in order to ensure the maintenance of the proper balance in such reserve fund in the manner set forth in the bond resolution authorizing the issuance of Bonds.

(2) For Participant Financing Charges not described in subsection (a)(1), above, Participant Financing Charges Payments shall be promptly made by the Participant to the Authority upon receipt of a written request therefor.

(b) *Participant Operating Charge Payments.* Payments of Participant Operating Charges (the “Participant Operating Charges Payments”) shall be made monthly by the Participant to the Authority in the same manner as payments of, as applicable, Mainland Project Operating Charges under the Customer Contract (as defined therein) or Municipal System Operating Charges under the Amended and Restated Customer Contract (as defined therein).

Section 4.03 Source of Payments.

(a) The Participant and the Authority recognize that the Bonds will be payable from, and secured by, a pledge of the Participant Financing Charges Payments to be received by the Authority under this Agreement and the amounts payable by the other Participants under agreements in substantially the same form as this Agreement, and that in order to make the Bonds marketable at the lowest available interest rate, it is to the mutual advantage of the Participants and the Authority that the Participants’ obligation to make the payments required hereunder be unconditional. All sums payable hereunder to the Authority shall, so long as any part of the Bonds are outstanding and unpaid, be paid by the Participants without set-off, counter-claim, abatement, suspension or diminution except as otherwise expressly provided herein. So long as any part of the Bonds are outstanding and unpaid, this Agreement shall not terminate, nor shall the Participants have any right to terminate this Agreement nor be entitled to the abatement of any payment or any reduction thereof nor shall the obligations hereunder of the Participants be otherwise affected for any reason, it being the intention of the parties that so long as any part of the Bonds are outstanding and unpaid, all sums required to be paid by the Participants to the Authority shall continue to be payable in all events and the obligations of the Participants hereunder shall continue unaffected, unless the requirement to pay the same shall be

reduced or terminated pursuant to an express provision of this Agreement. The amounts owed by the Participants under this Agreement shall be payable by the Participants, notwithstanding the suspension, interruption, temporary or permanent termination or unavailability of water from the Project, in whole or in part, for any reason whatsoever, and shall not be subject to any reduction, whether by offset or otherwise.

(b) If any Participant defaults in the payment of its allocated share of the Participant Financing Charges Payments described in Section 4.02(a)(iv) above for a particular series of Bonds, such amount shall be reallocated pro rata by the Authority based on the Contract Quantities set forth in Schedule I hereof of all non-defaulting Participants so that the full amount of the Participant Financing Charges described in Section 4.01(a)(iv) above shall always be paid notwithstanding the failure of any Participant to pay any portion thereof. The obligation to fund deficiencies in the Participant Financing Charges described above shall apply to all Bonds. The Participant shall be given a credit for any amounts paid pursuant to this provision if the defaulting Participant (or a successor in interest to such defaulting Participant) subsequently makes a payment for which it was in default. The Authority shall exercise good faith efforts to pursue all available legal remedies against the defaulting Participant to obtain payment from the defaulting Participant of its share of the Debt Service Requirements as reasonably practicable after such Participant defaults.

(c) All payments required to be made by the Participants to the Authority under this Agreement shall be payable from the revenues and income received by the Participants from the ownership and operation of its water and sewer system. The Authority shall never have the right to demand payment by the Participants of any obligations assumed by or imposed upon it under or by virtue of this Agreement from any funds raised or to be raised by taxation, and the Participants' obligations under this Agreement shall never be construed to be a debt of the Participants of such kind as to require it under the Constitution and laws of the State of Texas to levy and collect a tax to discharge such obligation. Nothing in this Section, however, shall be construed as preventing a Participant, in its sole discretion, from making any such payment from sources other than revenues and income of a Participant's water and sewer system. Pursuant to the provisions of Section 791.026 of the Interlocal Corporation Act, the payments made hereunder shall be an operating expense of the Participants' water system and sewer system.

(d) During the term of this Agreement, so long as the Authority has potable water available from the Thomas Mackey Water Treatment Plant under the Customer Contract to supply the Participant in amounts sufficient to meet Participant's needs, the Participant shall not obtain potable water from a source other than the Authority except (i) from facilities owned by the Participant, contracted for, or included in Participant's capital improvement plan, on the date hereof, (ii) from groundwater sources now or hereafter available to the Participant, (iii) from the direct reuse by Participant of water received under this Agreement or from groundwater sources now or hereafter available to the Participant, upon written notice to the Authority, (iv) as may otherwise be permitted by this Agreement, or (v) with the consent of the Authority, which consent shall not be unreasonably withheld.

(e) The Participant covenants and agrees to fix and maintain such rates and collect such charges for the facilities and services provided by its water and sewer system as will be adequate to permit the Participant to make prompt payment of all expenses of operating and

maintaining the Participant's water system, including payments under this Agreement, and to make prompt payment of the interest on and principal of the bonds or other obligations of the Participant payable, in whole or in part, from the revenues of its water and sewer system. The Participant pledges such revenues to payment of the amounts due hereunder to the Authority.

(f) The Participant covenants and agrees that any Participant Financing Charges Payment to the Authority required by this Article IV shall be absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever.

ARTICLE V

CERTAIN TERMINATION RIGHTS

Section 5.01 Term. This Agreement shall remain in force and effect to and including December 31, 2052, and thereafter until payments in full of the principal, premium, if any, and interest on all Bonds (whether paid at maturity, by defeasance or by redemption) and all related fees (including but not limited to paying agent fees and arbitrage rebate) to be paid under any bond resolution or indenture securing Bonds. Nothing in this Agreement operates to extend or otherwise modify the term of the Customer Contract or the Amended and Restated Customer Contract. The Bonds issued under this Agreement are not Mainland Project Bonds or South Project Bonds as such terms are defined under the Customer Contract.

Section 5.02 Termination.

(a) The Authority's obligation to construct and acquire the Project is contingent upon receipt by the Authority of all necessary approvals, permits, or licenses from all local, state or federal agencies, departments or instrumentalities having jurisdiction, including without limitation the Texas Commission on Environmental Quality, the General Land Office the State Historical Commission and the Attorney General of Texas. If the Authority is unable to obtain any such approval, permit, or license, the Authority agrees to use best efforts to design alternatives which are capable of obtaining such approvals, permits or licenses. If such efforts are unsuccessful, the Participant and the Authority may mutually agree to terminate this Agreement.

(b) If this Agreement is terminated under the provisions of this Article V, the Authority shall cause all engineering data which has been prepared to the date of termination by the Authority's engineers with regard to the Project to be delivered to the Participants, together with a statement of actual expenses (including, but not limited to legal services) and other costs paid or incurred by the Authority with regard to the financing, engineering or design of the Project to the date of termination. Each Participant shall, promptly after such delivery, pay to the Authority a sum equal to its pro rata portion of such fees, expenses and costs, determined using the percentages set forth in Schedule I hereto. If the Bonds have been issued and the Project is not constructed, the Participant shall nevertheless continue to make all payments due hereunder until it instructs the Authority to redeem or defease its portion of the Bonds in accordance with Section 2.02(i) hereof and the applicable bond resolution, and no Bonds are outstanding under the bond resolution.

(c) Upon full repayment of the Bonds and any related amounts due as arbitrage rebates to the United States of America or to the paying agent for its Bonds or to the Authority in connection with the Bonds, any funds remaining in any sinking fund, debt service reserve fund or other account established under the terms of this Agreement or the Bond Resolution shall be promptly paid to the Participants on a pro rata basis by the Authority.

(d) Should the Authority fail to issue the Bonds within nine (9) months of the date of this Agreement, this Agreement shall terminate except for the payment of costs of the Project (including but not limited to legal fees, engineering and consulting costs) incurred by the Authority prior to the date of termination. The Participants recognizes that in order to commence and complete the Project as soon as possible, the Authority will incur contractual obligations to pay for certain costs of the Project. Promptly after the date of termination, the Authority will determine reasonable and necessary costs paid or incurred prior to such date and prepare an amortization schedule to pay and discharge all such costs within eighteen (18) months after the date of termination, and the Participant shall pay its monthly share of such costs in the same manner and from the same source as provided for the remaining payments under this Agreement.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.01 Default. The following shall be considered a default under this Agreement:

(a) the failure of the Participant to make any monetary payment when due under this Agreement; or

(b) the failure of either party to perform and observe in a timely manner any nonmonetary obligations or covenants contained in this Agreement and such failure is not cured within thirty (30) calendar days after notice, specifying such default, is given to the nonperforming party by the other party; provided, however, that if the nonperformance cannot reasonably be cured within thirty (30) calendar days, then no default shall occur if, and as long as, the party has initiated all remedial action reasonably possible within the thirty (30) calendar-day period and thereafter continues diligently to remedy the failure.

Section 6.02 Remedies.

(a) It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (including termination subject to the provisions of Section 5.02) existing at law or in equity may be availed of by either party and shall be cumulative.

(b) If a monetary default shall occur and be continuing, the Authority shall have the right to cease delivery of water through the Project by giving to the Participant thirty (30) calendar days' advance written notice of the effective date of such cessation. Such cessation, however, shall not be effective if prior to the effective date of cessation the Participant shall have fully paid such bill and the interest accrued thereon. In addition, the Authority shall have the right to terminate all of the Participant's other rights, including the Participant's right to receive

delivery of water, but not the Participant's monetary and non-monetary obligations, under this Agreement. No termination of rights pursuant to this Section 6.02(b) shall have the effect of relieving the Participant of any liability which it would otherwise have had if no such termination had occurred.

(c) The Authority and the Participant may commence suits, actions or proceedings at law or in equity, including suits for specific performance as may be necessary or appropriate to enforce the obligations of the defaulting party.

(d) No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstance.

Section 6.03 Force Majeure. If Force Majeure (as defined below) prevents either party hereto from performing any of its obligations under this Agreement (except the unconditional obligation of the Participant to make the payments required in Article IV, in whole or in part, then the obligations of such party, to the extent affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, so long as such party is exercising due diligence to resume performance at the earliest practicable time. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the party whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other party. The term "Force Majeure," as used herein, shall include, without limitation of the generality thereof, acts of God, fire, storm, flood, hurricanes, drought, insufficiency of water in the Brazos River and in Jones and Upper Oyster Creeks, Chocolate Bayou, Mustang Bayou or Halls Bayou, or other water source, landslide, subsidences of land, lightning, earthquake, washout, explosion, epidemic, war, acts of enemies or belligerents, sabotage, interference by, orders of, or compliance with requests or recommendations of civil or military courts or other authorities, including any agency or person appointed by any such authority or by any official thereof (whether de jure or de facto and whether acting legally or not), inability to obtain materials, strikes or other differences with labor (whether or not within the power of the party to settle the same), breakage or accident to machinery, canals, reservoirs or lines of pipe, or any other cause (whether or not of the same class or kind as those set forth above) not otherwise due to the fraud, criminal misconduct, willful misconduct or gross negligence of such party. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

ARTICLE VII

OWNERSHIP OF PLANS, REPORTS, SPECIFICATIONS, ETC.

Section 7.01 Plans and Specifications. The Participant and the Authority agree that all designs, drawings, plans, specifications, reports, studies, or any other materials prepared for the Project shall be the property of the Authority, but that the Authority shall furnish to the

Participants originals or reproductions of “as built” drawings of the Project upon completion of the construction.

ARTICLE VIII

CONTINUING DISCLOSURE AGREEMENT

Section 8.01 Continuing Disclosure. The Participant hereby agrees to furnish the Authority with such certificates, data, projections and related information as may be reasonably required by the Authority in connection with the sale of Bonds in order to comply with all applicable laws, rules and regulations, including 17 CFR 240.15c2-12 (municipal securities disclosure). To the extent the Participant’s allocation percentage set forth in Schedule I hereto is greater than 20% or the Participant is otherwise required in connection with the sale of a series of Bonds, the Participant hereby agrees to enter into additional continuing disclosure agreements with the Authority as may be necessary in order to comply with SEC Rule 15c2-12 or other applicable securities laws in substantially the form attached hereto as **Exhibit B**. The City Manager of Participant is hereby authorized to execute a continuing disclosure agreement on behalf of the Participant in substantially the form attached hereto as **Exhibit B**, with such changes as are authorized by such official as evidenced by his or her execution of such agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Insurance. The Authority will maintain, or cause to be maintained by its agents or contractors, to the extent required by applicable law, the applicable bond resolution and available and practicable on the basis of the advice of its insurance carrier, insurance coverage on the Project. All policies evidencing the insurance permitted by this Section shall be maintained in generally recognized, responsible insurance companies or associations insuring municipal corporations qualified under the laws of the State of Texas to assume the respective risks undertaken and may be written with reasonable deductible amounts. The Authority may set forth a standard of care for emergency actions as the Authority deems necessary in order to minimize the tort liability of the Authority.

Section 9.02 No Additional Reserved Capacity or Contract Quantity. The Participant acknowledges and agrees that the Participant’s Reserved Capacity (as defined in the Customer Contract) and Contract Quantity in the Authority’s Mainland System (as defined in the Customer Contract) and in the Authority’s Municipal System (as defined in the Amended and Restated Customer Contract) is established in the Customer Contract and the Amended and Restated Customer Contract. Nothing in this Agreement modifies the Participant’s Contract Quantity (as defined in the Customer Contract and the Amended and Restated Customer Contract) or Reserved Capacity (as defined in the Customer Contract).

Section 9.03 Condemnation. In case any significant damage to or destruction of any part of the Project occurs or any significant part thereof is taken by eminent domain, the

Authority and the Participants shall comply with the provisions of the applicable bond resolution with respect to authorizing refunding bonds or additional bonds.

Section 9.04 Consent. Whenever this Agreement requires or permits approval or consent to be hereafter given by the Participants, the Participant agrees that such approval or consent shall not be unreasonably withheld or delayed. Such approval or consent by the Participant may be evidenced by an order or resolution or other action properly adopted by the governing body of the Participant and noted in the minutes of its meeting or by an appropriate certificate executed by a person, firm or entity authorized to determine and give approval or consent on behalf of the Participant pursuant to an order or resolution or other action adopted by the governing body of the Participant.

Section 9.05 Notice. Unless otherwise provided in this Agreement, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by either party to the other must be in writing and may be given or be served by depositing the same in the United States mail postpaid or registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram, or facsimile transmission when appropriate, addressed to the party to be notified. Notice shall be conclusively deemed to be effective when received by the party to be notified. For the purpose of Notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the Participant:	City of La Marque, Texas 1111 Bayou Road La Marque, Texas 77568 Attention: City Manager
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If to the Authority:	Gulf Coast Water Authority 4243 Emmett F. Lowery Parkway Texas City, Texas 77591 Attention: General Manager
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The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least five (5) days' written notice to the other party.

Section 9.06 Amendments. This Agreement shall be subject to change or modification only with the mutual consent of the Authority and the Participant, but the Participant recognizes that the bond resolution securing the Authority's Bonds may contain covenants by the Authority not to consent to certain changes or modifications of this Agreement and, pursuant to Section 9.07 hereof, this Agreement shall be in substantially similar form for all Participants.

Section 9.07 Special Conditions. This document is in the form of a standard contract proposed for the Participants.

Section 9.08 Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party.

Section 9.09 Third Party Beneficiary. This Agreement shall be for the sole and exclusive benefit of the Authority, the Participant and the owners and holders of the Bonds. The Authority is hereby granted the specific right to pledge payments received hereunder in connection with the issuance of the Bonds.

Section 9.10 Captions and Headings. The captions appearing at the first of each numbered article and section in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement, or any provision hereof, or in connection with the duties, obligations, or liabilities of the respective parties hereto or in ascertaining intent, if any question of intent should arise.

Section 9.11 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 9.12 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto relating to the funding of the Project. There are no warranties, representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter hereof that are not fully expressed or provided for herein, and the parties shall not be bound by or liable for any alleged warranty, representation, agreement, arrangement, or understanding. Neither of the parties hereto have relied on any statements or representations that have been made by any other party that are not set forth in this Agreement, and neither party is entitled to rely on any representation, agreement or obligation that is not expressly stated in this Agreement. This Agreement does not amend in any way or extend the term of any other agreement between the parties hereto, including the Customer Contract.

Section 9.13 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

EXECUTED in multiple counterparts, each of which shall be deemed an original, as of the day and year first above written.

CITY OF LA MARQUE, TEXAS

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

(SEAL)

GULF COAST WATER AUTHORITY

By: _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

Schedule I

Participants and Allocation of Debt Service

Customer	Contract Quantity in the South Transmission System (in gallons per day)	Contract Quantity Associated with Capital Contributions For Project (in gallons per day)	Contract Quantity Associated with Amounts being Financed with the Bonds (in gallons per day)	% of Total ⁽¹⁾
City of Galveston	20,990,000	20,990,000	-	-
City of Hitchcock	2,000,000	-	2,000,000	17.70%
City of La Marque	1,647,000	-	1,647,000	14.58
City of League City	5,544,000	-	5,544,000	49.06
Galveston County FWSD No. 6 (Tiki Island)	810,000	810,000	-	-
Galveston County MUD No. 12 (Bayou Vista)	450,000	-	450,000	3.98
Galveston County WCID No. 8 (Santa Fe)	1,659,000	-	1,659,000	14.68
Galveston County WCID No. 1 (Dickinson)	1,065,000	1,065,000	-	-
Total	34,165,000	22,865,000	11,300,000	100.00%

⁽¹⁾ The allocation is expressed as a percentage derived by dividing Contract Quantity associated with the South Transmission System that is being bond financed by a Participant participating in the Bonds by total of all Contract Quantity associated with the South Transmission System being financed by all Participants participating in the Bonds.

Exhibit A

Description of the Project

The Project includes the following:

1. Hwy 3 - Hwy 146 Interface - Waterline Relocation: Relocate a portion of the existing 42-inch waterline to accommodate the Texas Department of Transportation expansion of State Highway 146 and State Highway 3.
2. South Line Interconnect Repair: Isolate and terminate certain interconnections along the Authority's State Highway 6 South Line, from Alta Loma Pump Station to Bayou Vista, where valves that do not properly isolate or are stuck in a semi-open position causing water to leak into the abandoned line.
3. Calder Meter Station - Site Upgrades: Improve the existing meter station on the South Transmission System located near the intersection of Calder Road and FM 517 to create a safe ingress/egress for operations staff; make building repairs including roof replacement, building door replacement, and a fence with gates; and provide flush points upstream and downstream of the meter station.
4. FM 517 - 30-Inch Waterline Relocation: Relocate a portion of the existing 30-inch waterline from the City of League City connection adjacent Calder Drive to FM 646 to accommodate the Texas Department of Transportation expansion of Farm to Market Road No. 517 (FM 517).

Exhibit B

Form of Continuing Disclosure Agreement

[See attached.]

**GULF COAST WATER AUTHORITY
WATER SYSTEM CONTRACT REVENUE BONDS
(SOUTH TRANSMISSION SYSTEM)**

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated _____, 2023 (as amended, modified or supplemented from time to time, this “**Continuing Disclosure Agreement**”) is entered into by and between the [PARTICIPANT], a [_____] of the State of Texas (the “**Participant**”) and the Gulf Coast Water Authority, a conservation and reclamation district of the State of Texas (the “**Authority**”) for the benefit of the holders or beneficial owners from time to time of the bonds secured by payments from the Participants under the South Transmission System Financing Agreement (as defined herein).

BACKGROUND

The Authority is in process of issuing its Contract Revenue Bonds (South Transmission System), Series 2023 (the “**South Transmission System Bonds**”), the proceeds of which will be used to fund a portion of the cost of the acquisition, construction and equipment of certain water supply facilities and improvements described in the South Transmission System Financing Agreement.

The South Transmission System Bonds shall be issued pursuant to the terms and conditions of the Water Facilities Financing Agreement (South Transmission System) between the Authority and the Participants, as defined therein, as amended or supplemented from time to time (the “**South Transmission System Financing Agreement**”).

The Authority is authorized to issue additional bonds (“**Additional Bonds**”) and refunding bonds (“**Refunding Bonds**”) by the resolution authorizing the issuance of the South Transmission System Bonds (the “**South Transmission System Bond Resolution**”) and the South Transmission System Financing Agreement.

In connection with the sale of the South Transmission System Bonds and any Additional Bonds or Refunding Bonds (collectively, the “**Bonds**”), the Participant is an obligated person with respect to the Bonds and must undertake to disclose certain information for as long as the Bonds are outstanding, in compliance with 17 C.F.R. 240.15c2-12 (the “**Rule**”) promulgated by the Securities and Exchange Commission.

The Authority and the Participant must comply with the antifraud provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and 17 C.F.R. 240.10b-5 (collectively, the “**Acts**”) in connection with the sale of the Bonds and accordingly may not make any material misstatement or materially misleading statement or omit to state certain material facts in connection therewith.

The Participant is providing all information pertinent to itself which will be included in the preliminary official statement and final official statement for the Bonds that is required to present fairly all material investment risks.

In order to assist the Authority and the underwriters of the Bonds in complying with the Rule and the Acts, the Participant agrees to provide such information to the Authority pursuant to the terms set forth below.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements in this Continuing Disclosure Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participant and the Authority agree as follows:

Section 1. Definitions Section 2. . Any capitalized term used in this Continuing Disclosure Agreement shall have the meaning ascribed thereto in the in the Recitals above, and if not defined in the recitals above they shall have the meanings specified below:

“**EMMA System**” means the Electronic Municipal Market Access System at www.emma.msrb.org or any successor system that the MSRB may prescribe.

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

“**MSRB**” means the Municipal Securities Rulemaking Board.

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

Section 2. Provision of Annual Financial Information and Operating Data.

(a) The Participant shall provide annually to the MSRB (with a copy to the Authority), (i) within six (6) months after the end of each fiscal year of the Participant ending in or after 2023, financial information and operating data with respect to the Participant of the general type included in the Official Statement, being the information described in the resolution approving a series of Bonds and the related pricing certificate, and including financial statements of the Participant if audited financial statements of the Participant are then available, and (ii) if not provided as part of such financial information and operating data, audited financial statements of the Participant, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded fiscal year, or such other accounting principles as the Participant may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the Participant commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Participant shall file unaudited financial statements within such 12-month period and audited

financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

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

(c) 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 to the public on the MSRB's internet website or has been filed with the SEC. The financial information or operating data shall be provided in an electronic format as prescribed by the MSRB and shall be linked to the CUSIP numbers for the Bonds.

Section 3. Reporting of Listed EventsSection 4. .

(a) The Participant agrees to provide or cause to be provided, in a timely manner (but not in excess of ten (10) business days after the occurrence of the event) to the MSRB (with a copy to the Authority) notice of the occurrence of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves;
- (iv) Unscheduled draws on credit enhancements;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (vii) Modifications to rights of bondholders;
- (viii) Bond calls and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Participant. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar

officer for the Participant in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Participant, 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 Participant;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Participant or the sale of all or substantially all of the assets of the Participant, 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;

(xiv) Appointment of a successor or additional trustee or the change of the name of a Trustee;

(xv) Incurrence of a Financial Obligation of the Participant, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Participant; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Participant.

(b) The Participant shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Participant to provide required annual financial information in accordance with Section 2 of this Agreement.

(c) Each filing made under this section shall be disseminated by transmission to MSRB through the EMMA System. Such filings will be in the format and will be accompanied by the identifying information prescribed by the MSRB.

(d) Each Listed Event notice shall be so captioned and shall prominently state the date, and title of the Bonds and shall be linked to all of the CUSIP numbers of the Bonds.

(e) The Participant may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Participant does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Official Statements. The Participant agrees to provide the Authority with such financial and operating data for use in the preliminary official statements and official statements relating to the Bonds as may be required to allow the Authority and the underwriters of the Bonds to comply with the Acts and the Rule. The Authority is authorized to use the information provided by the Participant in preliminary official statements and final official statements relating to the Bonds.

Section 5. Accuracy and Completeness. The Participant warrants that all information provided by it to the Authority or the MSRB pursuant to this Continuing Disclosure Agreement will be accurate in all material respects to the best of its knowledge and belief. The Participant

will provide the Authority with such information as the Authority may reasonably request to confirm the accuracy and completeness of any information provided by the Participant pursuant to this Agreement. Information shall be audited if prepared in such form, or may be unaudited if audited information is not available.

Section 6. Termination of Reporting Obligation Section 7. . This Agreement shall automatically terminate without further notice or condition upon the occurrence of any of the following events:

- (a) The legal defeasance, prior redemption or payment in full of all of the Bonds; or
- (b) Any of the following apply: (i) the Participant's allocation percentage as set forth in Schedule I of the South Transmission System Financing Agreement drops below 20% or (ii) the Participant otherwise no longer meets the criteria of an obligated person as defined in the Rule, unless the requirements of disclosure have changed through amendment or interpretation of the Acts of the Rule.

Section 7. Severability. The provisions of this Continuing Disclosure Agreement are severable, and if any provision or part of this Continuing Disclosure Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Continuing Disclosure Agreement and the application of such provision or part of this Continuing Disclosure Agreement to other persons or circumstances shall not be affected thereby.

Section 8. Assignment. This Continuing Disclosure Agreement shall not be assignable by the Participant without the prior written consent of the Board of Directors of the Authority, which consent shall not be unreasonably withheld.

Section 9. Limitations, Disclaimers, and Amendments.

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

(b) UNDER NO CIRCUMSTANCES SHALL THE PARTICIPANT BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE PARTICIPANT, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS

CONTINUING DISCLOSURE AGREEMENT, 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.

(c) No default by the Participant in observing or performing its obligations under this Continuing Disclosure Agreement shall comprise a breach of or default under the resolution authorizing the issuance of the Bonds for purposes of any other provisions of the resolution authorizing the issuance of the Bonds.

(d) Nothing in this Continuing Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Participant or the Authority under federal and state securities laws.

(e) The provisions of this Continuing Disclosure Agreement may be amended by the Participant and the Authority 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 Participant or the Authority, but only if (1) the provisions of this Continuing Disclosure Agreement, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (A) the owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the Participant (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the owners and beneficial owners of the Bonds. The Participant and the Authority may also repeal or amend the provisions of this Continuing Disclosure Agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Participant and the Authority also may amend the provisions of this Continuing Disclosure Agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Participant and the Authority so amend the provisions of this Continuing Disclosure Agreement, the Participant shall include with any amended financial information or operating data next provided in accordance with this Article an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 10. NoticesSection 11. . All notices or other communications shall be sufficiently given and shall be deemed given on the second day following the date on which the same have been personally delivered or mailed by certified mail, return receipt requested, postage prepaid, to the following addresses or, if sent by electronic communication, with receipt confirmed. The Participant and the Authority may, by written notice to the other persons listed below, designate a different address or email address to which subsequent notices or communications should be sent.

All notices to the Authority shall be delivered to the following address and contact person:

Gulf Coast Water Authority
3630 Highway 1765
Texas City, Texas 77591
Attention: General Manager
Email: bwade@gcwater.org

With a copy to:

Gulf Coast Water Authority
3630 Highway 1765
Texas City, Texas 77591
Attention: Finance Director
Email: ddavis@gcwater.org

All notices to the Participant shall be delivered to the following address and contact person:

[Participant]

[_____]

Attention:
Email:

Section 11. RemediesSection 12. . In the event the Participant fails or refuses to provide the information required by Sections 2 or 3 hereof, the Authority shall have all remedies provided by law or in equity to enforce the terms and conditions of this Agreement.

Section 12. No Personal Liability. No covenant, stipulation, obligation or agreement of the Participant or the Authority contained in this Continuing Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council member, board member, officer, agent or employee of the Participant or the Authority other than in that person's official capacity.

Section 13. SeverabilitySection 14. . If any provision in this Continuing Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14. Counterparts; Electronic SignaturesSection 15. . This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. To the fullest extent permitted by applicable law, electronically transmitted or facsimile signatures shall constitute original signatures for all purposes under this Continuing Disclosure Agreement.

Section 15. Governing Law . This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Continuing Disclosure Agreement has been executed by the Participant's duly authorized representative as of the date set forth above.

GULF COAST WATER AUTHORITY

By: _____
Name: Brandon Wade
Title: Authorized Officer

PARTICIPANT

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

AMENDED AND RESTATED
MUNICIPAL SYSTEM CUSTOMER CONTRACT

between

GULF COAST WATER AUTHORITY

and

CITY OF LA MARQUE, TEXAS

Dated as of _____, 2022

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AMENDED AND RESTATED
MUNICIPAL SYSTEM CUSTOMER CONTRACT

THIS AMENDED AND RESTATED MUNICIPAL SYSTEM CUSTOMER CONTRACT (this “Agreement”), dated the ____ day of _____, 2022, is entered into by and between GULF COAST WATER AUTHORITY, a Texas conservation and reclamation district (the “Authority”), and CITY OF LA MARQUE, TEXAS (“Purchaser”). This Agreement completely amends, repeals and replaces and supersedes any prior agreements between the parties (or their predecessors in interest) regarding the subject matter herein, including, without limitation, the Mainland Water Project Customer Contract, entered into between the Authority, formerly known as Galveston County Water Authority, and Purchaser, dated as of August 7, 1981, as amended by the First Amendment, dated as of September 14, 1981, the Second Amendment, dated as of June 22, 1998, the Third Amendment, dated as of June 16, 2011, and the Fourth Amendment, dated as of May 1, 2014, and the Mainland Water Project Customer Contract (South Project), entered into between the Authority and Purchaser on July 1, 1998, as amended by the First Amendment, dated as of June 16, 2011, and the Second Amendment, dated as of May 1, 2014 (collectively, the “Existing Agreements”).

WITNESSETH:

RECITALS

WHEREAS, Purchaser is located in Galveston County, Texas, and needs a reliable supply of Potable Water (as defined herein); and

WHEREAS, the Authority supplies water to customers in its Canal Division, Industrial Division and Mainland Division (each as hereafter defined); and

WHEREAS, through its Mainland Division, the Authority supplies Potable Water to various customers through the Mainland Project (as hereafter defined); and

WHEREAS, in order to more accurately reflect the composition of the Customers currently served by the Mainland Division and the operation of the water system, the Authority will now refer to the Mainland Project and the Mainland Division as the Municipal System; and

WHEREAS, the Customers (as hereafter defined) have previously entered into the Existing Agreements through which the Customers receive Potable Water that is supplied by the Municipal System and the parties to such contracts now wish to amend and restate the terms thereof; and

WHEREAS, Purchaser and other entities entering into a Municipal System Customer Contract (as defined herein) similar to this Agreement acknowledge that the Authority will issue contract revenue bonds from time to time as provided herein for the improvement, construction, reconstruction expansion and equipment of the facilities utilized to provide water to the Customers and the development of water supplies to serve the Municipal System, and the Purchaser has agreed pursuant to the terms hereof to pay all charges related to such indebtedness and to purchase Potable Water from the Authority; and

WHEREAS, Purchaser is aware that the water to be supplied to Purchaser by the Municipal System under the terms of this Agreement will primarily be supplied by means of the Authority's Canal Division and Industrial Division, and therefore the Authority must comply with certain provisions of the Industrial Division Customer Contract (as defined herein) related to the Canal System (as defined herein) and the Texas City Reservoir and Raw Water Conveyance System (as defined herein), including provisions related to the payment of debt service on certain bonds issued for the purposes of such systems as part of the Raw Water Charges (as defined herein), and Purchaser is familiar with its terms and provisions; and

WHEREAS, the references in the Industrial Division Customer Contracts to the Reserved Capacity of Municipal System Customers shall now be understood to refer to the Contract Quantity of Municipal System Customers; and

WHEREAS, the Authority and Purchaser each, for and on behalf of itself, represents to the other that it is authorized to enter into this Agreement under the constitution and laws of the State of Texas, including without limitation, the Authority Act (as defined herein), Chapters 49 and 54, Texas Water Code, as amended, and Section 791.026, Texas Government Code, as amended.

NOW THEREFORE, for and in consideration of the mutual premises, covenants, obligations and benefits in this Agreement, the Authority and Purchaser agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. For all purposes of this Agreement, the following definitions of certain terms used herein shall apply:

"Additional Municipal System Reserve Fund" shall have the meaning ascribed thereto in Section 7.4 of this Agreement.

"Annual Budget" shall mean the budget of anticipated expenditures for the Municipal System which is to be prepared each year by the Authority pursuant to Section 4.9 hereof.

"Authority" shall mean Gulf Coast Water Authority and its successors and assigns.

"Authority Act" shall mean Chapter 712, Acts of the 59th Texas Legislature, 1965, as amended (compiled as Article 8280-339 Vernon's Texas Civil Statutes, as amended).

"Bayshore Transmission System" shall mean the water transmission line and related appurtenances running from an origination point at the intersection with the North Transmission System at the northwest of the intersection of N. Humble Camp Road and Paula Lane, to a termination point at the intersection with the Kemah Transmission System to the west of the Highway 146, north of mile marker 11 on the western edge of the utility/pipeline easement (as depicted on Exhibit C-2). The Bayshore Transmission System is further subdivided into segments. Segment D-F running from the origin point north to where the line splits for the San Leon Municipal Utility District point of delivery, Segment F-G from the San Leon Municipal Utility District split to the location where the line splits for the Bacliff Municipal Utility District point of delivery, and Segment G-H from the Bacliff Municipal Utility District split to the termination point

(as depicted on Exhibit C-2). For purposes of clarity, the Bayshore Transmission System includes any laterals to the points of delivery identified below. The following four (4) Customer points of delivery (located and numbered as depicted on Exhibit C-2) are currently located on this transmission system (points of delivery may be added or changed from time to time):

6. City of Texas City;
7. San Leon Municipal Utility District;
8. Bacliff Municipal Utility District; and
9. Bayview Municipal Utility District.

“Board” shall mean the Board of Directors of the Authority or any successor governing body of the Authority.

“Bonds” shall mean the Municipal System Bonds and any Special Project Bonds that are Outstanding at any time.

“BRA” shall mean Brazos River Authority and its successors and assigns.

“Budgeted Capital Charges” shall mean the charges described in Section 4.4 of this Agreement.

“Budgeted Capital Expenses” shall mean the budgeted capital costs (within the meaning of generally accepted accounting principles applicable to governmental entities and not otherwise funded through the issuance of Municipal System Bonds or related Customer contributions) included in each Annual Budget for any capital repair, renewal, replacement, rehabilitation, modification, extension, expansion, merger, enlargement, acquisition, addition, or improvement to the Municipal System that extends the lifespan of the asset, including the accumulation of reasonable reserves therefor. Budgeted Capital Expenses shall not include capital expenditures associated with any Special Project Facilities, except as may be provided in an amendment to this Agreement.

“Canal A System” shall mean the water canal system located in Brazoria, Fort Bend, and Galveston Counties, Texas, including all or most of the properties and interests in property, real, personal, or mixed, acquired by BRA from American Canal Company of Texas and thereafter acquired by Authority from BRA, together with all additions to, replacements in, and expansions and extensions of such properties and interests in property heretofore or hereafter made or acquired by BRA or Authority, including the headquarters office building currently in Texas City, Texas, and property at Alvin, Texas, and the water canal connecting the Canal A System to the Canal B System.

“Canal B System” shall mean the water canal system located in Fort Bend, Brazoria, and Galveston Counties, Texas, including all or most of the properties and interests in property, real, personal, or mixed, acquired by BRA from the Briscoe Irrigation Company and thereafter acquired by Authority from BRA, together with all additions to, replacements in, and expansions and

extensions of such properties and interests in property heretofore or hereafter made or acquired by BRA or Authority.

“Canal Division” or “Canal System” shall mean the physical properties and interests in physical property of the canal systems benefitting the Municipal System from time to time, including without limitation the Canal A System, the Canal B System, and the Canal G System, and which may upon action of the Board be expanded to include the Canal J System (provided that at the time of combination the conditions outlined in Section 6.2 of this Agreement are met), together with all additions to, replacements in, and expansions and extensions of such properties and interests in property, all exclusive, however, of any physical properties which constitute Special Project Facilities or which constitute the Industrial Division.

“Canal G System” shall mean the water canal system located in Galveston County, Texas, including all of the properties and interests in property, real, personal, or mixed, acquired by BRA from Industrial Water Company and thereafter acquired by Authority from BRA, together with all additions to, replacements in, and expansions and extensions of such properties and interests in property heretofore or hereafter made or acquired by BRA or Authority.

“Canal J System” shall mean the water canal system located in Brazoria and Fort Bend Counties, Texas, including the Chocolate Bayou, Halls Bayou, Juliff, and Mustang Bayou Canal Systems, collectively purchased by Authority in 2006 from the Chocolate Bayou Water Company, together with the associated water rights and appurtenances, and extensions, enlargements and replacements thereof

“Canal System Revenue Bonds” shall have the meaning ascribed thereto in the Industrial Division Customer Contracts.

“Commission” shall mean the Texas Commission on Environmental Quality or its successor agency.

“Components of the Municipal System” or “Component” shall mean, collectively or individually, as of the date of this Agreement, the Mackey Plant, the Bayshore Transmission System, the Kemah Transmission System, the North Transmission System, the North-South Interconnect, the South Transmission System (which includes the South Transmission Line, the Highway 6 Transmission Line and the 39-Inch Transmission Line), and the 7.9 MGD Mackey Plant Expansion, and any other project designated as such in an addendum, supplement, or amendment to this Agreement or any contract relating to a Special Project Facility. For avoidance of doubt, each line that constitutes a Component of the Municipal System is defined to end at the Customers’ respective points of delivery, specifically at the flange on the downstream side of the applicable meter. “Component” or “Component of the Municipal System” singularly shall mean any one of the aforementioned Components of the Municipal System. Subject to the terms hereof, additional Components of the Municipal System (i.e., other additions, improvements and extensions) may subsequently be acquired or constructed, and thereafter be considered Components of the Municipal System.

“Contract Quantity” shall mean that maximum quantity of water that the Authority is obligated to provide to each Customer from the Mackey Plant as provided in Section 2.1 of this

Agreement. The Contract Quantities for all of the Customers as of August 31, 2022 and in connection with the execution of this Agreement, are set forth in Exhibit A attached hereto, which Exhibit A may be updated by the Authority from time to time, upon notice to each Customer pursuant to Section 2.5 to reflect changes in Customer's Contract Quantities pursuant to the terms of this Agreement or the addition of new Customers.

"Contract Year" shall mean the Authority's Fiscal Year.

"Customers" or "Municipal System Customers" shall mean the Bacliff Municipal Utility District, Bayview Municipal Utility District, Galveston County Water Control and Improvement District No. 1, Galveston County Water Control and Improvement District No. 12, San Leon Municipal Utility District, the City of La Marque, the City of Galveston, the City of League City, the City of Texas City, the City of Hitchcock, Galveston County Fresh Water Supply District No. 6, Galveston County Water Control and Improvement District No. 8, Galveston County Municipal Utility District No. 12, and any additional entities that become parties to Municipal System Customer Contracts as provided under the terms of this Agreement, and their successors and assigns.

"Customer Group" shall mean any Customer Group established by the Authority and its Customers pursuant to the terms of this Agreement. A listing of the Current Customer Groups is included in Exhibit B-2 of this Agreement, which exhibit may be updated from time to time by the Authority to reflect changes in Customer participation.

"Discretion" shall mean reasonable discretion unless otherwise defined within the Section.

"Effective Date" shall mean the effective date of this Agreement as described in Section 13.2 of this Agreement.

"Excess Use Charges" shall mean the additional charges that accrue when Purchaser exceeds the Contract Quantity as described in Section 4.6 of this Agreement.

"Existing Agreements" shall have the meaning ascribed thereto in the introductory paragraph to this Agreement.

"Fiscal Year" shall mean the one-year period, currently beginning September 1 and ending on August 31, designated by the Board as the Fiscal Year of the Authority, which Fiscal Year is subject to change by the Board.

"Highway 6 Transmission Line" shall mean the water transmission line and related appurtenances running from an origination point at the 36-Inch Valve and the 30-Inch Valve adjacent to the Alta Loma Pump Station Pressure Reduction Station to a termination point near the northern end of the Galveston Island Railroad Crossing Bridge (as depicted on Exhibit C-7-B). The Highway 6 Transmission Line is further subdivided into segments. Segment N-K running from the origin point east along Highway 6 to the meter at the intersection with the South Transmission Line, Segment K-M from the meter at the intersection with the South Transmission Line to where the line splits for the Galveston County Fresh Water Supply District No. 6 point of delivery, and Segment M-L from the Galveston County Fresh Water Supply District No. 6 split to the termination point (as depicted on Exhibit C-7-B). For purposes of clarity, the Highway 6

Transmission Line includes any laterals to the points of delivery identified below. The following four (4) Customer points of delivery (located and numbered as depicted on Exhibit C-7-B) are currently located on this transmission line (points of delivery may be added or changed from time to time):

- 11A. City of Galveston;
- 12. Galveston County Fresh Water Supply District No. 6;
- 13. Galveston County Municipal Utility District No. 12; and
- 14. City of Hitchcock.

“Industrial Division” shall mean the Industrial Pump Station and Raw Water Transmission System (as defined in the Industrial Division Customer Contracts) and the Texas City Reservoir and Raw Water Conveyance System (as defined in the Industrial Division Customer Contracts), including the reservoir and water distribution system (and the lands and rights of way on which the same are situated) used in supplying water to industrial customers having plants in the Texas City industrial area and other physical properties acquired by the Authority from Industrial Water Company, under that certain “GCWA Agreement” dated June 1, 1971, between Industrial Water Company and the Authority (then known as Galveston County Water Authority of Galveston County, Texas), together with all additions to, replacements in, and expansions and extensions of said facilities and physical properties heretofore or hereafter made or acquired by the Authority, all exclusive, however, of any physical properties which are used exclusively for other than industrial water purposes, or which constitute Special Project Facilities (as defined in the Industrial Division Customer Contracts), or which are part of the Canal Division.

“Industrial Division Customer Contracts” shall mean the Amended and Restated Industrial Customer Contracts between the Authority and the Industrial Division Customers, initially executed beginning in 2015, and providing for the sale of water for industrial purposes to the Industrial Division Customers, as they may be as amended or supplemented from time to time.

“Industrial Division Customers” shall mean each of Union Carbide Corporation, Eastman Chemical Texas City, Inc., Valero Refining – Texas, L.P., Blanchard Refining Company LLC, ISP Technologies, Inc., the City of Texas City, and their successors and assigns, and any additional entities that become parties to Industrial Division Customer Contracts, and their successors and assigns.

“Kemah Transmission System” shall mean the water transmission line and related appurtenances running from an origination point at the intersection with the Bayshore Transmission System to the west of the Highway 146, north of mile marker 11 on the western edge of the utility/pipeline easement to a termination point south of the intersection of Marina Bay Drive and Hanson Road in the City of Kemah (as depicted on Exhibit C-3, Segment H-I). For purposes of clarity, the Kemah Transmission System includes any laterals to the point of delivery identified below. One Customer has a point of delivery (located and numbered as depicted on Exhibit C-3) that is currently located on this transmission system (points of delivery may be added or changed from time to time):

10. Galveston County Water Control and Improvement District No. 12.

“League City Transmission Line” shall mean the transmission lines and related appurtenances running from an origination point at the pump station located in the City of Webster, Texas near the border line between Galveston County and Harris County to a termination point at the Calder Meter Station located northwest of the intersection of FM 517 and Calder Drive in the City of League City (as depicted on Exhibit C-6).

“Mackey Plant” shall mean the existing Thomas S. Mackey Water Treatment Plant located in Texas City, as it may be expanded from time to time, and all other improvements, equipment, pumps, pump stations, fixtures and facilities located thereon or used in association therewith, and all additions and improvements thereto.

“Mainland Division” shall now mean the Municipal System.

“Mainland Project” shall now mean the Municipal System.

“Municipal System” shall mean and include the water supply, treatment and distribution system heretofore constructed and acquired by the Authority for the benefit of the Customers as may be extended, expanded or improved from time to time, including, but not limited to, all water plants, pipelines, valves, pumps, treatment equipment, interests in land, and everything appurtenant thereto or necessary to supply Purchaser and the other Customers with Potable Water at their respective points of delivery (which Municipal System on the date of this Agreement consists of the components depicted in Exhibit C hereto). Subject to the terms hereof, additional Components of the Municipal System (i.e., other additions, improvements, expansions and extensions) may subsequently be acquired or constructed, and thereafter be considered Components of the Municipal System. The “Municipal System” shall not, however, mean or include the Industrial Division, the Canal Division or any part or parts thereof. The Municipal System was formerly known as the Mainland Project.

“Municipal System Bonds” shall mean any bonds, notes or credit agreements issued or entered into by the Authority for the purpose of financing or refinancing the Municipal System or any one or more Components of the Municipal System from time to time, and any bonds, notes or credit agreements issued or entered into to refund or refinance such bonds, notes or credit agreements.

“Municipal System Customer Contracts” shall mean the various contracts between the Authority and the Customers for the construction and operation of the Municipal System, as amended, supplemented or related from time to time.

“Municipal System Debt Service Charges” shall mean the charges described in Section 4.7 of this Agreement.

“Municipal System Debt Service Reserve Fund” shall mean the special fund or funds to be established, maintained, and utilized, from time to time as debt service reserve funds for any one or more series Municipal System Bonds issued under this Agreement under a bond resolution.

“Municipal System Debt Service Reserve Fund Requirement” shall mean an amount equal to the lesser of (i) the maximum annual debt service required on the Outstanding principal of the Municipal System Bonds, (ii) one-hundred-twenty-five percent (125%) of the average annual debt service required thereof, or (iii) ten percent (10%) of the principal amount of the Municipal System Bonds, or such lesser amount required by Treasury Regulation § 148-2(f)(2) or any successor Treasury Regulation.

“Municipal System Operating Advisory Committee” shall mean the operating advisory committee described in Article IX of this Agreement.

“Municipal System Operating Charges” shall mean the charges described in Section 4.3 of this Agreement.

“Municipal System Operating Expenses” shall mean all (i) non-capital costs and expenses paid or incurred by the Authority in connection with the ownership, operation, maintenance or repair of the Municipal System, including a reasonable allocation of the Authority’s general overhead and administrative expenses attributable to the Municipal System, the costs of adopting and implementing the Authority’s water conservation and drought contingency plans and rules and regulations related thereto as generally described in Section 3.7 hereof, as well as the accumulation of reasonable reserves for operations and maintenance costs, emergencies, and contingencies, (ii) costs of developing and exploring new or potential sources of water to serve the Municipal System, including the accumulation of reasonable reserves therefor, and (iii) costs of water to be purchased or produced by the Authority, including the accumulation of reasonable reserves therefor, to the extent such charges are not included as Raw Water Charges. Municipal operating reserves established as part of the Municipal System Operating Expenses shall not exceed six months of Municipal System Operating Expenses. Municipal System Operating Expenses shall not include the cost of operating or maintaining any Special Project Facilities, except as provided in an amendment to this Agreement.

“North-South Interconnect” shall mean the portion of the water transmission lines and related appurtenances owned by the Authority or operated by the Authority pursuant to contractual arrangements running from an origination point at the intersection with the North Transmission System northeast of the intersection of Attwater Avenue and North Humble Camp Road in the City of Texas City running roughly parallel to Canal G System to a termination point where the Canal G System intersects 39-Inch Transmission Line at Avenue L in the City of Santa Fe (as depicted on Exhibit C-5, Segment C-R), as may be modified to address future changes in ownership or contractual arrangements. For purposes of clarity, the North-South Interconnect includes any laterals to any point(s) of delivery. No Customer has a point of delivery currently located on this transmission line (points of delivery may be added or changed from time to time).

“North Transmission System” shall mean the water transmission lines and related appurtenances running from an origination point at the above ground transmission meter at the Thomas Mackey Water Treatment Plant to a termination point at the intersection with the Bayshore Transmission System to the northwest of the intersection of Humble Road and Paula Lane (as depicted on Exhibit C-4). The North Transmission System is further subdivided into segments. Segment A-B running from the origin point to the split in the line at Attwater Avenue, and Segment B-C running from the split in the line at Attwater Avenue to where it intersects the North-South

Interconnect adjacent to North Humble Camp Road, and Segment C-D from the intersection with the North-South Interconnect to the point where the North Transmission System intersects with the Bayshore Transmission System, and Segment D-E running from the point where the North Transmission System intersects with the Bayshore Transmission System west to the Galveston County Water Control and Improvement District No. 1 point of delivery (as depicted on Exhibit C-4). For purposes of clarity, the North Transmission System includes any laterals to the points of delivery identified below. The following six (6) Customer points of delivery (located and numbered as depicted on Exhibit C-4) are currently located on this transmission system (points of delivery may be added or changed from time to time):

1. City of Texas City – two points of delivery located at the above ground transmission meters at the Thomas Mackey Water Treatment Plant;
2. City of La Marque;
3. City of Texas City;
4. City of Texas City; and
5. Galveston County Water Control and Improvement District No. 1.

“Outstanding” shall have the meaning ascribed thereto in Section 14.2 of this Agreement.

“Point(s) of Delivery” shall mean the points of delivery constructed and installed by agreement of the Authority and Purchaser pursuant to this Agreement, which initial Points of Delivery are as follows:

2. City of La Marque; and
16. City of La Marque.

“Point of Delivery Contract Quantity” shall mean the maximum portion of a Customer’s Contract Quantity delivered to the Customer by means of a specified Point of Delivery as further provided in Section 2.1 of this Agreement. The Point of Delivery Contract Quantities for all of the Customers as of August 31, 2022, are set forth in Exhibit B-1 attached hereto, which Exhibit B-1 may be updated by the Authority from time to time to reflect changes in Point of Delivery Contract Quantity for Customers of the Municipal System pursuant to the terms of this Agreement.

“Potable Water” shall mean water that has been treated for public drinking water supply purposes.

“Purchaser” shall mean the Purchaser named on page 1 of this Agreement, and its successors and assigns.

“Raw Water Charges” shall mean the dollar amounts required to be paid by Municipal System Customers to the Industrial Division for raw water, which includes components for operations and maintenance costs, costs of capital, and debt service for the Canal Division and the

Texas City Reservoir and Raw Water Conveyance System as more specifically described in Article VI of the Industrial Division Customer Contracts.

“Seller’s Revenue Bonds” shall have the meaning ascribed thereto in the Industrial Division Customer Contracts.

“7.9 MGD Mackey Plant Expansion” shall mean the construction, acquisition and equipment of facilities and improvements required to expand the capacity of the Mackey Plant by 7,900,000 gallons per day from 49,700,000 gallons per day to 57,600,000 gallons per day, which includes Canal System capital charges associated with the additional raw water to serve the expansion.

“7.9 MGD Mackey Plant Expansion Bonds” shall mean the Municipal System Bonds issued in one or more series for the purpose of financing the design, construction, and equipment of improvements to the 7.9 MGD Mackey Plant Expansion.

“South Transmission System” shall mean the water transmission lines and related appurtenances running from an origination point at meter at the south end of the Mackey Plant high service header to termination points at the end of the South Transmission Line located near the northern end of the Galveston Island Railroad Crossing Bridge and at the intersection with the League City Transmission Line at the Calder Meter Station located northwest of the intersection of FM 517 and Calder Drive in the City of League City (as depicted on Exhibit C-7). The South Transmission System is further subdivided into the South Transmission Line, the Highway 6 Transmission Line, and the 39-Inch Transmission Line.

“South Transmission Line” shall mean the water transmission lines and related appurtenances running from an origination point at meter at the south end of the Mackey Plant high service header to termination points at the end of the South Transmission Line located near the northern end of the Galveston Island Railroad Crossing Bridge (as depicted on Exhibit C-7-A). This line is further subdivided into segments. Segment J-K running from the origin point to the meter at the intersection with the Highway 6 Transmission Line, and Segment K-L from the meter at the intersection with the Highway 6 Transmission Line to the termination point (as depicted on Exhibit C-7-A). For purposes of clarity, the South Transmission Line includes any laterals to the point of delivery identified below. One Customer has a point of delivery (located and numbered as depicted on Exhibit C-7-A) that is currently located on the South Transmission Line (points of delivery may be added or changed from time to time):

11B. City of Galveston.

“Special Project Bonds” shall have the meaning ascribed thereto in Section 7.8 of this Agreement.

“Special Project Facilities” shall have the meaning ascribed thereto in Section 7.8 of this Agreement.

“Special Project Customers” shall have the meaning ascribed thereto in Section 7.8 of this Agreement.

“Tax-Exempt Bonds” shall mean bonds the interest of which is excludable from gross income for federal income tax purposes.

“Texas City Reservoir and Raw Water Conveyance System” shall have the meaning ascribed thereto in the Industrial Division Customer Contracts.

“Texas City Reservoir and Raw Water Conveyance System Revenue Bonds” shall have the meaning ascribed thereto in the Industrial Division Customer Contracts.

“39-Inch Transmission Line” shall mean the water transmission lines and related appurtenances running from an origination point at the intersection with the Highway 6 Transmission Line, at the 36-Inch Valve and the 30-Inch Valve adjacent to the Alta Loma Pump Station Pressure Reduction Station to a termination point at Calder Meter Station where it intersects with the League City Transmission Line (as depicted on Exhibit C-7-C). The 39-Inch Transmission Line is further subdivided into segments. Segment N-O running from the origin point north to the split for the Galveston County Water Control and Improvement District No. 8 11th Street point of delivery, Segment O-P running from the 11th Street split north to where the line splits for the City of La Marque point of delivery on FM 1764, Segment P-Q from the City of La Marque split to where the line splits for the Santa Fe Avenue L point of delivery, Segment Q-R from the Avenue L split to the intersection with the North-South Interconnect adjacent to the intersection of the Galveston Canal and Avenue L in the City of Santa Fe, Segment R-S from the intersection with the North-South Interconnect to the where the line splits for the Galveston County Water Control and Improvement District No. 1 point of delivery on FM 517, and Segment S-T from the Galveston County Water Control and Improvement District No. 1 point of delivery to the termination point. For purposes of clarity, the 39-Inch Transmission Line includes any laterals to the points of delivery identified below. The following five (5) Customer points of delivery (located and numbered as depicted on Exhibit C-7-C) are currently located on this transmission line (points of delivery may be added or changed from time to time):

15. Galveston County Water Control and Improvement District No. 8;
16. City of La Marque;
17. Galveston County Water Control and Improvement District No. 8;
18. Galveston County Water Control and Improvement District No. 1; and
19. City of League City.

“Water Treatment Plants” shall mean the Mackey Plant and any additional Potable Water treatment facilities and all other improvements, equipment, pumps, pump stations fixtures and facilities located at the potable plant sites or used in association therewith as may be added to the Municipal System from time to time.

Section 1.2. Table of Contents, Titles and Headings. The table of contents, titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in

construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.3. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) The coordinates utilized in this Agreement are provided in the World Geodetic System (WGS) 1984.

ARTICLE II
CONTRACT QUANTITY

Section 2.1. Contract Quantity. (a) The Municipal System has been designed and constructed, in such a way that after the completion of the 7.9 MGD Mackey Plant Expansion, the Mackey Plant will be able to deliver and the Authority shall be obligated to deliver to Purchaser a maximum number of gallons of water per day (averaged over each calendar month) equal to Purchaser's Contract Quantity, subject to the provisions of this Agreement.

(b) The Authority will deliver Purchaser's Contract Quantity to Purchaser's Point(s) of Delivery through Components of the Municipal System. In some instances, constraints in the capacity of Components of the Municipal System may prevent the delivery of a portion of a Customer's Contract Quantity to one or more of Purchaser's Points of Delivery. To that end, the Point of Delivery Contract Quantity is the maximum portion of a Customer's Contract Quantity that can be delivered to a Customer by means of the Municipal System to a Point of Delivery. The Authority's obligation to deliver Purchaser's Contract Quantity shall be limited by the Point of Delivery Contract Quantity. The current Contract Quantities and Point of Delivery Contract Quantities are set forth in Exhibit A and Exhibit B-1 attached hereto, which exhibits may be updated by the Authority from time to time to reflect the then-current Contract Quantity and Point of Delivery Contract Quantities of Municipal System Customers.

(c) Purchaser acknowledges that the Municipal System was developed to accommodate the delivery of Potable Water to Customers at identified points of delivery taking into account Contract Quantities at the time Components of the Municipal System were constructed. To the extent that it is necessary to make additions, extensions, or improvements to the Municipal System as a result of Purchaser's acquisition of additional Contract Quantity from the Authority or another Customer or by virtue of Purchaser's change in Point of Delivery, such Customer shall be responsible for any and all costs associated with such additions, extensions, or improvements. The additional capacity associated with such additions, extensions, or improvements, when made, shall be reflected in Purchaser's applicable Point of Delivery Contract Quantities, as applicable.

(d) If Purchaser desires to reallocate its Point of Delivery Contract Quantity, it may request such reallocation by the Authority no later than 180 days prior to the beginning of the Authority's Fiscal Year, and the Authority's approval of such reallocation shall not be

unreasonably withheld. If approved by the Authority, such reallocation shall be evidenced by written agreement between Purchaser and the Authority, provided that the Authority's obligation to deliver water in accordance with such reallocation is not effective until any necessary additions, extensions, or improvements to the Municipal System as described in clause (c) above are complete. Following such written agreement, the updated Point of Delivery Contract Quantity will be reflected in an update to Exhibit B-1 hereto.

(e) Subject to the other provisions of this Agreement (including specifically the allocation of Municipal System Operating Charges by actual water usage pursuant to Section 4.3(b) hereof), the Authority shall sell and deliver to Purchaser, and Purchaser shall take and pay for or pay for whether taken or not, its Contract Quantity as provided herein. Purchaser's Contract Quantity shall remain in effect until the termination of this Agreement, unless increased or decreased pursuant to the provisions of this Agreement. Except as provided in Article V and VIII, nothing in this Agreement shall be interpreted to allow Authority to increase or decrease Purchaser's Contract Quantity without the express written consent of Purchaser.

(f) In connection with its execution of this Agreement, Purchaser is increasing its Contract Quantity by 1.247 million gallons per day through participation in the 7.9 MGD Mackey Plant Expansion, which amount is included in the attached Exhibit A. In connection with Purchaser's increase in Contract Quantity, Purchaser is financing its \$3,491,600 share of the costs associated with the 7.9 MGD Mackey Plant Expansion by participating in the issuance of the 7.9 MGD Mackey Plant Expansion Bonds to be issued after the Effective Date of this Agreement, such issuance expected to be between April 1, 2022 and December 31, 2022. Purchaser acknowledges and agrees that the issuance of the 7.9 MGD Mackey Plant Expansion Bonds will additionally include costs of issuance and may include reserve fund requirements that will also be financed through the 7.9 MGD Mackey Plant Expansion Bonds, with such amounts determined at the time the bonds are issued and apportioned among participants in the 7.9 MGD Mackey Plant Expansion Bonds. Purchaser's share of the 7.9 MGD Mackey Plant Expansion Bonds being issued for the 7.9 MGD Mackey Plant Expansion is described in Addendum 1 to this Agreement, which may be updated in advance of the issuance of the 7.9 MGD Mackey Plant Expansion Bonds to reflect the final participants in the 7.9 MGD Mackey Plant Expansion Bonds.

Purchaser's Point of Delivery Contract Quantities following the 7.9 MGD Mackey Plant Expansion are set forth in Exhibit B-1 hereto.

Purchaser's obligation to make the Municipal System charges described in Article V of this Agreement for the additional Contract Quantity associated with the 7.9 MGD Mackey Plant Expansion (which additional Contract Quantity is described in this Section 2.1(f)) shall commence in the Authority Fiscal Year that begins on September 1, 2022. Purchaser recognizes that prior to the completion of the 7.9 MGD Mackey Plant Expansion, Purchaser will not be entitled to utilize the increase in Contract Quantity described in this Section 2.1(f). However, if prior to the completion of the 7.9 MGD Mackey Plant Expansion, Purchaser requests the delivery of water up to its total Contract Quantity following the increase described in this Section 2.1(f) and the Authority, in its sole discretion, determines that it can deliver to the Purchaser some or all of such water based on the then current demands on the Municipal System, the Authority may choose to deliver such water to Purchaser. Purchaser acknowledges that to the extent this Agreement does not become effective in its entirety prior to the need to finance the 7.9 MGD Mackey Plant

Expansion, additional agreements between the Purchaser and the Authority will be required to facilitate the completion and financing of the 7.9 MGD Mackey Plant Expansion and the delivery of water from such project.

(g) The unit of measurement for water delivered pursuant to this Agreement shall be in gallons, U.S. Standard Liquid Measure.

Section 2.2. Decrease in Contract Quantity.

(a) Purchaser's Contract Quantity, as set forth in Exhibit A hereto, may be decreased by Purchaser at any time and from time to time by any amount equal to the Contract Quantity that (i) one or more financially responsible Municipal System Customers, whether new or old, determined in accordance with subsection (c) below, are willing to contract for from the Authority by means of the Municipal System for a term extending to and including the later of last stated maturity of any then outstanding Municipal System Bonds or the end of the Term of this Agreement (upon and subject to substantially the same provisions as contained in this Agreement, including but not limited to all applicable charges under Article IV of this Agreement), (ii) will be available (taking into account Purchaser's requested decrease) from the Authority to such other Municipal System Customer, and (iii) the Authority determines is capable of being distributed to the proposed points of delivery for the entities acquiring such Contract Quantity through Municipal System and other Authority facilities (including the facilities of the Industrial Division or Canal Division).

(b) Each decrease in Contract Quantity pursuant to this Section 2.2 shall be accomplished by written notice from Purchaser to the Authority which (i) shall be signed also by the Municipal System Customers acquiring such Contract Quantity, (ii) shall specify the amount and effective date of such decrease and the Contract Quantity desired by such other Municipal System Customers, (iii) shall express such other Municipal System Customers' willingness to enter into such an agreement with the Authority effective as of the specified effective date for such decrease, and (iv) shall be given at least three (3) months in advance of such effective date. Purchaser may include a negotiated price per 1,000 gallons of Contract Quantity to be paid to the Purchaser by the Municipal System Customer acquiring such Contract Quantity; provided, however, that such charge shall be in addition to any amounts due under a Municipal System Customer Contract. If such a charge is included as a condition to the acquisition of such Contract Quantity, the notice to the Authority shall include the amount of such charge on a price per 1,000 gallon basis.

(c) Purchaser shall give the existing Municipal System Customers the right of first refusal to assume the decrease in Contract Quantity being effected (each Municipal System Customer's right of first refusal with respect to the decrease in Contract Quantity to be in the same proportion as such Municipal System Customer's Contract Quantity bears to the sum of the Contract Quantities of all Municipal System Customers exercising their rights of first refusal); and, provided, further, that the exercise of rights of first refusal shall not be binding on Purchaser unless the Municipal System Customers invoking their rights of first refusal are willing to pay the per 1,000 gallon charge to the Purchaser, if any, that was included in the notice. Such right of first refusal must be exercised, if at all, within forty-five (45) days after Purchaser notifies the Authority and the Municipal System Customers of such proposed decrease. If after such right of first refusal

period all of the available Contract Quantity has not been assumed by existing Municipal System Customers, the remaining portion of the available Contract Quantity may be made available to a new customer, subject to the requirements of this Section 2.2.

(d) In connection with a proposed reallocation of Contract Quantity under this Section 2.2, Municipal System Customers, new or old, seeking to acquire Contract Quantity shall provide the Authority with the information the Authority deems necessary to determine whether the Municipal System and other Authority facilities (including the facilities of the Industrial Division or Canal Division) can support the delivery of water to the proposed points of delivery. If the Authority determines that the Municipal System or other Authority facilities are not capable of supporting the delivery of water to the proposed points of delivery, the acquisition of additional Contract Quantity shall be conditioned upon the completion of any improvements to the facilities of the Authority that the Authority deems necessary or desirable for delivery of the additional Contract Quantity to the proposed points of delivery, with the costs of such improvements to be borne by the Municipal System Customer(s) seeking to acquire additional Contract Quantity requiring such improvements. If a Municipal System Customer wishes to acquire additional Contract Quantity following a determination by the Authority that the Components of the Municipal System are not capable of supporting the delivery of water to the proposed points of delivery, such Municipal System Customer may still contract for such additional Contract Quantity provided that the Contract specifies that the Authority is not required to deliver such additional Contract Quantity until such time as the improvements to the Components of the Municipal System required to enable such delivery have been made as well as such Municipal System Customer's obligation to pay for such improvements.

(e) The Municipal System Customer Contract of any existing Municipal System Customer acquiring additional Contract Quantity shall be amended to add, and any Municipal System Customer Contract of a new Municipal System Customer acquiring Contract Quantity shall include, an assumption by such Municipal System Customer, whether new or old, of the charges described in Article IV, herein associated with the Contract Quantity being acquired. The proposed decrease, however, shall not become effective if the Authority and such other Municipal System Customers should fail to execute such agreements by such effective date, unless the effective date is extended in the Authority's sole Discretion.

(f) So long as any Municipal System Bonds are Outstanding (as that term is defined in Section 14.2 of this Agreement), a decrease in Contract Quantity pursuant to this Section 2.2 shall not have the effect of relieving Purchaser of any liability that it would otherwise have pursuant to Article IV, herein if no such decrease had occurred, except to the extent that such liability is offset from time to time by payments actually made to the Authority by such assuming Municipal System Customer.

(g) If the acquisition of Contract Quantity by any customer under this Section 2.2 would result in the interest on any bonds of the Authority losing their eligibility for exclusion from federal income taxation, the customer acquiring such Contract Quantity shall be responsible for all costs associated with any remedial action necessitated by such acquisition. Prior to entering into an acquisition contract with a customer under this Section 2.2 that is not a political subdivision of the State of Texas, Purchaser will be required to provide to the Authority, at the Purchaser's expense, an opinion of bond counsel to the Authority to the effect that entering into such contract

will not adversely affect the excludability of interest on any issue of then-outstanding Tax-Exempt Bonds from gross income for federal income tax purposes.

Section 2.3. Effective Date of Decreases. Each decrease in the Contract Quantity pursuant to Section 2.2 herein shall be effective as of the effective date specified for such decrease, and the new Contract Quantity and Point of Delivery Contract Quantity shall be reflected in updates to Exhibit A and Exhibit B-1 to this Agreement and remain in effect hereunder until the termination of this Agreement unless otherwise changed pursuant to the provisions of this Agreement.

Section 2.4. Availability of Additional Capacity; Increases in Contract Quantity. To the extent there is additional capacity available in the Municipal System or the Authority is undertaking an expansion to the Municipal System that increases capacity in the Municipal System beyond the total amount of all Municipal System Customers' Contract Quantities, the Board may in its sole Discretion contract with any one or more existing Municipal System Customers or a new customer that is a financially responsible party willing to contract with the Authority for the acquisition of new Contract Quantity upon and subject to substantially the same provisions contained in this Agreement; provided, however that the Authority shall first make the additional capacity available to existing Customers and may only bring on a new customer to the extent that existing Customers do not avail themselves of the additional capacity within the time period specified by the Board. In connection with the acquisition of new or additional Contract Quantity by any existing or new Customer, the Authority may require the payment of a buy-in fee in an amount established by the Board from time to time. Any such buy-in fee paid to the Authority shall be utilized by the Authority to pay capital expenses associated with the Municipal System or the acquisition of additional water supplies to serve the Municipal System. Additionally, if the Authority determines that the Municipal System or other Authority facilities are not capable of supporting the delivery of water to the proposed points of delivery, the Authority shall condition its approval of a proposed contract upon the completion of any improvements to the facilities of the Authority that the Authority deems necessary or desirable for delivery of water to the proposed points of delivery under the proposed contract, with the costs of such improvements to be borne by the party seeking additional Contract Quantity or a change to Point of Delivery Contract Quantity.

Section 2.5. Notices of Increases and Decreases. Following any change to Customer Contract Quantities under this Agreement, the Authority shall provide an updated Exhibit A to each Customer. Upon written request from a Customer, the Authority will provide to the requesting Customer written confirmation of the Authority's determination that such adjustments will not prevent the Authority from providing service to such requesting Customer as provided in this Agreement.

ARTICLE III WATER DELIVERY, USE, QUALITY AND MEASUREMENT

Section 3.1. Point of Delivery. All water delivered by the Authority to Purchaser pursuant to this Agreement shall be delivered at Purchaser's Point(s) of Delivery.

As between the parties hereto the Authority shall be in exclusive control and possession of, and solely responsible for, all water deliverable hereunder until the same shall pass through the flange on the downstream side of the meter at such Point(s) of Delivery, and thereafter Purchaser shall be in exclusive control and possession thereof and solely responsible therefor. Additionally, Purchaser shall be solely responsible for the operations and maintenance of any facilities located downstream of such flange.

Section 3.2. Use. The Authority recognizes that the water delivered to Purchaser under this Agreement will be distributed to Purchaser's customers through Purchaser's water distribution system, and that such system is now or may hereafter be interconnected with the distribution system or systems of one or more Municipal System Customers. Purchaser recognizes that the water delivered by the Authority hereunder is not intended for resale by Purchaser's customers, and Purchaser agrees that no water delivered by the Authority hereunder will be sold or made available to any third party that intends to resell such water other than another Municipal System Customer or to the State or a political subdivision of the State (i) under emergency conditions or (ii) if the State or political subdivision of the State provides such water to its customers pursuant to published rates. Purchaser acknowledges that any such customers do not constitute Municipal System Customers or third-party beneficiaries of this Agreement and have no rights under this Agreement nor any right to enforce the provisions hereof.

Section 3.3. Quality and Pressure. The Authority agrees to sell and deliver to Purchaser Potable Water at the Point(s) of Delivery of a quality and pressure that meets the minimum federal and state regulatory standards. EXCEPT AS OTHERWISE PROVIDED HEREIN, THE AUTHORITY MAKES NO WARRANTY, EXPRESSED OR IMPLIED, REGARDING THE QUALITY OR DELIVERY PRESSURE OF THE WATER, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 3.4. Rate of Flow Limitation. The Authority will deliver to Purchaser at its Point(s) of Delivery an amount up to, but not to exceed, Purchaser's total Contract Quantity (subject to the limitations in Section 2.1(b)) during any 24-hour period at a maximum rate of flow expressed in gallons per minute not to exceed Customer's Contract Quantity in million gallons per day ("MGD") divided by 1,440 minutes times 1.3. If Purchaser informs the Authority that it temporarily needs a rate of flow greater than that described in the previous sentence and the Authority determines in its sole discretion that it can accommodate such increase without compromising its ability to deliver water to other Customers or the efficient operation of the Municipal System, the Authority will work with Purchaser to facilitate the temporary provision of water at a greater rate of flow. The Authority may from time to time establish reasonable adjustments to the rate of flow and time of flow limitations contained in this Section in order to ensure that each Customer receives its Contract Quantity share and to maintain the efficient operation of the Municipal System. Purchaser is not entitled to rely upon the delivery by the Authority of water in excess of Purchaser's Contract Quantity or an increase in the rate of flow of water delivered from the Municipal System to compensate for loss of pressure or other failure within Purchaser's water transmission and distribution system.

Section 3.5. Measurement. Purchaser and Authority agree that the meters at the Point(s) of Delivery shall be owned by Authority and tested and calibrated for accuracy by the Authority once each calendar year at intervals of approximately twelve (12) months. A report of such test

and calibration shall be furnished to Purchaser. The Purchaser shall be given at least five (5) days' prior notice of the time of any test and calibration of a meter and Purchaser and the Authority shall have the right to have a representative present at the test to observe the test and any adjustments found thereby to be necessary. In the event any questions arise at any time as to the accuracy of a meter, the meter shall be tested within a reasonable period of time following such request for testing by Authority or the Purchaser. The expense of such test is to be borne by the party requesting the test if the meter is found to be correct and by the Authority if it is found to be incorrect. Readings that vary within 1.5 per cent (1.5%) of accuracy, plus or minus, shall be considered correct. If, as a result of any test, any meter is found to be registering inaccurately (i.e., currently in excess of 1.5% plus or minus of accuracy), then the readings of such meter shall be corrected at the rate of its inaccuracy for any period which is definitely known and agreed upon, but in case the period is not definitely known and agreed upon, the period shall be extended back ninety (90) days from the date of the initial request for meter testing, and the records of readings shall be adjusted accordingly. Following each test of a meter, the Authority shall cause the same to be calibrated to register accurately and a report forwarded to the Purchaser. If two meters are located at a Point of Delivery, the readings from Authority's meter shall control. IN NO EVENT SHALL ANY ADJUSTMENT BE MADE TO ANY PAYMENT FOR WATER BASED UPON ANY METER ERROR, METER READING ERROR, OR BILLING ERROR RESULTING FROM SUCH METER OR METER READING ERROR, KNOWN OR UNKNOWN, MORE THAN NINETY (90) DAYS AFTER SUCH PAYMENT IS MADE OR RECEIVED.

The Authority agrees that it will keep accurate records of the monthly readings from the meters it owns, which records shall be subject to inspection by Purchaser at reasonable times and places. The Authority agrees to make such readings available to Purchaser electronically.

Section 3.6. Rules and Regulations. It is understood and agreed that the Authority has and shall have the sole authority and responsibility for operation of the Municipal System. The Authority may from time to time establish reasonable standards and rules for such operation which are not inconsistent with providing water service to Purchaser in accordance with the other terms and provisions of this Agreement.

Section 3.7. Conservation of Water. It is the intent of the parties to this Agreement to provide to the maximum extent practicable for the conservation of water, and Purchaser agrees that it is a condition of this Agreement that it shall reasonably maintain and operate its facilities in a manner that will promote beneficial use, and prevent unnecessary waste, of water. The Authority, in accordance with applicable law or regulation, may from time to time adopt reasonable rules and regulations relating to water conservation and drought management for water supplied by the Authority to Purchaser and other customers of the Authority with which Purchaser must comply. Purchaser shall adopt and implement a water conservation and drought contingency plan, as required by applicable law, which may be reviewed by the Authority. If required by applicable law or regulation, Purchaser agrees that, in the event Purchaser furnishes water or water services to a third party that in turn will furnish the water or provide water services to the ultimate consumer, the requirements relative to water conservation shall be met through contractual agreements between Purchaser and the third party providing for the establishment and implementation of a water conservation and drought contingency plan in compliance with such applicable law or regulation.

Section 3.8. Breaks in Lines. The Authority will promptly and reasonably act to repair any leaks or breaks in water transmission lines of the Municipal System that could cause a reduction in water supply to the Point(s) of Delivery.

ARTICLE IV RATES, FEES, CHARGES AND ASSESSMENTS

Section 4.1. Municipal System Charges. The parties hereto recognize that because the operation, maintenance, repair, and replacement expenses of the Municipal System will vary from time to time, it is neither practical nor possible to fix a schedule of specific rates in this Agreement that will control the price paid by Purchaser to the Authority for water delivered throughout the term of this Agreement. The parties recognize, however, that the Authority is not organized for profit and that its rates for water should at all times be the economically reasonable rates that are consistent with good business management on the part of the Authority and with the commitment that the Authority must make to its bondholders in order to provide funds with which to expand, improve, construct, and equip the Municipal System. Purchaser further recognizes that all or a portion of the raw water supplied to it will be supplied by means of the Authority's Canal Division and Industrial Division, and that the Municipal System must pay for such water through the payment of the Raw Water Charges.

As full and complete payment for its Contract Quantity from time to time in effect, and the water from time to time hereafter taken and received hereunder, Purchaser shall pay monthly to the Authority, in the manner set forth in Section 5.1 of this Agreement, total charges which shall include its allocated share (as defined in the Sections for each charge set forth in this Article IV) of the (1) Raw Water Charges; (2) Municipal System Operating Charges; (3) Budgeted Capital Charges; (4) Excess Use Charges, if any; (5) Municipal System Debt Service Charges; and (6) any fee or rate established by rate order of the Board. A rate or charge imposed by the Authority is conclusively presumed valid and to have occurred in accordance with all applicable statutes and contracts of the Authority on the second anniversary of the date such rate or charge is set unless a lawsuit or administrative action to invalidate such rate or charge has been filed before such second anniversary.

Section 4.2. Raw Water Charges. Raw Water Charges shall be allocated among all Customers each month based on their Contract Quantities, pursuant to the Industrial Division Customer Contracts, as amended.

As of the Effective Date of this Agreement, the Authority has two series of bonds Outstanding that are secured by the debt service component of the Raw Water Charges for the Texas City Reservoir and Raw Water Conveyance System. These are the Gulf Coast Water Authority Contract Revenue Bond (Texas City Reservoir and Raw Water Conveyance System Project), Series 2016A (Tax-Exempt) and the Gulf Coast Water Authority Contract Revenue Bond (Texas City Reservoir and Raw Water Conveyance System Project), Series 2016B (Taxable). Purchaser acknowledges and agrees that it has previously consented to and is obligated to pay Raw Water Charges associated with its allocated share of the debt service payments on such series of bonds and any bonds issued to refund such bonds as well as any bonds issued for the purposes described in Section 7.5 of this Agreement, pursuant to the Industrial Division Customer Contracts.

Section 4.3. Municipal System Operating Charges.

(a) Establishment of Municipal System Operating Charges. Municipal System Operating Charges shall mean a monthly charge equal to Purchaser's allocated share (as set forth in subsection (b) below) of the Municipal System Operating Expenses determined as hereinafter provided for each monthly billing period:

(i) One-twelfth (1/12th) of the estimated annual Municipal System Operating Expenses, based upon the Annual Budget more fully described below; plus

(ii) An amount sufficient to provide for the reimbursement of the Authority's operating reserves established as part of the Municipal System Operating Expenses in substantially equal monthly installments for any amounts withdrawn therefrom within a period of one-year.

The Municipal System Operating Charges described in this Section 4.3 shall be based upon Annual Budgets prepared by the Authority in accordance with Section 4.9 of this Agreement. Any excess or deficiency in amounts paid by Customers with regard to Municipal System Operating Charges in a given Fiscal Year will be taken into account by the Authority in preparing the Annual Budget for the next Fiscal Year.

(b) Allocation of Municipal System Operating Charges. Municipal System Operating Charges shall be determined by Component and allocated among Customers participating in each Component on a pro rata basis based upon their actual water usage for the last complete calendar year for which data is available at the time the Authority prepares its Annual Budget. (For purposes of illustration, when the Authority is preparing its 2022-2023 Annual Budget, the last complete calendar year for which usage data will be available will be for calendar year 2021.) In the event that a Customer's water usage for the last complete calendar year includes an unusual increase or decrease in water usage due to a hurricane or other tropical event, fire, flood, or freeze, or a catastrophic event for which the Governor has issued a declaration of emergency, such Customer may request an adjustment to the quantity of water used by the Authority in making the allocations described in this subsection to more accurately reflect such Customer's expected water use in the upcoming year. The Authority may choose whether to make some or all of the requested adjustment in its sole Discretion. A request for adjustment must be made in writing and identify the cause of the unusual increase or decrease in water usage as well as the amount of the requested adjustment in a form that is acceptable to the Authority. Any such request must be received by the Authority not later than April 15 in order to be included in the calculations for the next Fiscal Year. Under no circumstances shall the inability to receive water from the Municipal System relieve any Customer from the obligation to pay Municipal System Operating Charges.

Section 4.4. Budgeted Capital Charges.

(a) Establishment of Budgeted Capital Charges. Budgeted Capital Charges shall mean a monthly charge equal to Purchaser's allocated share (as set forth in subsection (b) below) of the Budgeted Capital Expenses determined as hereinafter provided for each monthly billing period:

(i) One-twelfth (1/12th) of the estimated annual Budgeted Capital Expenses, based upon the Annual Budget more fully described below; plus

(ii) An amount sufficient to provide for the reimbursement of the Authority's reserves, such annual reimbursements not to exceed five percent (5%) of the total Annual Budget for such Fiscal Year, established as part of the Budgeted Capital Expenses in substantially equal monthly installments for any amounts withdrawn therefrom within a period of one-year.

The Budgeted Capital Charges described in this Section 4.4 shall be based upon Annual Budgets prepared by the Authority in accordance with Section 4.9 of this Agreement.

(b) Allocation of Budgeted Capital Charges. Budgeted Capital Charges shall be determined by Customer Group and allocated among the Customers in each Customer Group on a pro rata basis based upon their applicable Contract Quantity at the time the Authority prepares its Annual Budget. Under no circumstances shall the inability to receive water from the Municipal System relieve any Customer from the obligation to pay Budgeted Capital Charges.

Section 4.5. Municipal System Reserves. Any Municipal System reserves established by the Board may be used by the Authority for any purpose designated by the Board, including:

(a) to pay Municipal System Operating Expenses or Budgeted Capital Expenses if there is insufficient money for such purposes;

(b) to pay the cost of ordinary and extraordinary capital repairs and replacements to the Municipal System;

(c) to pay Raw Water Charges if the Board determines that such expenditure is necessary in order to maintain a reliable water supply or prevent a default in the payment of principal of or interest on Seller's Revenue Bonds and there is insufficient money for such purposes; and

(d) to prevent a default in the payment of principal of or interest on the Municipal System Bonds.

Section 4.6. Excess Use Charges. If Purchaser takes water from the Municipal System during any month in excess of Purchaser's then existing Contract Quantity or Point of Delivery Contract Quantity (each expressed as an average daily amount in gallons per day), Purchaser shall pay, for each one thousand (1,000) gallons, or portion thereof, of such excess, three times the amount per one thousand (1,000) gallons payable by Purchaser as Municipal System Operating Charges during that Fiscal Year on such excess usage (the "Excess Use Charge"). The Authority shall use the revenues derived from such Excess Use Charges to pay expenses of the Municipal System. Purchaser acknowledges and agrees that it does not have a right to use water in excess of its Contract Quantity or Point of Delivery Contract Quantity. If the Authority, in its sole discretion, determines that water in excess of a Customer's Point of Delivery Contract Quantity can be delivered to a Customer's Point of Delivery in excess of its applicable Point of Delivery Contract Quantity based on the then current demands on the System or in an emergency situation, the Board may choose not to impose an Excess Use Charge for the delivery of such water.

Section 4.7. Municipal System Debt Service Charges. The following provisions describe the Municipal System Debt Service Charges and the allocation of such charges among Customers and owed by the Purchaser:

(a) Debt Service Requirements. When used in this Agreement, the term Debt Service Requirements shall mean a monthly charge equal to Purchaser's allocated share (determined as hereinafter provided for the monthly billing period) of the sum of the following:

(i) One-twelfth (1/12) of the annual sum required to be deposited into the applicable debt service fund to pay (A) principal of (whether upon maturity or earlier optional or mandatory redemption), premium, if any, on any Municipal System Bonds, (B) amounts required to be paid under credit agreements, paying agent fees and other expenses paid in connection with any Municipal System Bonds, and (C) amounts required to meet any rate covenant with respect to coverage of the principal of, premium, if any and interest on any Municipal System Bonds, as provided in the bond resolution authorizing the issuance of such Municipal System Bonds; plus

(ii) In substantially equal monthly installments, the amount required to be deposited into the applicable debt service fund to pay the interest becoming due on the next interest payment date on any Municipal System Bonds as provided in the bond resolution authorizing the issuance of such Municipal System Bonds; plus

(iii) The monthly amount required to be deposited into the Municipal System Debt Service Reserve Fund, as set out in a bond resolution authorizing the issuance of Municipal System Bonds for each Contract Year beginning in the first Contract Year during which such Municipal System Bonds are Outstanding; including the amounts required for the replenishment of the Municipal System Debt Service Reserve Fund so that it meets the Municipal System Debt Service Reserve Fund Requirement, as provided in a bond resolution; plus

(iv) The monthly amount required to be deposited into an Additional Municipal System Reserve Fund, if any, as set out in the bond resolution authorizing the issuance of the such Municipal System Bonds for each Contract Year beginning in the first Contract Year during which such series of Municipal System Bonds are Outstanding including the amounts required for the replenishment of such Additional Municipal System Reserve Fund as provided in a bond resolution; plus

(v) Arbitrage rebate payments, credit or liquidity fees, other payments, fees, and expenses due under a credit agreement associated with Municipal System Bonds and termination payments for any credit agreement associated with a series of Municipal System Bonds.

In calculating the Debt Service Requirements, Customers shall be entitled to a credit against the Debt Service Requirements described above equal to (i) proceeds designated in a bond resolution for a series of Municipal System Bonds for the purpose of paying interest on any series of Municipal System Bonds during the construction of any portion of the Municipal System; (ii) surplus amounts on deposit in the interest and sinking fund

for a series of Municipal System Bonds that is available to pay any Debt Service Requirements by reason of interest earnings on funds in the interest and sinking fund, any overpayment, or because of the deposit of surplus proceeds of the Municipal System Bonds in an interest and sinking fund after completion of any portion of the Municipal System funded with such series of Municipal System Bonds; and (iii) amounts received from other sources that are dedicated by the Board to payment of the Debt Service Requirements. Purchaser's allocated share of the Debt Service Requirements for a particular series of Municipal System Bonds shall be determined as provided in subsections (b), (c), or (d) below, as appropriate.

If any Customer defaults in the payment of its allocated share of the Debt Service Requirements described in subsection (iii) above for a particular Series of Municipal System Bonds, such amount shall be reallocated pro rata by the Authority based on the Contract Quantities of all non-defaulting Customers so that the full amount of the Debt Service Charges described in subsection (iii) above shall always be paid notwithstanding the failure of any Customer to pay any portion thereof. The obligation to fund deficiencies in the Debt Service Charges described in subsection (iii) above shall apply to all Municipal System Bonds. Purchaser shall be given a credit for any amounts paid pursuant to this provision if the defaulting Customer (or a successor in interest to such defaulting Customer) subsequently makes a payment for which it was in default. The Authority shall exercise good faith efforts to pursue all available legal remedies against the defaulting Customer to obtain payment from the defaulting Customer of its share of the Debt Service Requirements as reasonably practicable after such Customer defaults.

(b) Allocation of Municipal System Debt Service Charges, Generally. Municipal System Debt Services Charges shall be allocated as set forth below. The Authority shall provide notice of such allocation as provided in Section 4.7(c) herein.

(i) Improvement, Construction, Reconstruction, Repair, Equipment, and Modification of the Mackey Plant. Debt Service Requirements for Municipal System Bonds issued for the improvement, construction, reconstruction, repair, equipment, or modification of the Mackey Plant, including the improvement or addition of equipment or facilities determined by the Board to improve the reliability, redundancy, or resiliency of the Mackey Plant, the Municipal System, or additional water supplies for the Municipal System, shall be shared by all of the Municipal System Customers as provided in this subparagraph (b)(i). Unless reduced through the payment of a capital contribution by a Municipal System Customer, the amount of the Municipal System Debt Service Charges to be paid by a particular Customer in connection with a series of Municipal System Bonds issued for a purpose described in this subparagraph (b)(i) shall be determined by the application of the total of the Debt Service Requirements for the applicable series of Municipal System Bonds (less any credit to such amount that may result from the payments received from additional customers of the Authority under a Municipal System Contract entered into subsequent to the date such Municipal System Bonds are issued) times a fraction, the numerator of which is the Contract Quantity of the Purchaser and the denominator of which is the total of all of the Contract Quantities of the Municipal System Customers from time to time.

(ii) Expansions of the Municipal System Resulting in Additional Contract Quantity. Debt Service Requirements for Municipal System Bonds issued for the purpose of expanding the capacity of the existing Municipal System in a manner that results in the availability of additional Contract Quantity shall be shared by the Municipal System Customers in accordance with this subparagraph (b)(ii). The Customers participating in such an expansion shall be considered a Customer Group for the purposes of financing or refinancing such expansions. Unless reduced through the payment of a capital contribution by a Municipal System Customer, the amount of the Municipal System Debt Service Charges to be paid by a particular Municipal System Customer in connection with a series of Municipal System Bonds issued for a purpose described in this subparagraph (b)(ii) shall be determined by the application of the total of the Debt Service Requirements for the applicable series of Municipal System Bonds (less any credit to such amount that may result from the payments received from additional customers of the Authority under a Municipal System Contract entered into subsequent to the date such Municipal System Bonds are issued) times a fraction, the numerator of which shall be the incremental increase in the Contract Quantity of the Purchaser and the denominator of which is the total of all the incremental increases in the Contract Quantities of the Municipal System Customers participating in the issuance of Municipal System Bonds for such expansion as the result of such expansion.

(iii) Other Authority Projects. Debt Service Requirements for Municipal System Bonds issued for the improvement, construction, reconstruction, repair, equipment, modification of or extensions to or the refinancing of one or more Components of the Municipal System (other than described in subparagraphs (b)(i) and (ii) above), shall be shared by all of the Customers participating in such Component or Components as provided in this subparagraph (b)(iii). The Customers participating in a Component shall be considered a Customer Group for the purposes of financing or refinancing such Component. A list of the current Customer Groups associated with Components of the Municipal System is attached as Exhibit B-2. Unless reduced through the payment of a capital contribution by a Customer, the amount of the Municipal System Debt Service Charges to be paid by a particular Customer in connection with a series of Municipal System Bonds issued for a purpose described in this subparagraph (b)(iii) shall be determined (a) by allocation of the Debt Service Requirements to each the Components being financed based on the portion of the Municipal System Bonds allocated to such Component (less any credit to such amount that may result from the payments received from additional customers of the Authority under a Municipal System Contract entered into subsequent to the date such Municipal System Bonds are issued) and (b) allocating the Debt Service Requirements for each Component pro rata among the Customers in the applicable Customer Groups based on their Contract Quantities as shown in Exhibit B-2, as amended. Notwithstanding the foregoing, if the improvement, construction, reconstruction, repair, equipment, modification of or extensions to or the refinancing of one or more Components includes the oversizing, extension, enhancement or other modification of one or more Components at the request of one or more Customers, the Authority and the Customers participating in the Component(s) may agree to an alternate allocation of Municipal System Debt Services Charges in connection with such Component(s). Any such alternative arrangement shall be reflected in an addendum or supplement to this Agreement approved by the Customers participating in the

Component(s) that evidences such alternate allocation of Municipal System Debt Service Charges.

(iv) Refunding Bonds. The Municipal System Debt Service Charges on the refunding bonds shall be allocated in the same manner as the Municipal System Debt Service Charges on the Municipal System Bonds being refunded.

(v) Capital Contributions. Purchaser may pay a capital contribution for its pro rata share of any project described in Section 4.7(b)(i)-(iii) (in lieu of having Municipal System Bonds issued), which will reduce its share of Municipal Debt Service Charges associated with such project.

(c) Notice Evidencing Allocation of Debt Service Charges. With respect to each issuance of Municipal System Bonds hereafter issued to finance the items described in subparagraph (b), the Authority shall provide written notice not later than sixty (60) days prior to the proposed sale date of the Bonds to each Municipal System Customer that is part of a Customer Group for such Series of Municipal System Bonds setting forth the following information:

- (i) a description of the purpose(s) for the Municipal System Bonds;
- (ii) the estimated aggregate principal amount and series designation (if applicable) of the Municipal System Bonds being issued by the Authority and a percentage allocation of the debt service on such Municipal System Bonds; and
- (iii) the aggregate incremental increase in Contract Quantity for each Customer, if any, as a result of an expansion, and a listing of the Contract Quantities or other mechanism to be used in the allocation of Debt Service Requirements for the Municipal System Bonds among Customers as described in subparagraph (b) above.

(d) Allocation of Municipal System Debt Service Charges for the 7.9 MGD Mackey Plant Expansion Bonds. The Debt Service Charges for the 7.9 MGD Mackey Plant Expansion Bonds shall be allocated as shown in Addendum 1 hereto. Each Customer shown in Addendum 1 as participating in the 7.9 MGD Mackey Plant Expansion Bonds hereby consents to the issuance of such Municipal System Bonds for the purposes of Section 7.9 of this Agreement.

Section 4.8. Customers' Systems; Rates and Operating Expenses. All sums due to the Authority pursuant to this Agreement from any Customer that is a municipal corporation or a political subdivision of the State of Texas shall constitute operating expenses of such Customer's water supply system. Each such Customer shall fix, establish, charge and collect fees, rates, and charges for service from its water supply system as will at all times be fully sufficient to enable such Customer to pay when due all operating expenses of such system, including all sums due from such Customer to the Authority pursuant to this Article IV. Nothing in this Section, however, shall be construed as preventing the Purchaser, in its sole Discretion from making any payment due to the Authority from sources other than revenues and income of the Purchaser's water supply system. In accordance with Section 791.026(b) and (c), Texas Government Code, during the term of this Agreement, so long as the Authority has Potable Water available from the Water Treatment Plants to supply Purchaser in amounts sufficient to meet Purchaser's needs, Purchaser shall not obtain Potable Water from a source other than the Authority except (i) from facilities owned by

the Purchaser, contracted for, or included in Purchaser's capital improvement plan, on the date hereof, (ii) from groundwater sources now or hereafter available to the Purchaser, (iii) as may otherwise be permitted by this Agreement, or (iv) with the consent of the Authority, which consent shall not be unreasonably withheld.

Section 4.9. Annual Budget. The Authority shall prepare an Annual Budget. Annual Budgets shall be based on estimates prepared by the Authority. The Authority shall hold annual budget meetings with Customers and provide Purchaser with a copy of each Annual Budget at least two months prior to the effective date of such Annual Budget. The Board may amend the Annual Budget during the course of a Fiscal Year without consent of the Customers to address unanticipated events affecting the operation of the Municipal System; provided, however, that prior to implementing any such budget amendment, the Authority will give Purchaser sixty (60) calendar days' advance written notice of such proposed budget amendment and an opportunity to comment on the proposed budget amendment. Notwithstanding the foregoing, budget amendments that do not increase the costs allocated to Customers do not require such notifications (e.g., receipt of grant funds).

Section 4.10. Audits. After the end of each Fiscal Year the Authority will have an audit of accounts and expenses prepared in accordance with generally accepted accounting principles applicable to entities like the Authority during the last Fiscal Year, prepared by an independent certified public accountant or firm of certified public accountants, not in the regular employ of the Authority, which audit will be made available either (i) through the posting of such audit on the Authority's website or (ii) upon receipt of a written request, through the delivery of such audit to Purchaser, within one hundred thirty-five (135) days after the end of the Fiscal Year, and if not completed with such one hundred thirty-five (135) day period shall be provided as soon as such audit is completed.

ARTICLE V BILLING AND PAYMENT; DEFAULTS AND REMEDIES

Section 5.1. Billing and Payment. The Authority shall bill Purchaser monthly for Raw Water Charges, Municipal System Debt Service Charges, Municipal System Operating Charges, Budgeted Capital Charges, Excess Use Charges, if any, and amounts charged under the Authority's rate order, if any, commencing in the first month following the Effective Date. The Authority shall bill Purchaser monthly in advance for all Municipal System Debt Service Charges and Raw Water Charges. All such billings shall be sent to Purchaser not later than the fifth (5th) day of each month. The amount so billed shall be due and paid by Purchaser by the twenty-fifth (25th) day of the month. All payments hereunder by Purchaser shall be made to the Authority at the address shown for the Authority in Section 12.1 of this Agreement, or at such other address as may have been designated pursuant to Section 12.1 of this Agreement.

Section 5.2. Event of Default. If any bill has not been fully paid within thirty (30) days after the due date, such failure to pay shall constitute an event of default under this Agreement.

Section 5.3. Remedies. If an event of default shall occur and be continuing, the Authority shall have the right to cease delivery of water under this Agreement by giving to Purchaser thirty (30) days advance written notice of the effective date of such cessation. Such

cessation, however, shall not be effective if prior to the effective date of cessation Purchaser shall have fully paid such bill and the interest accrued thereon or the Authority has agreed to other arrangements. In addition, the Authority shall have all other rights and remedies afforded by the constitution and laws of the State of Texas, and shall further have the right to terminate all of Purchaser's other rights under this Agreement, including Purchaser's Contract Quantity hereunder, or to sell water to other purchasers for the account of Purchaser, but only after all other remedies have failed. If Purchaser pays any disputed amount, the Authority shall not have any right to terminate any of Purchaser's rights, including, but not limited to, selling of Purchaser's Contract Quantity. Payment of a disputed amount shall not affect Purchaser's right to recover the disputed amount. Payments by the Purchaser shall be subject to the provisions of the Texas Prompt Payment Act, Texas Government Code Chapter 2251. If the Authority terminates all of Purchaser's rights under this Agreement, each other Customer not in default shall have the option to acquire any of said rights (in the same proportion as such Customer's Contract Quantity bears to the sum of the Contract Quantities of all Customers exercising their options or in such other proportions as the Customers exercising their options may agree), including Purchaser's Contract Quantity hereunder; provided, however, that any Customer acquiring any terminated rights of Purchaser shall assume and be liable for all of Purchaser's duties, obligations and liabilities attributable to the rights acquired, including payment of Purchaser's allocated share of the Raw Water Charges, Municipal System Debt Service Charges, Municipal System Operating Charges, Budgeted Capital Charges, and Excess Use Charges, if any, and amounts charged under the Authority's rate order, if any. Customers exercising an option to acquire terminated rights of Purchaser must exercise said option, if at all, within forty-five (45) days after the Authority notifies such Customers of the termination of Purchaser's rights under this Agreement. No termination or reacquisition of any rights of Purchaser shall have the effect of relieving Purchaser of any liability which it would otherwise have had if no such termination or reacquisition had occurred, except to the extent that such liability is offset from time to time by payments actually made to the Authority by Customers acquiring terminated rights of Purchaser (or their successors or assigns). If other Customers do not assume all the defaulting Customer's Contract Quantity and the defaulting Customer fails to pay any amounts due under this Agreement, the remaining total of Contract Quantities of all Customers, exclusive of such amounts, shall be used as the basis for calculating the pro rata shares of the Customers hereunder although such readjustment shall not relieve the defaulting Customer of its liability hereunder.

ARTICLE VI SPECIAL PROVISIONS

Section 6.1. League City Transmission Line. The Authority has contracted with the City of League City for provision of Potable Water through the League City Transmission Line in the event of a drought or other emergency (subject to the pumping capacity of the City of League City's pump station located in the City of Webster and any physical and hydraulic limitations on the ability of the Authority's water transmission system to receive such volume of water). When necessitated by catastrophic failure or the lines reaching the end of their useful life, the costs of the replacement of or a mutually acceptable alternative rehabilitation process for the League City Transmission Line will be shared between the City of League City and the Authority, with eighty percent (80%) of such replacement or mutually acceptable alternative rehabilitation costs to be borne by the City of League City and twenty percent (20%) to be borne by the Authority. If the replacement of the League City Transmission Line is necessitated by other than catastrophic failure

or the end of its useful life, the City of League City and the Authority will meet to discuss the extent to which the replacement is beneficial to the Authority and the extent, if any, of the Authority's participation in the replacement project. The capacity of the current line or lines will not be materially reduced (i.e. a reduction of more than 10%) in connection with any such replacement project, absent consent from 60% of the Municipal System Customers. The Authority's share of the costs of such replacement will be shared by the Municipal System Customers pro rata based on their Contract Quantities. The Authority shall establish the price for emergency water delivered to or received from League City through the League City Transmission Line, and amounts paid or received for such emergency water under the contract between the Authority and the City of League City shall be a cost or revenue allocable to the Municipal System.

Section 6.2. Combination of the Canal J System into the Canal Division. The Authority reserves the right to expand the Canal Division to include the Canal J System, subject to the following condition: the Board determines that the total water rates charged to Municipal System Customers in the year such combination is implemented shall not increase by more than 5% as a result of such combination, as shown in the Annual Budget for such Fiscal Year.

ARTICLE VII THE MUNICIPAL SYSTEM: FINANCING AND OWNERSHIP

Section 7.1. The Municipal System. The Authority owns, operates and maintains the Municipal System to provide Potable Water to Purchaser and the other Municipal Customers. The Purchaser and the Authority agree to cooperate as provided in this Agreement in order to permit the Authority to acquire, construct, expand, extend, repair, and replace the Municipal System, to provide for the development of additional water supplies, to provide all necessary financing therefor, and to provide for the operation thereof. If any portion of the Municipal System should be located on any land now or hereafter owned by Purchaser or in any present or future rights-of-way or public place of Purchaser, Purchaser hereby consents thereto and hereby grants or will grant to the Authority the non-exclusive right, privilege, easement and right-of-way to use such lands, rights-of-way, or public places for the purpose of maintaining, operating, laying, and repairing such portion of the Municipal System until termination of this Agreement, in order for the Authority to comply with the provisions of this Agreement.

Section 7.2. Financing the Municipal System; Issuance of Municipal System Bonds.

(a) Subject to Section 7.9 hereof, the Authority may issue Municipal System Bonds in one or more series at such time or times and in such amounts as the Authority shall deem appropriate to finance the estimated costs of the improvement, construction, renovation, reconstruction, expansion and equipment of the Municipal System and the development of water supplies to serve the Municipal System, after taking into account any capital contributions by any of the Customers for costs of the Municipal System or any of the Components of the Municipal System and other revenues dedicated by the Board for such purposes, and to refund all or any portion of any Municipal System Bonds Outstanding or other obligation issued to finance one or more Components of the Municipal System.

(b) The Municipal System Bonds shall be special revenue obligations of the Authority payable from and secured by the Municipal System Debt Service Payments to be made under this

Agreement and similar agreements with the other Customers, certain proceeds of the Municipal System Bonds, and other amounts from time to time on deposit in the various funds created in connection with the issuance of the Municipal System Bonds from time to time. Municipal System Bonds may be secured by a lien on and pledge of revenues that is superior to, on parity with, or junior and subordinate to revenues securing other Municipal System Bonds.

(c) The Authority shall use good faith efforts to sell the Municipal System Bonds, within the limits prescribed by law, under terms that are the most advantageous reasonably attainable by the Authority at the time of the sale.

(d) The Authority shall apply the proceeds of each series of Municipal System Bonds as provided in the resolution authorizing such series of Municipal System Bonds.

(e) Purchaser hereby agrees to promptly furnish the Authority with such certificates, data, projections and related information as may be required or requested by the Authority (i) in connection with the sale of Municipal System Bonds in order to comply with all applicable laws, rules and regulations, including 17 CFR 240.15c2-12 (municipal securities disclosure), as amended from time to time, including entering into any continuing disclosure agreements as may be required in connection with the issuance of the Municipal System Bonds, and (ii) the approval of Municipal System Bonds by the Attorney General of the State of Texas.

Section 7.3. Municipal System Debt Service Reserve Funds. (a) Each resolution of the Authority authorizing the issuance of a series of Municipal System Bonds shall provide for the establishment and maintenance of a Municipal System Debt Service Reserve Fund in which there shall be capitalized and/or accumulated the Municipal System Debt Service Reserve Fund Requirement. Such bond resolutions shall also provide that all interest earnings and investment income from the Municipal System Reserve Fund shall remain therein so long as the balance therein is less than the Municipal System Debt Service Reserve Fund Requirement. However, whenever the balance therein is at least equal to the Municipal System Debt Service Reserve Fund Requirement, all interest earnings and investment income shall be transferred to the interest and sinking fund for the Municipal System Bonds and shall constitute a credit against the payment of Debt Service Charges.

(b) Amounts in the Municipal System Reserve Fund may be used at any time by the Authority to prevent a default in the payment of principal of or interest on the Municipal System Bonds or to make the final payments thereof.

Section 7.4. Additional Municipal System Reserve Funds. In addition to the creation of Municipal System Debt Service Reserve Funds, a resolution of the Authority authorizing the issuance of a series of Municipal System Bonds may provide for the establishment and maintenance of such other reserve funds as are determined by the Authority to be necessary or desirable in connection with the issuance of a series of Municipal System Bonds (collectively, "Additional Municipal System Reserve Funds"). Purchaser agrees that the Authority may utilize such Additional Municipal System Reserve Funds in the manner and for the purposes established in the applicable bond resolution.

Section 7.5. Canal System Revenue Bonds and Texas City Reservoir and Raw Water Conveyance System Revenue Bonds. The Authority reserves the right to issue, and pursuant to Section 6.2 of the Industrial Division Customer Contract, Purchaser hereby consents to the issuance of revenue bonds by the Authority classified as Canal System Revenue Bonds or Texas City Reservoir and Raw Water Conveyance System Bonds in one or more series, for such purposes, at such time or times and in such amounts as the Board shall deem appropriate.

Section 7.6. Expansion of Municipal System. The Authority reserves the right to expand, improve, or modify the Municipal System from time to time in such manner and by such increments as the Authority shall deem appropriate; to allocate additional capacity provided thereby among the Customers and others subject to the provisions hereof; to acquire additional raw water for future capacity for the Water Treatment Plants; and to provide for the financing thereof by issuing additional Municipal System Bonds or Special Project Bonds, from capital contributions or from any other lawful source of funds, subject to the applicable provisions of this Agreement.

Section 7.7. Ownership and Operation. It is expressly agreed and understood that as between the parties hereto, the Authority shall be the owner and operator of the Municipal System. The Authority shall operate the Municipal System in a safe, efficient and economical manner in accordance with (i) sound business principles, (ii) accepted good engineering and management practices for the operation by political subdivisions of water systems of a similar type and size, (iii) the Authority's safety and security program, which will include reasonable precautions and measures recognized in the municipal water industry in connection with the operation by political subdivisions of water systems of a similar type and size to address cybersecurity threats, domestic and foreign terrorism threats, and public health and welfare, and (iv) applicable regulatory requirements.

Section 7.8. Special Projects. The Authority reserves the right and will reserve the right, in each of its resolutions authorizing the issuance of Municipal System Bonds, to issue bonds (hereinafter, the "Special Project Bonds") for the purpose of constructing, acquiring, adding, expanding or extending facilities to serve any new or existing water customers ("Special Project Customers") by means of the Municipal System or the Industrial Division. Facilities constructed or acquired with the proceeds of Special Project Bonds or paid for by any Special Project Customers are hereinafter called "Special Project Facilities." The principal of and interest on Special Project Bonds shall be payable from revenue derived from Special Project Facilities. Debt service on Special Project Bonds and expenses and other expenditures attributable to Special Project Facilities shall not be included in either the annual budget of the Industrial Division or the Annual Budget of the Municipal System or treated as their expense and expenditures, except as set forth in this Agreement.

The Authority's general overhead and administrative expenses and any other expenses and expenditures applicable to the Industrial Division, the Municipal System and Special Project Facilities shall be fairly apportioned between them, as shown in the annual budget of the Industrial Division or the Annual Budget of the Municipal System, as applicable.

To the extent of the quantity of water that is supplied to a Special Project Customer by means of the Municipal System or any Component of the Municipal System, such Special Project

Customer shall pay to the Authority as revenue of the Municipal System the charges which would be payable under the other provision of the Agreement if such Special Project Customer were the purchasing party under a contract similar hereto and such quantity of water were its Contract Quantity. Each such payment by a Special Project Customer shall be a maintenance and operating expense of the Special Project Facility serving such Special Project Customer.

Section 7.9. Consent Provisions for Municipal System Bonds. The following consent provisions shall apply to the issuance of Municipal System Bonds.

(a) Refunding Obligations. The term Municipal System Bonds shall include and Purchaser is deemed to have consented to the issuance of bonds, notes, commercial paper, credit agreements or other obligations issued for the purpose of refunding Municipal System Bonds, provided that:

(i) (A) the issuance of such refunding obligations results in debt services savings; and

(B) the last maturity of such refunding obligations does not mature on a date later than the maturity date of the last maturity of the Municipal System Bonds being refunded; or

(ii) the issuance of such refunding obligations is for the purpose of providing long term financing for commercial paper, short term notes, bond anticipation notes, or other short term financing instruments; or

(iii) the Authority has received the consent of the applicable Customers, as determined in the manner provided in subsection (b)(ii) below, for the issuance of refunding obligations for purposes other than those described in subsections (i) or (ii) above.

(b) New Money Municipal System Bonds. The term Municipal System Bonds shall include and Purchaser is deemed to have consented to the issuance of the following bonds, notes, commercial paper, credit agreements or other obligations:

(i) the issuance of which the Board determines is necessary to (A) comply with any state or federal regulatory requirements; (B) maintain the integrity of the Municipal System, including the repair or replacement of equipment or Components damaged or destroyed as a result of a natural disaster or other catastrophic event; or (C) prevent or lessen an imminent threat to the health, welfare, or safety of the public (an “imminent threat to the health, welfare, or safety of the public” means, a significant threat or immediate danger to health, welfare, or safety and is considered to exist when the Board determines that a condition, practice, circumstance, or event exists that may cause damage or injury to persons or property or the inability to provide water to one or more Customers and requires prompt correction or cessation of operation to prevent such damage, injury, or inability); or

(ii) the issuance of which is consented to by either (A) 60% of the Customers in the Customer Group for the Component being financed or refinanced, or (B) Customers

in the Customer Group for a Component being financed or refinanced that represent 70% of the total Contract Quantity for such Customer Group as shown in Exhibit B-2.

(c) Notwithstanding the provisions of Section 7.9(b), Purchaser hereby consents to the issuance of one or more series of Municipal System Bonds, notes or other obligations for the design, construction, acquisition, equipment, and improvements associated with the relocation of portions of the South Transmission Line, including right of way acquisition and the removal of the existing line from Texas Department of Transportation rights of way. The Authority agrees the relocation is limited to the portion of SH 3/146 between FM 519 and the Texas City Wye, as the same may be amended by Texas Department of Transportation within the scope of such project.

(d) Notwithstanding the provisions of Section 7.9(b), Purchaser hereby consents to the issuance of one or more series of Municipal System Bonds, notes or other obligations for the design, construction, acquisition, equipment, and improvements associated with the costs of the replacement or rehabilitation of the League City Transmission Line pursuant to Section 6.1 of this Agreement.

ARTICLE VIII FORCE MAJEURE

Section 8.1. General. Other than with respect to Purchaser's unconditional obligation to make the payments identified in Section 14.1 of this Agreement, neither party hereto shall be liable in damages or otherwise suffer any default for any failure to perform, or for delay in performing, its obligations under this Agreement where the same is due to acts of God, fire, storm, flood, hurricanes, drought, insufficiency of water in the Brazos River and in Jones and Upper Oyster Creeks, Chocolate Bayou, Mustang Bayou or Halls Bayou, or other water source, landslide, subsidences of land, lightning, earthquake, washout, explosion, epidemic, war, acts of enemies or belligerents, sabotage, interference by, orders of, or compliance with requests or recommendations of civil or military courts or other authorities, including any agency or person appointed by any such authority or by any official thereof (whether de jure or de facto and whether acting legally or not), inability to obtain materials, strikes or other differences with labor (whether or not within the power of the party to settle the same), breakage or accident to machinery, canals, reservoirs or lines of pipe, or any other cause (whether or not of the same class or kind as those set forth above) not otherwise due to the fraud, criminal misconduct, willful misconduct or gross negligence of such party, while and so long as and to the extent that performance is prevented from such cause (hereinafter sometimes referred to as a "force majeure") and due diligence is being used to resume performance at the earliest practicable time. The failure in whole or in part of Purchaser to take water under the terms of this Agreement where such is due to the inability of Purchaser to take water for any of the above causes shall be deemed a force majeure applicable to Purchaser, but only in proportion and to the extent that Purchaser's demand, or ability to take water, is reduced thereby.

Section 8.2. The Authority's Water Supply. (a) The Authority receives delivery of its supply of water out of the Brazos River and other sources, and such water must be transported over long distances before it is received by the Authority at the Water Treatment Plants. It is agreed, therefore, that the event of stoppage or diminution of the water received by the Authority from one or more of its sources of supply, including, but not limited to, the BRA (other than by

reason of the Authority's failure to make payments due to its suppliers) shall be deemed a force majeure, and that the Authority cannot and does not guarantee constant availability of water hereunder under such circumstances but does agree to use its best efforts to maintain such availability.

(b) It is further agreed that the Authority may, without liability or default, interrupt its service hereunder to make necessary alterations to or repairs in its Canal Division, Industrial Division, or the Municipal System, but only if such interruption cannot otherwise reasonably be avoided. If possible, the Authority shall give reasonable prior notice of any such interruption to Purchaser.

(c) Purchaser is not guaranteed any specific quantity or pressure of water during times that the water supply from the Water Treatment Plants is limited, whether as a result of a period of drought or other reason, or when equipment becomes inoperative due to unforeseen breakdown or scheduled maintenance and repairs. Notwithstanding the other provisions of this Section, the Authority may reduce the supply of water in accordance with the laws of the State of Texas, particularly section 11.039(a) of the Texas Water Code, as may be amended from time to time.

ARTICLE IX OPERATING ADVISORY COMMITTEE; CUSTOMER REPORTING

Section 9.1. Creation and Composition. The Authority has created and will maintain during the term of this Agreement a Municipal System Operating Advisory Committee on which Purchaser will have one representative selected by the Purchaser. The Municipal System Operating Advisory Committee shall be composed of only those representatives so selected by each Customer, and if any Customer fails to select a representative, the Municipal System Operating Advisory Committee shall be deemed fully composed of only the representatives selected by the other Customers.

Section 9.2. Functions. Members of the Municipal System Operating Advisory Committee shall have access at all reasonable times to inspect the books, records, facilities and properties of the Authority pertaining to the Municipal System and shall receive advance notice of, and be entitled to attend, all meetings of the Board. Prior to the execution of any contract by the Authority for the purchase of an additional water supply for the Municipal System and prior to the adoption of each annual operating budget for the Municipal System copies of such instruments shall be supplied to all members of the Municipal System Operating Advisory Committee, and they shall be given a reasonable time to examine each such instrument and to make comments and recommendations to the Board in regard thereto. The Authority shall solicit the advice and counsel of each member of the Municipal System Operating Advisory Committee in regard to the operation, maintenance, repair, replacement and enlargement of the Municipal System and each member shall be given full opportunity from time to time to express his views in regard to all such matters.

Section 9.3. Procedures. In addition to functioning as provided in Section 9.2 of this Article, the members of the Municipal System Operating Advisory Committee may establish dates for and hold regular periodic meetings, provide for the calling of and hold special meetings, provide for the election of a chairman and other offices, and establish such other procedures for

the functioning of the Municipal System Operating Advisory Committee as the members may agree upon. However, members of said Committee shall not receive any compensation from the Authority for their services as members or for expenses incurred by them.

Section 9.4. Reporting. The Authority shall make available upon written request financial statements for each month (within 30 days following the close of each month) detailing the projected budget to actual results and the balance of all reserve funds. At least two months prior to each Fiscal Year, the Authority shall make the following information available on its website or deliver it to Purchaser upon receipt of a written request: (i) a written description of its current planned capital improvements program including project descriptions and cost estimates and (ii) a written projection of Municipal System charges and associated rate projections for the next five years so that Purchaser may adequately plan for its own budgeting and retail rate setting. The Authority shall cooperate with any reasonable requests for additional budgeting or financial information by Purchaser on a timely basis. Purchaser shall designate and communicate to the Authority in writing the appropriate staff member to receive such reports on its behalf.

ARTICLE X SUCCESSORS AND ASSIGNS

Section 10.1. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. However, this Agreement may not be assigned in whole or in part by the Authority, except that the Authority expressly reserves the right to pledge the revenues to be received under this Agreement to secure the payment of the Municipal System Bonds and the Seller's Revenue Bonds; and no assignment hereof, in whole or in part, by Purchaser shall relieve Purchaser of its obligation to make the payments for water as herein provided. Nothing in this Section shall prevent Purchaser from pledging its rights under this Agreement to secure debt.

ARTICLE XI MISCELLANEOUS

Section 11.1. Complete Agreement. This Agreement constitutes the entire agreement between the parties hereto relating to the funding, construction, operation and maintenance of the Municipal System. There are no warranties, representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter hereof that are not fully expressed or provided for herein, and the parties shall not be bound by or liable for any alleged warranty, representation, agreement, arrangement, or understanding. Neither of the parties hereto have relied on any statements or representations that have been made by any other party that are not set forth in this Agreement, and neither party is entitled to rely on any representation, agreement or obligation that is not expressly stated in this Agreement.

Section 11.2. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Texas.

Section 11.3. Repealer. Upon the full Effective Date of this Agreement, this Agreement completely amends, repeals and replaces and supersedes the Existing Agreements and all prior

agreements, understandings, negotiations, and discussions, oral or written, between the parties hereto.

Section 11.4. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 11.5. Table of Contents, Etc. The table of contents, titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part thereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 11.6. Amendment. This Agreement may only be amended by means of an amendment in writing.

Section 11.7. Special Conditions. This document is in the form of a standard contract proposed for the Customers.

ARTICLE XII NOTICE

Section 12.1. Addresses. Wherever notice from one party to the other is required or permitted hereunder and no other method is provided, such notice shall be in writing and shall be given by delivery of the same to the other party or by mailing the same by registered mail to the other party at the following address of the other party:

The Authority's Mailing Address until June 30, 2022:

Gulf Coast Water Authority
3630 Highway 1765
Texas City, Texas 77591
Attention: General Manager

The Authority's Mailing Address beginning July 1, 2022:

Gulf Coast Water Authority
4243 Emmett F. Lowery Parkway
Texas City, Texas 77591
Attention: General Manager

Purchaser's Mailing Address:

City of La Marque, Texas
1500 Municipal
La Marque, Texas 77568
Attention: Public Works Manager

or to such other address of the other party as may have been theretofore designated in writing by the other party to the one giving the notice. Notice by mail shall be deemed to have been given as of the date it is received.

ARTICLE XIII
TERM

Section 13.1. Term. This Contract shall become effective as of the Effective Date and remain in effect from the date set forth above until 11:59 pm, Central Time, on December 31, 2062, and thereafter until payments in full of the principal, premium, if any and interest on all Municipal System Bonds or Seller's Revenue Bonds and all related fees to be paid under any bond resolution or indenture securing the same.

Section 13.2. Required Approval by Customers; Effective Date. This Agreement shall become effective upon the earlier to occur of (i) the execution of amended and restated contracts in substantially the form of this Agreement by all of the Municipal System Customers under Municipal System Contracts in effect as of April 15, 2022, or (ii) to the extent this Agreement has not been signed by one or more of such Customers, upon the termination of the existing Municipal System Contracts for such Customers, which termination date is December 31, 2027, unless earlier termination occurs pursuant to the terms of such contracts. If and when such condition has been satisfied, the Agreement shall become effective, and the date on which such conditions are satisfied shall be the "Effective Date." Notwithstanding the foregoing, if this Agreement has not been signed by all Municipal System Customers by August 31, 2022, the provisions of Section 2.1 hereof shall be effective on August 31, 2022 as an amendment to the Existing Agreements until the Effective Date. Purchaser acknowledges that to the extent this Agreement does not become effective in its entirety prior to the need to finance the 7.9 MGD Mackey Plant Expansion, additional agreements between the Purchaser and the Authority will be required to facilitate the completion and financing of the 7.9 MGD Mackey Plant Expansion and the delivery of water from such project. The Authority shall promptly notify the Customers in writing upon the satisfaction of the condition precedent to the effectiveness of this Agreement and identifying the Effective Date.

ARTICLE XIV
UNCONDITIONAL COMMITMENTS

Section 14.1. Payments; Obligation to Pay Municipal System Debt Service Charges and Raw Water Charges Unconditional. It is understood and acknowledged by Purchaser that the Municipal System Bonds may be and the bonds issued under the Industrial Division Customer Contracts have been and may be sold to the purchasers thereof and the Authority purchases raw water for the Municipal System under the Industrial Division Customer Contracts in reliance upon

the commitment of Purchaser to make payments of Municipal System Debt Service Charges and Raw Water Charges provided by this Agreement. Accordingly, any other provision of this Agreement notwithstanding, Purchaser's obligation to pay Municipal System Debt Service Charges and Raw Water Charges shall be absolute and unconditional under any and all circumstances. So long as the Municipal System Bonds or Seller's Revenue Bonds remain Outstanding, Purchaser (i) will not suspend or discontinue any payments of Municipal System Debt Service Charges or Raw Water Charges provided herein; and (ii) will not terminate this Agreement or otherwise seek to avoid or to reduce the payment of Municipal System Debt Service Charges or Raw Water Charges for any reason, including, without limiting the generality of the foregoing, failure of any other Customer to perform its obligations under any agreement or any acts or circumstances that may constitute failure of consideration, any event of force majeure, destruction or damage to the Municipal System, frustration of purpose, any change in the tax or other laws of the United States of America or the State of Texas, or any political subdivision of either, or any failure of the Authority to perform or observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement. It is provided, however, that nothing contained in this Section shall be construed to release the Authority from the performance of any of the agreements on its part herein contained, and if the Authority should fail to perform any such agreement, Purchaser may institute such actions against the Authority as it may deem necessary to compel the performance thereof or to restrain or enjoin forbidden acts so long as such shall not result in a reduction of the payment of Municipal System Debt Service Charges and Raw Water Charges hereunder.

Section 14.2. Outstanding Bonds. For the purposes of this Agreement, no Municipal System Bond or Seller's Revenue Bonds shall be deemed to be "Outstanding" after the date:

- (a) of its stated maturity;
- (b) on which it is retired by reason of payment to the holder thereof of the principal thereof and accrued interest thereon; or
- (c) on which, due provision having been made therefor pursuant to the terms of the resolution authorizing its issuance, there has been deposited with the paying agent or authorized escrow agent, cash and/or investments designated for such purpose which is sufficient to pay or provide for the timely payment of the principal or redemption price thereof and interest accrued thereon as of the date of maturity or the redemption date of bonds duly called for prior redemption pursuant to the terms of such bond resolution, whichever first occurs.

Section 14.3. Exhibits. Exhibits may be modified, changed or substituted without amendment to this Agreement. The Authority may modify, change or substitute any Exhibit to this Agreement, as amended, by a letter agreement that is signed by (i) the Authority and (ii) the party affected by the modification, change or substitution.

[Execution Pages To Follow]

EXECUTED in multiple counterparts, each of which shall be deemed to be an original.

GULF COAST WATER AUTHORITY

By: _____
Name: _____
Title: President, Board of Directors

ATTEST:

By: _____
Name: _____
Title: Secretary, Board of Directors

PURCHASER

CITY OF LA MARQUE, TEXAS

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Name: _____
Title: _____

Exhibit A
Contract Quantities of Municipal System Customers
(in gallons per day)

	Contract Quantity (Total for Mackey Plant)	7.9 MGD Mackey Plant Expansion	Contract Quantity After 7.9 MGD Mackey Plant Expansion
City of Galveston	20,990,000	--	20,990,000
City of Texas City	11,505,000	--	11,505,000
City of League City	2,544,000	3,000,000	5,544,000
Galveston County WCID No. 1	4,165,000	--	4,165,000
City of La Marque	2,780,000	1,247,000	4,027,000
Galveston County WCID No. 12	1,043,000	2,044,000	3,087,000
San Leon MUD	1,785,000	--	1,785,000
Galveston County WCID No. 8	1,000,000	659,000	1,659,000
City of Hitchcock	1,500,000	500,000	2,000,000
Bacliff MUD	1,190,000	--	1,190,000
Galveston County FWSD No. 6	360,000	450,000	810,000
Galveston County MUD No. 12	450,000	--	450,000
Bayview MUD	388,000	--	388,000
Total	49,700,000	7,900,000	57,600,000

Exhibit B-1
Municipal System – Point of Delivery Contract Quantities

Customer	Transmission Component	Exhibit Number	Segment	Point of Delivery Number	Point of Delivery Contract Quantity - Current (in gallons per day)	Point of Delivery Contract Quantity after Plant Expansion (in gallons per day)	Point of Delivery Contract Quantity following necessary Component improvements (in gallons per day)
City of Texas City (TMWTP East & West)	North Transmission System	C-4	A:B	1	8,205,000	6,055,000	5,015,000
City of La Marque (North)	North Transmission System	C-4	A:B	2	2,380,000	2,380,000	2,380,000
City of Texas City (Corrections Facility point of connection)	North Transmission System	C-4	A:B	3	500,000	500,000	500,000
City of Texas City (Humble Camp point of delivery)	North Transmission System	C-4	B:C	4	2,500,000	4,250,000	4,900,000
Galveston County Water Control & Improvement District No. 1 (Dickinson)	North Transmission System	C-4	D:E	5	3,100,000	3,100,000	3,100,000
City of Texas City (FM 517 point of delivery)	Bayshore Transmission System	C-2	D:F	6	300,000	700,000	1,090,000
San Leon Municipal Utility District	Bayshore Transmission System	C-2	F:G	7	1,785,000	1,785,000	1,785,000
Bacliff Municipal Utility District	Bayshore Transmission System	C-2	F:G	8	1,190,000	1,190,000	1,190,000
Bayview Municipal Utility District	Bayshore Transmission System	C-2	G:H	9	388,000	388,000	388,000
Galveston County Water Control & Improvement District No. 12 (Kemah)	Kemah Transmission System	C-3	H:I	10	2,043,000	2,043,000	3,087,000
City of Galveston	South Transmission Line & Highway 6 Transmission Line	C-7-B	K:L	11A & 11B*	20,990,000	20,990,000	20,990,000
Galveston County Fresh Water Supply District No. 6 (Tiki Island)	Highway 6 Transmission Line	C-7-B	K:M	12	360,000	810,000	810,000
Galveston County Municipal Utility District No. 12 (Bayou Vista)	Highway 6 Transmission Line	C-7-B	K:N	13	450,000	450,000	450,000
City of Hitchcock	Highway 6 Transmission Line	C-7-B	K:N	14	1,500,000	2,000,000	2,000,000
Galveston County Water Control & Improvement District No. 8 (Santa Fe)	39-Inch Transmission Line	C-7-C	N:O	15	500,000	829,500	829,500
City of La Marque (South)	39-Inch Transmission Line	C-7-C	O:P	16	400,000	1,647,000	1,647,000
Galveston County Water Control & Improvement District No. 8 (Santa Fe)	39-Inch Transmission Line	C-7-C	P:Q	17	500,000	829,500	829,500
Galveston County Water Control & Improvement District No. 1 (Dickinson)	39-Inch Transmission Line	C-7-C	R:S	18	1,065,000	1,065,000	1,065,000
City of League City	39-Inch Transmission Line	C-7-C	S:T	19	2,544,000	5,544,000	5,544,000
Total					50,700,000	56,556,000	57,600,000

* Points of Delivery 11A and 11B are interoperable.

Exhibit B-2
Municipal System – Customer Groups*

North System

North Transmission System

Customer	Contract Quantity (in gallons per day)	% of Total
City of La Marque	2,380,000	10.16 %
City of Texas City	11,505,000	49.09 %
Bacliff Municipal Utility District	1,190,000	5.08 %
Bayview Municipal Utility District	388,000	1.66 %
Galveston County WCID No. 1 (Dickinson)	3,100,000	13.23 %
San Leon Municipal Utility District	1,785,000	7.62 %
Galveston County WCID No. 12 (Kemah)	3,087,000	13.17 %
Total	23,435,000	100.00 %

Bayshore Transmission System

Customer	Contract Quantity (in gallons per day)	% of Total
Bacliff Municipal Utility District	1,190,000	17.63 %
Bayview Municipal Utility District	388,000	5.75 %
City of Texas City	300,000	4.44 %
San Leon Municipal Utility District	1,785,000	26.44 %
Galveston County WCID No. 12 (Kemah)	3,087,000	45.73 %
Total	6,750,000	100.00 %

Kemah Transmission System

Customer	Contract Quantity (in gallons per day)	% of Total
Galveston County WCID No. 12 (Kemah)	3,087,000	100.00 %
Total	3,087,000	100.00 %

* Totals may not tie due to rounding.

South System

South Transmission System

Customer	Contract Quantity (in gallons per day)	% of Total
City of Galveston	20,990,000	61.44 %
City of Hitchcock	2,000,000	5.85 %
City of La Marque	1,647,000	4.82 %
City of League City	5,544,000	16.23 %
Galveston County FWSD No. 6 (Tiki Island)	810,000	2.37 %
Galveston County MUD No. 12 (Bayou Vista)	450,000	1.32 %
Galveston County WCID No. 8 (Santa Fe)	1,659,000	4.86 %
Galveston County WCID No. 1 (Dickinson)	1,065,000	3.12 %
Total	34,165,000	100.00 %

Interconnect

North-South Interconnect

Customer	Contract Quantity (in gallons per day)	% of Total
Bacliff Municipal Utility District	1,190,000	2.07 %
Bayview Municipal Utility District	388,000	0.67 %
City of Galveston	20,990,000	36.44 %
City of Hitchcock	2,000,000	3.47 %
City of La Marque	4,027,000	6.99 %
City of League City	5,544,000	9.63 %
City of Texas City	11,505,000	19.97%
Galveston County FWSD No. 6 (Tiki Island)	810,000	1.41 %
Galveston County MUD No. 12 (Bayou Vista)	450,000	0.77 %
Galveston County WCID No. 12 (Kemah)	3,087,000	5.36 %
Galveston County WCID No. 8 (Santa Fe)	1,659,000	2.88 %
Galveston County WCID No. 1 (Dickinson)	4,165,000	7.23 %
San Leon Municipal Utility District	1,785,000	3.10 %
Total	57,600,000	100.00 %

Mackey Plant (as Expanded by the 7.9 MGD Mackey Plant Expansion)

Customer	Contract Quantity (in gallons per day)	% of Total
Bacliff Municipal Utility District	1,190,000	2.07 %
Bayview Municipal Utility District	388,000	0.67 %
City of Galveston	20,990,000	36.44 %
City of Hitchcock	2,000,000	3.47 %
City of La Marque	4,027,000	6.99 %
City of League City	5,544,000	9.63 %
City of Texas City	11,505,000	19.97 %
Galveston County FWSD No. 6 (Tiki Island)	810,000	1.41 %
Galveston County MUD No. 12 (Bayou Vista)	450,000	0.78 %
Galveston County WCID No. 12 (Kemah)	3,087,000	5.36 %
Galveston County WCID No. 8 (Santa Fe)	1,659,000	2.88 %
Galveston County WCID No. 1 (Dickinson)	4,165,000	7.23 %
San Leon Municipal Utility District	1,785,000	3.10 %
Total	57,600,000	100.00 %

Exhibit C

Depictions of Components of the Municipal System

Index to Points of Delivery

North Transmission System

1. City of Texas City (two points of delivery located at the above ground transmission meters at the Thomas Mackey Water Treatment Plant)
2. City of La Marque (southwest of the intersection of 5th Avenue North and North Orchid Drive in City of Texas City)
3. City of Texas City (Corrections Facility point of delivery located east of point B on the south side of Attwater Avenue in the City of Texas City)
4. City of Texas City (Humble Camp point of delivery located at the intersection of Attwater Avenue and North Humble Camp Road in the City of Texas City)
5. Galveston County Water Control and Improvement District No. 1 (west of Ecret Drive adjacent to the ground storage tank in the City of Dickinson)

Bayshore Transmission System

6. City of Texas City (FM 517 point of delivery)
7. San Leon Municipal Utility District (east of Highway 146 in the City of Texas City)
8. Bacliff Municipal Utility District (west of the intersection of Sevan Street and Avenue A within the Bacliff Municipal Utility District)
9. Bayview Municipal Utility District (just west of the termination point and adjacent to the Bayview Municipal Utility District ground storage tank)

Kemah Transmission System

10. Galveston County Water Control and Improvement District No. 12 (west of Hanson Road adjacent to the Ground Storage Tank in the City of Kemah)

South Transmission Line

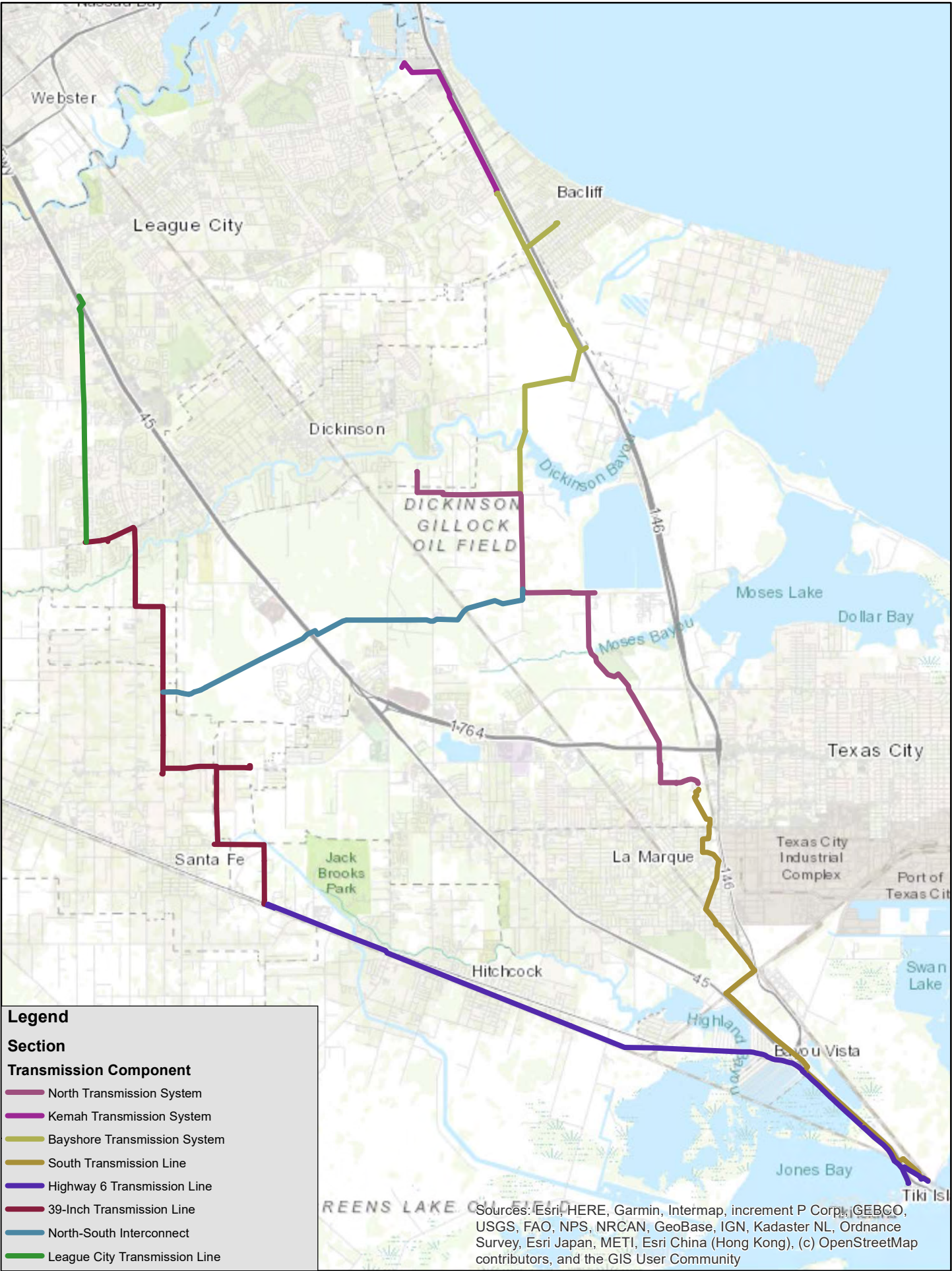
- 11B. City of Galveston (northeast of Old Highway 75 at Virginia Point)

Highway 6 Transmission Line

- 11A. City of Galveston (southwest of Old Highway 75 at Virginia Point)
12. Galveston County Fresh Water Supply District No. 6 (west of Virginia Point Road adjacent to the ground storage tank in the Village of Tiki Island)
13. Galveston County Municipal Utility District No. 12 (just south of the intersection of Ling Street and Neptune Drive in the City of Bayou Vista)
14. City of Hitchcock (just south of North Martin Luther King Avenue between 1st Street and 2nd Street in the City of Hitchcock)

39-Inch Transmission Line

15. Galveston County Water Control and Improvement District No. 8 (south of 14th Street between Avenue K and Avenue L and adjacent to the tower in the City of Santa Fe)
16. City of La Marque (north of FM 1764 and adjacent to the ground storage tank in the City of La Marque)
17. Galveston County Water Control and Improvement District No. 8 (southwest of the intersection of FM 1764 and Avenue L and adjacent to the ground storage tanks in the City of Santa Fe)
18. Galveston County Water Control and Improvement District No. 1 (south of FM 517 and adjacent to the ground storage tank in the City of Dickinson)
19. City of League City (in the meter station north of FM 517 and west of Calder Drive in the City of League City)



Legend

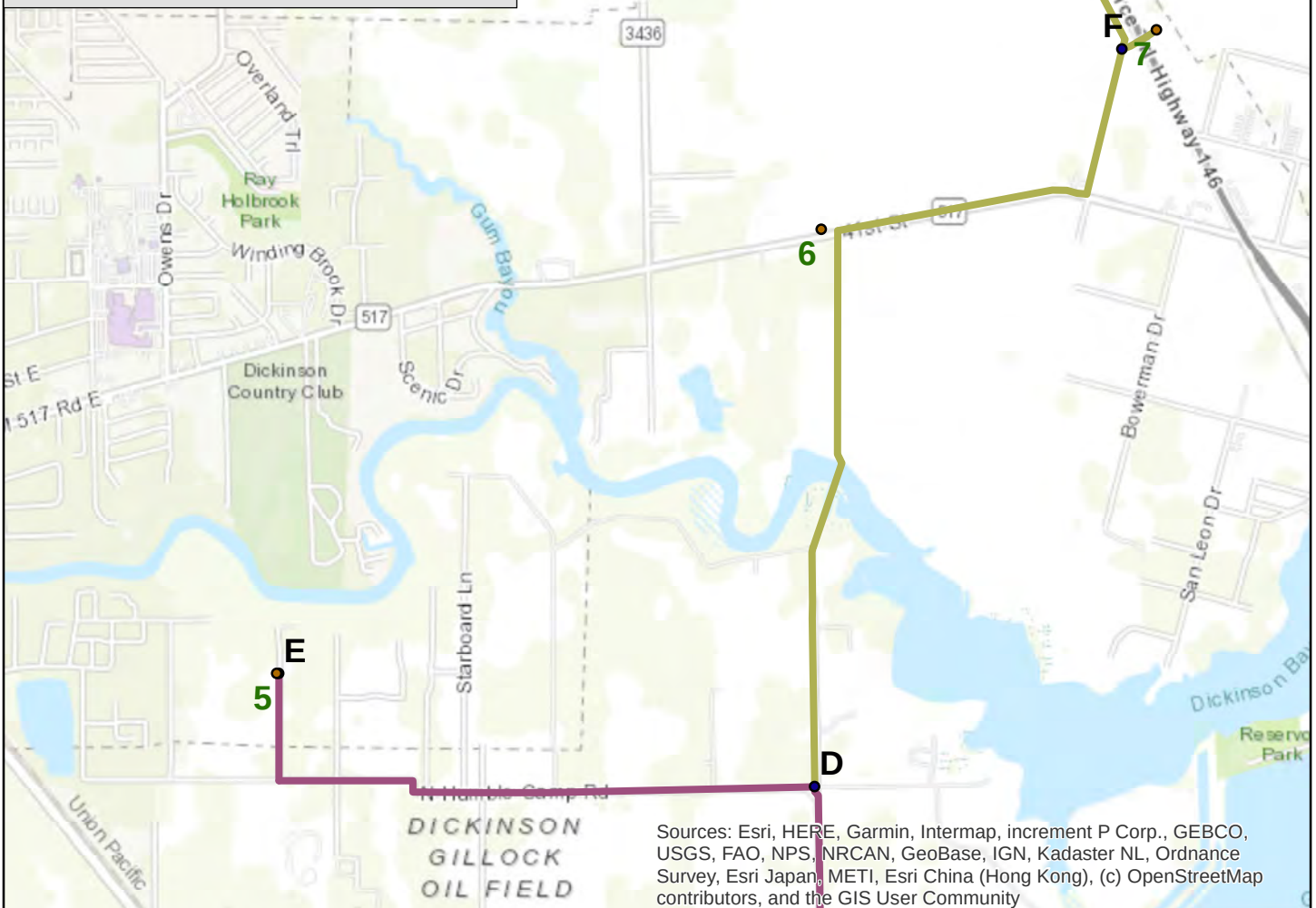
Transmission Component

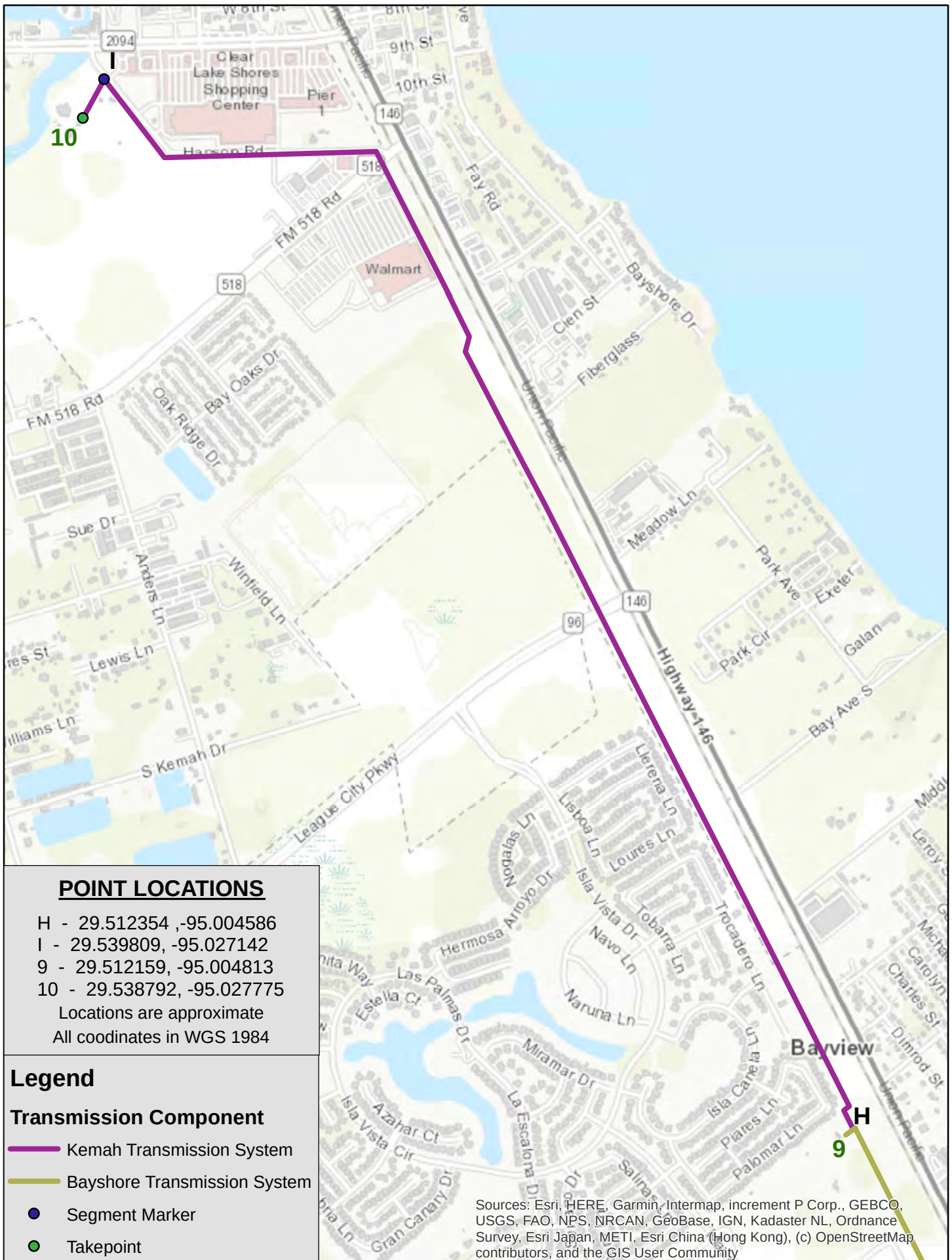
- Bayshore Transmission System
- Kemah Transmission System
- North Transmission System
- Segment Marker
- Takepoint

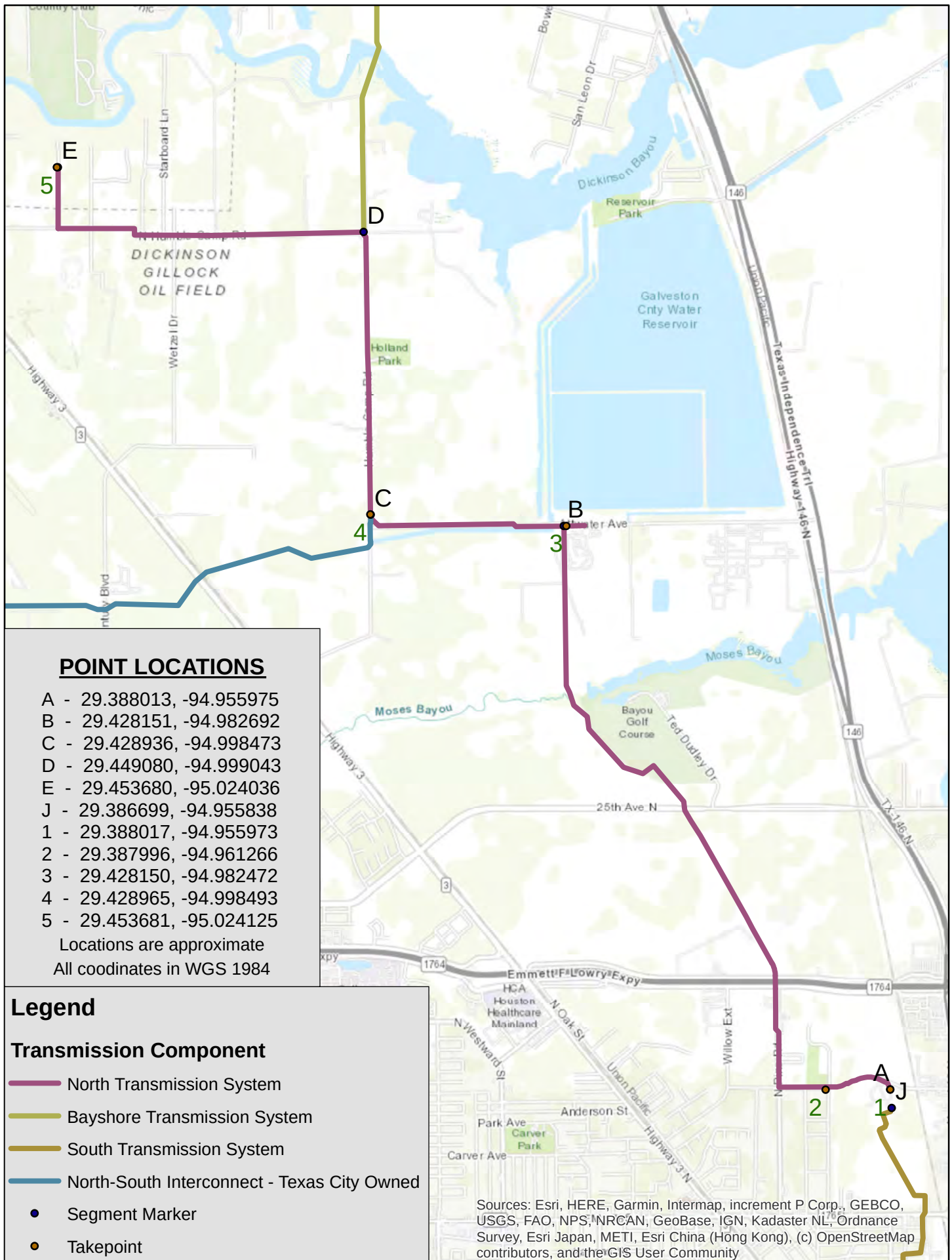
POINT LOCATIONS

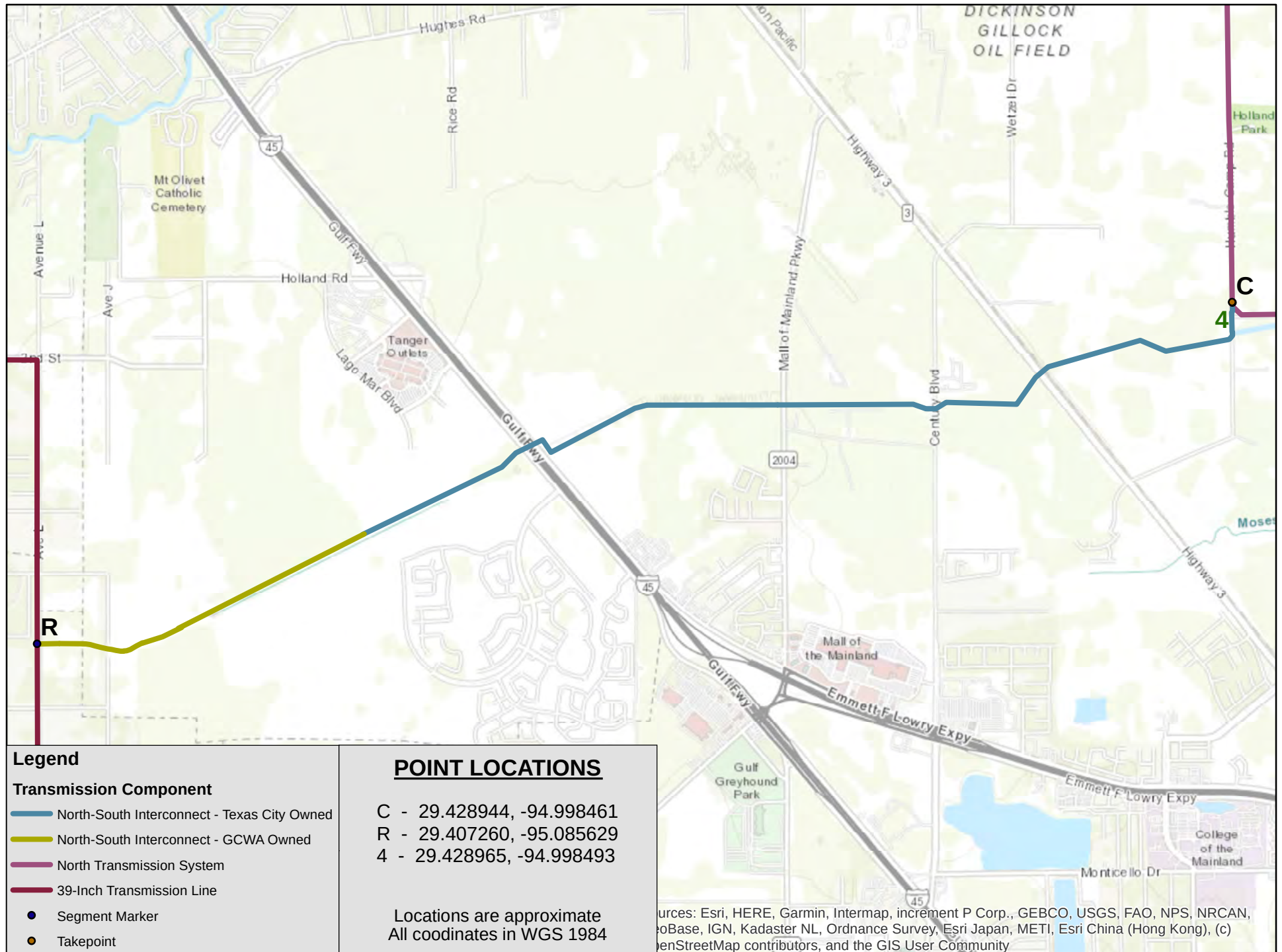
D - 29.449080, -94.999037
E - 29.453680, -95.024036
F - 29.479053, -94.984700
G - 29.500673, -94.997769
H - 29.512354, -95.004586
5 - 29.453681, -95.024125
6 - 29.471738, -94.998727
7 - 29.479830, -94.983094
8 - 29.506087, -94.990127
9 - 29.512159, -95.004813

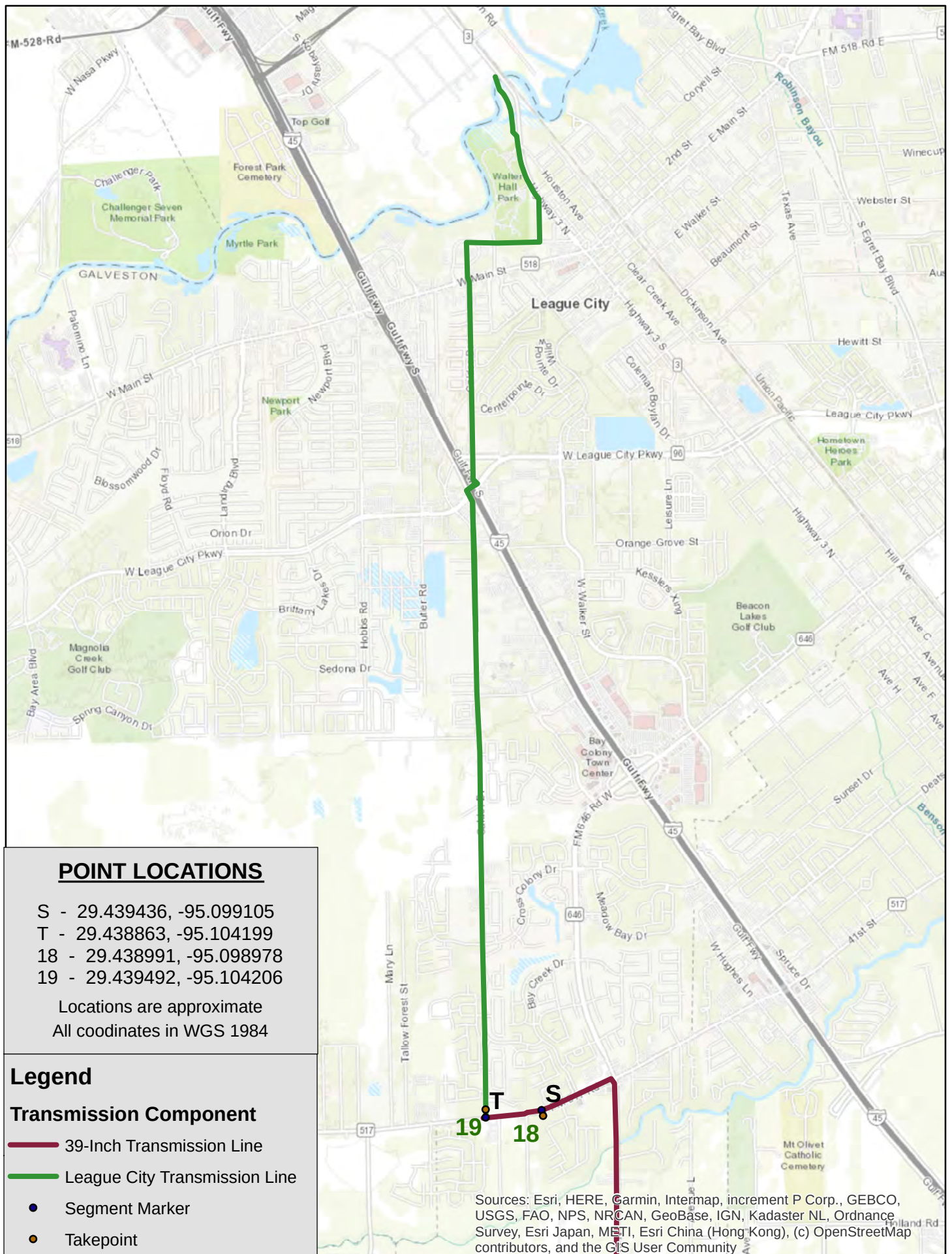
Locations are approximate
All coordinates in WGS 1984

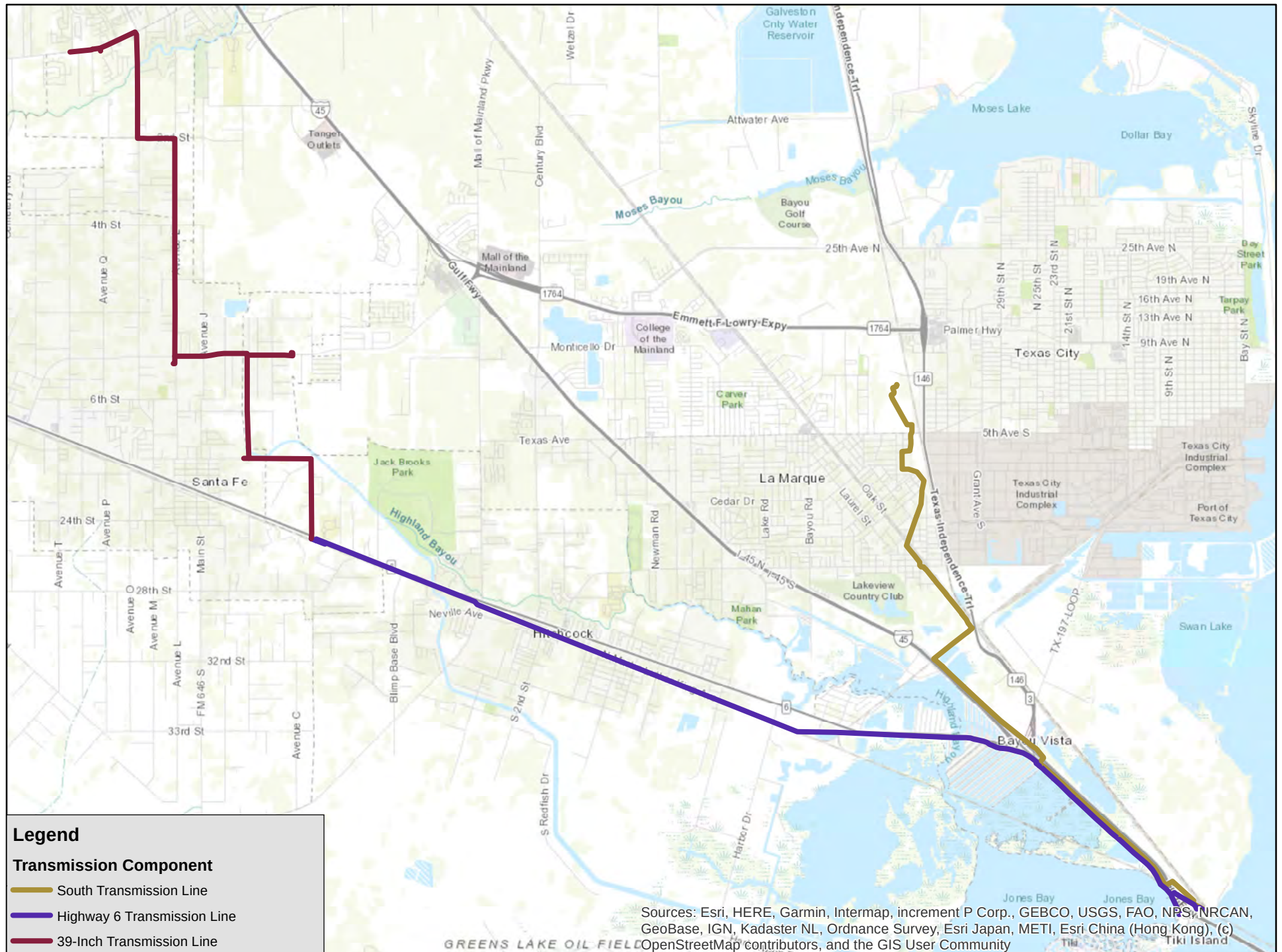


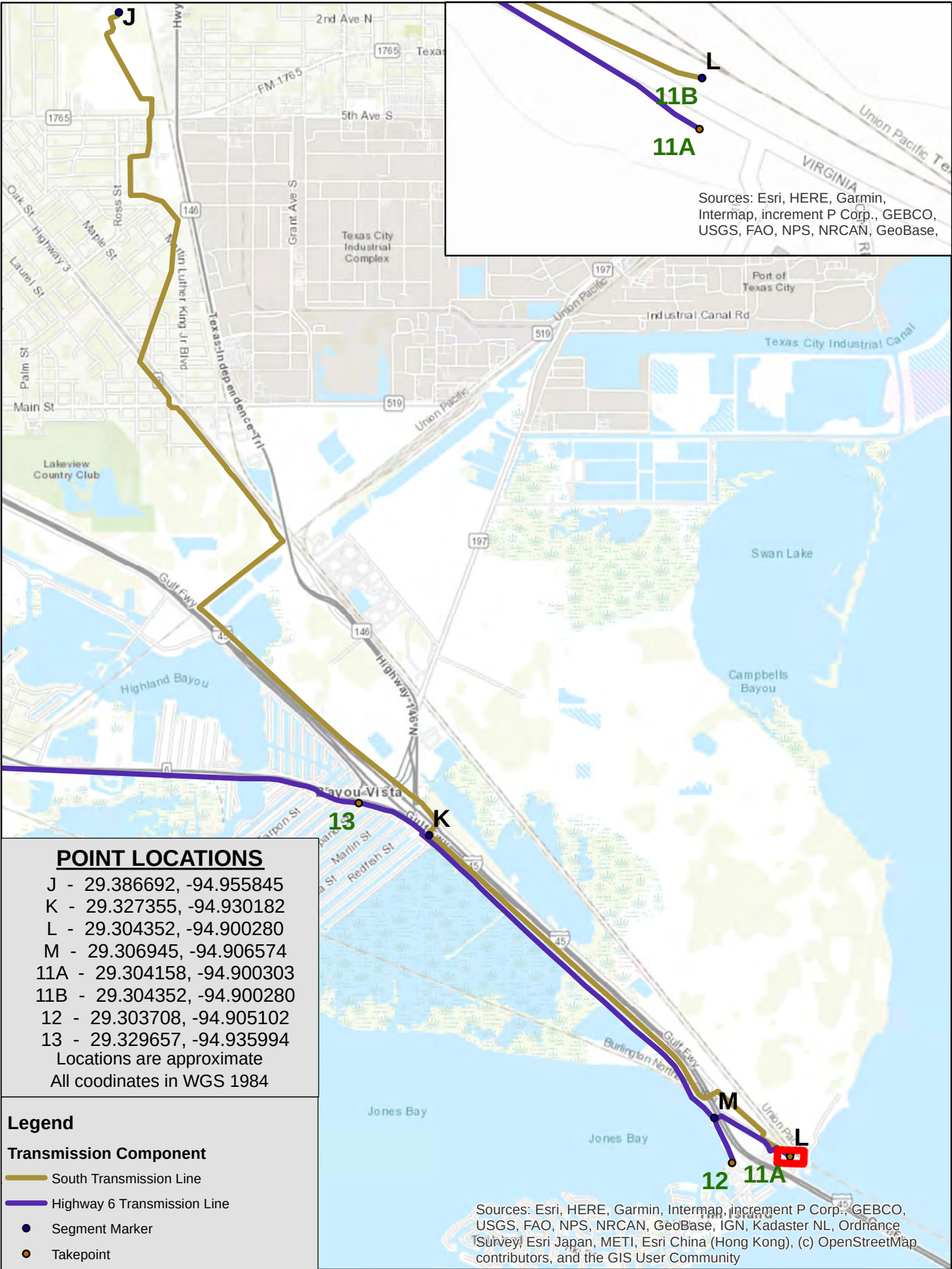


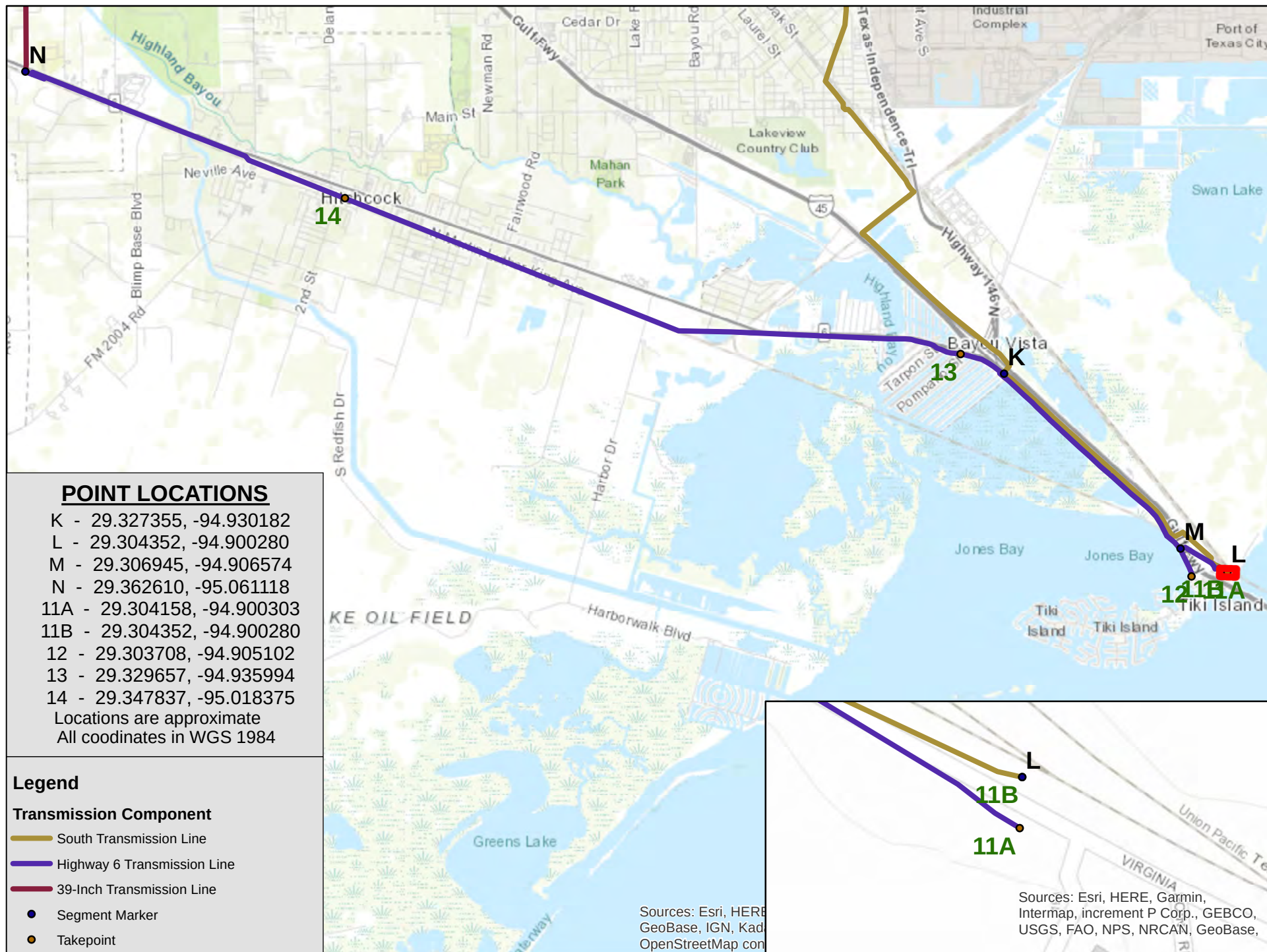


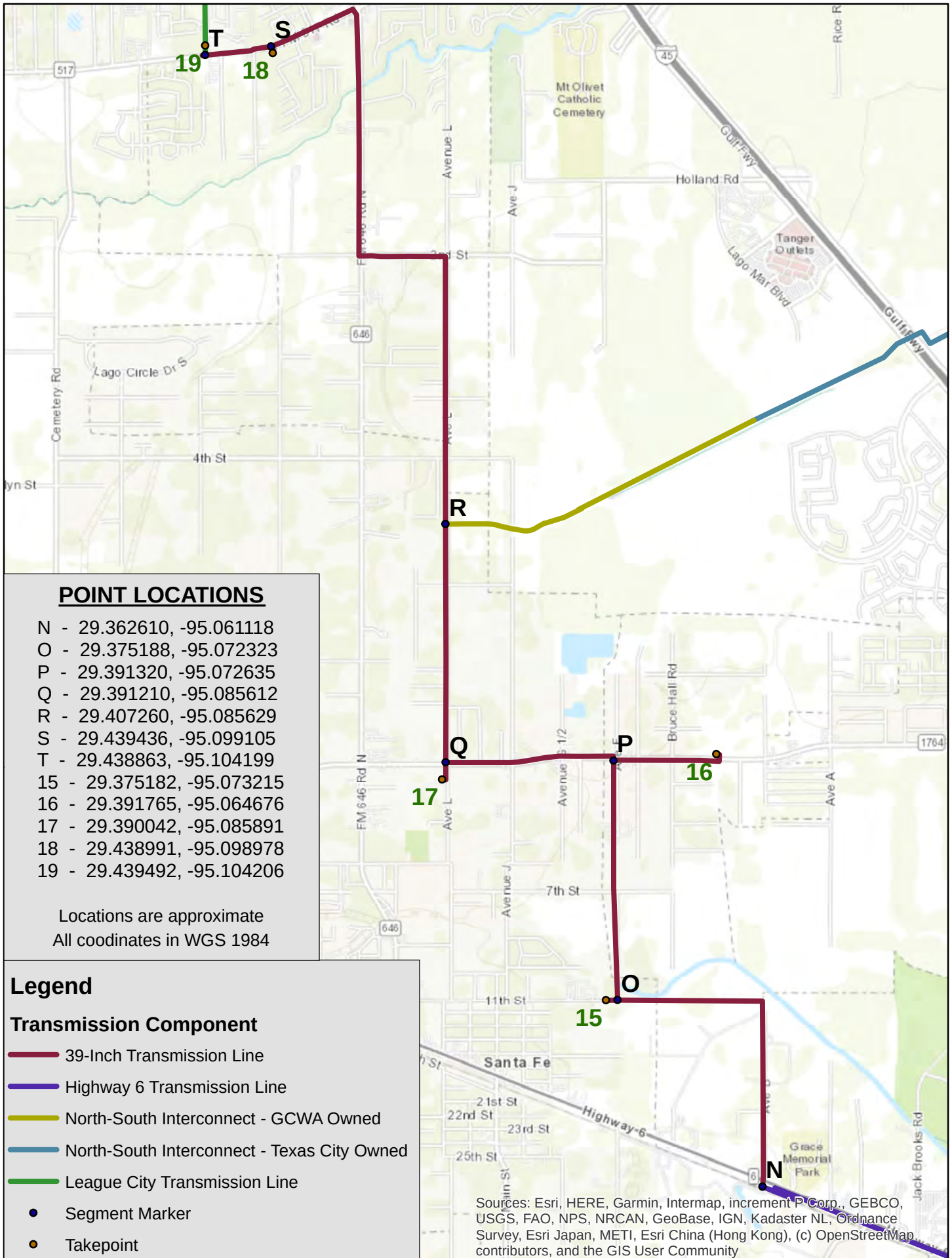












Addendum 1 **7.9 MGD Mackey Plant Expansion Bonds**

The following table describes the Customers participating in the 7.9 MGD Mackey Plant Expansion and the allocation of Debt Service Charges associated with the 7.9 MGD Mackey Plant Expansion Bonds. This table may be updated in advance of the issuance of the 7.9 MGD Mackey Plant Expansion Bonds to reflect the final participants in the 7.9 MGD Mackey Plant Expansion Bonds.

Customer	Contract Quantity Associated with the 7.9 MGD Mackey Plant Expansion (in gallons per day)	Contract Quantity Associated with Capital Contribution For 7.9 MGD Mackey Plant Expansion (in gallons per day)	Contract Quantity Associated with Amounts being Financed with the 7.9 MGD Mackey Plant Expansion Bonds (in gallons per day)	Allocation of Debt Service Charges associated with the 7.9 MGD Mackey Plant Expansion Bonds⁽¹⁾
City of League City	3,000,000			
City of La Marque	1,247,000			
Galveston County WCID No. 12	2,044,000			
Galveston County WCID No. 8	659,000			
Galveston County FWSD No. 6	450,000			
City of Hitchcock	500,000			
Total	7,900,000			100%

⁽¹⁾ The allocation is expressed as a percentage derived by dividing the incremental increase in Contract Quantity associated with the 7.9 MGD Mackey Plant Expansion that is being bond financed by a Customer participating in the 7.9 MGD Mackey Plant Expansion Bonds by total of all incremental increases in Contract Quantity associated with the 7.9 MGD Mackey Plant Expansion being financed by all Customers participating in the 7.9 MGD Mackey Plant Expansion Bonds.

BOND REPAYMENT SCHEDULE - Preliminary This Will Change Upon Bond Sell

CUSTOMER	City of La Marque
-----------------	--------------------------

[illegible]

Due Date	Bond Series 2023 South Line Porjects		Bond Series 2023A Expansion / Water Sale		Bond Series 2023B Expansion / Water Sale		Total for All Bonds			Number of Billing Months	Average Monthly Amount	Bond Payment Total	Fiscal Year Totals	Fiscal Year
	Principle	Interest	Principle	Interest	Principle	Interest	Principle	Interest	Total					
8/15/2033	13,122.00	11,711.39	73,062.00	65,278.87	18,942.00	23,481.32	105,126.00	100,471.58	205,597.58	12	17,133.13	205,597.58	304,047.27	2032
2/15/2034	-	11,366.93	-	63,360.99	-	22,865.70	-	97,593.62	97,593.62	12	8,132.80	97,593.62		2033
8/15/2034	13,851.00	11,366.93	76,670.00	63,360.99	19,844.00	22,865.70	110,365.00	97,593.62	207,958.62	12	17,329.89	207,958.62	304,587.03	2033
2/15/2035	-	11,003.34	-	61,348.40	-	22,220.77	-	94,572.51	94,572.51	12	7,881.04	94,572.51		2034
8/15/2035	14,580.00	11,003.34	81,180.00	61,348.40	20,746.00	22,220.77	116,506.00	94,572.51	211,078.51	12	17,589.88	211,078.51	304,049.93	2034
2/15/2036	-	10,620.62	-	59,217.43	-	21,546.53	-	91,384.58	91,384.58	12	7,615.38	91,384.58		2035
8/15/2036	15,309.00	10,620.62	85,690.00	59,217.43	22,550.00	21,546.53	123,549.00	91,384.58	214,933.58	12	17,911.13	214,933.58	304,112.71	2035
2/15/2037	-	10,218.76	-	56,968.07	-	20,813.65	-	88,000.48	88,000.48	12	7,333.37	88,000.48		2036
8/15/2037	16,038.00	10,218.76	90,200.00	56,968.07	24,354.00	20,813.65	130,592.00	88,000.48	218,592.48	12	18,216.04	218,592.48	304,649.00	2036
2/15/2038	-	9,797.76	-	54,600.32	-	20,022.15	-	84,420.23	84,420.23	12	7,035.02	84,420.23		2037
8/15/2038	16,767.00	9,797.76	94,710.00	54,600.32	25,256.00	20,022.15	136,733.00	84,420.23	221,153.23	12	18,429.44	221,153.23	304,717.81	2037
2/15/2039	-	9,357.63	-	52,114.18	-	19,201.33	-	80,673.14	80,673.14	12	6,722.76	80,673.14		2038
8/15/2039	17,496.00	9,357.63	99,220.00	52,114.18	27,060.00	19,201.33	143,776.00	80,673.14	224,449.14	12	18,704.10	224,449.14	303,662.32	2038
2/15/2040	-	8,898.36	-	49,509.65	-	18,321.88	-	76,729.89	76,729.89	12	6,394.16	76,729.89		2039
8/15/2040	18,954.00	8,898.36	104,632.00	49,509.65	28,864.00	18,321.88	152,450.00	76,729.89	229,179.89	12	19,098.32	229,179.89	303,216.36	2039
2/15/2041	-	8,400.81	-	46,763.06	-	17,383.80	-	72,547.67	72,547.67	12	6,045.64	72,547.67		2040
8/15/2041	19,683.00	8,400.81	110,044.00	46,763.06	30,668.00	17,383.80	160,395.00	72,547.67	232,942.67	12	19,411.89	232,942.67	303,783.67	2040
2/15/2042	-	7,884.14	-	43,874.41	-	16,387.09	-	68,145.64	68,145.64	12	5,678.80	68,145.64		2041
8/15/2042	21,141.00	7,884.14	116,358.00	43,874.41	32,472.00	16,387.09	169,971.00	68,145.64	238,116.64	12	19,843.05	238,116.64	303,353.72	2041
2/15/2043	-	7,329.18	-	40,820.01	-	15,331.75	-	63,480.94	63,480.94	12	5,290.08	63,480.94		2042
8/15/2043	21,870.00	7,329.18	121,770.00	40,820.01	35,178.00	15,331.75	178,818.00	63,480.94	242,298.94	12	20,191.58	242,298.94	303,889.65	2042

Due Date	Bond Series 2023 South Line Porjects		Bond Series 2023A Expansion / Water Sale		Bond Series 2023B Expansion / Water Sale		Total for All Bonds			Number of Billing Months	Average Monthly Amount	Bond Payment Total	Fiscal Year Totals	Fiscal Year
	Principle	Interest	Principle	Interest	Principle	Interest	Principle	Interest	Total					
2/15/2044	-	6,755.10	-	37,623.55	-	14,188.46	-	58,567.11	58,567.11	12	4,880.59	58,567.11	303,377.19	2044
8/15/2044	23,328.00	6,755.10	128,986.00	37,623.55	36,982.00	14,188.46	189,296.00	58,567.11	247,863.11	12	20,655.26	247,863.11		2044
														2044
2/15/2045	-	6,142.74	-	34,237.67	-	12,986.55	-	53,366.96	53,366.96	12	4,447.25	53,366.96	303,775.85	2045
8/15/2045	24,057.00	6,142.74	135,300.00	34,237.67	39,688.00	12,986.55	199,045.00	53,366.96	252,411.96	12	21,034.33	252,411.96		2045
														2045
2/15/2046	-	5,511.24	-	30,686.04	-	11,696.69	-	47,893.97	47,893.97	12	3,991.16	47,893.97	303,078.64	2046
8/15/2046	25,515.00	5,511.24	142,516.00	30,686.04	42,394.00	11,696.69	210,425.00	47,893.97	258,318.97	12	21,526.58	258,318.97		2046
														2046
2/15/2047	-	4,841.47	-	26,945.00	-	10,318.88	-	42,105.35	42,105.35	12	3,508.78	42,105.35	303,302.15	2047
8/15/2047	26,973.00	4,841.47	149,732.00	26,945.00	45,100.00	10,318.88	221,805.00	42,105.35	263,910.35	12	21,992.53	263,910.35		2047
														2047
2/15/2048	-	4,133.43	-	23,014.53	-	8,853.13	-	36,001.09	36,001.09	12	3,000.09	36,001.09	302,969.72	2048
8/15/2048	28,431.00	4,133.43	157,850.00	23,014.53	47,806.00	8,853.13	234,087.00	36,001.09	270,088.09	12	22,507.34	270,088.09		2048
														2048
2/15/2049	-	3,387.12	-	18,870.97	-	7,299.44	-	29,557.53	29,557.53	12	2,463.13	29,557.53	302,892.16	2049
8/15/2049	29,889.00	3,387.12	165,968.00	18,870.97	51,414.00	7,299.44	247,271.00	29,557.53	276,828.53	12	23,069.04	276,828.53		2049
														2049
2/15/2050	-	2,602.53	-	14,514.31	-	5,628.48	-	22,745.32	22,745.32	12	1,895.44	22,745.32	302,943.20	2050
8/15/2050	31,347.00	2,602.53	174,988.00	14,514.31	54,120.00	5,628.48	260,455.00	22,745.32	283,200.32	12	23,600.03	283,200.32		2050
														2050
2/15/2051	-	1,779.67	-	9,920.87	-	3,869.58	-	15,570.12	15,570.12	12	1,297.51	15,570.12	302,335.99	2051
8/15/2051	32,805.00	1,779.67	184,008.00	9,920.87	57,728.00	3,869.58	274,541.00	15,570.12	290,111.12	12	24,175.93	290,111.12		2051
														2051
2/15/2052	-	918.54	-	5,090.66	-	1,993.42	-	8,002.62	8,002.62	12	666.89	8,002.62	301,946.02	2052
8/15/2052	34,992.00	918.54	193,930.00	5,090.66	61,336.00	1,993.42	290,258.00	8,002.62	298,260.62	12	24,855.05	298,260.62		2052
	541,647.00	536,063.81	3,021,700.00	2,981,144.65	850,586.00	1,079,940.64	4,413,933.00	4,597,149.10	9,011,082.10			9,011,082.10	9,011,082.10	

RESOLUTION NO. R-2022-0037

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN THE AMENDED AND RESTATED MUNICIPAL SYSTEM CUSTOMER CONTRACT BETWEEN THE GULF COAST WATER AUTHORITY AND THE CITY OF LA MARQUE, TEXAS

WHEREAS, the City currently purchases its potable water from the Gulf Coast Water Authority.

WHEREAS, the City and the Gulf Coast Water Authority entered into negotiations to extend its potable water supply contract and increase the capacity of potable water available to the City.

WHEREAS, the City of La Marque Texas previously authorized the City Manager to sign the Amended and Restated Municipal System Customer Contract in May 2022.

WHEREAS, the Gulf Coast Water Authority has updated its fiscal calculations to provide amended water rates for the purchase of existing and additional capacity.

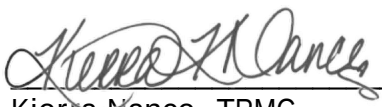
WHEREAS, the increase in water supply will provide additional water for the City and support additional growth.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LA MARQUE THAT:

The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

The City Manager and Mayor are authorized to sign the Amended and Restated Municipal System Customer Contract between the Gulf Coast Water Authority and the City of La Marque, Texas.

DULY PASSED by a majority vote of all members of the City Council of the City of La Marque on the 11th day of July 2022.


Kieria Nance, TRMC
City Clerk



Keith Bell
Mayor

Submitted Applications

- Board of Adjustments
 - o Cassandra Lafferty
 - o Raushida Robinson (secondary)
- Building Standards
 - o Cassandra Lafferty
 - o Rashun Fontenot
 - o William Fossier Jr.
- Cemetery
 - o Mardella Park (secondary)
 - o Joel Camacho (secondary)
- Civil Service
 - o Cleveland Lane Sr (secondary)
 - o William Fossier Jr.
 - o Christopher Ovalle (secondary)
 - o
- Economic Development
 - o Raushida Robinson
 - o James Osteen
 - o Cleveland Lane Sr.
 - o Augustino Molis
 - o Toriana Johnson
 - o Tykisha Murphy
 - o Rashun Fontenot (secondary)
 - o Heather McMillan (secondary)
 - o Jeremy Silva
- Keep La Marque Beautiful
 - o Mardella Park
 - o Joel Camacho
 - o Rashun Fontenot
 - o Cathy Wall
 - o Sarah Dougherty
- Parks
 - o Tamara Smith
 - o Rashun Fontenot (secondary)
 - o Cathy Wall (secondary)

- o Sarah Dougherty (secondary)
 - o
- Planning & Zoning
 - o Chris Colombo
 - o Augustino Molis
 - o Toriana Johnson (secondary)
 - o Tykisha Murphy (secondary)
 - o Heather McMillan
 - o Christopher Ovalle
- TIRZ



CITY COUNCIL AGENDA FORM

Meeting Date: January 23, 2023

Prepared by: R. Sailer

Department: Public Works

Agenda item: _____

Reviewed by: _____

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding Council approval of the Advertisement and Request for Proposal for Sanitary Sewer Improvements.

☒

ATTACHMENTS FOR REFERENCE

- Adverstiment and Invitation to Bid
- Authority to Use Grant Funds
- Project Performance Statement
- Project Manual
- Construction Contract
- Engineer's Construction Cost Estimate
- Bid Process Schedule

STAFF BRIEFING:

- The Sanitary Sewer Improvement Project funded through U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Mitigation (MIT) Contract # 22-083-003-D208 is ready for Construction Phase.
- The City received Authorization to proceed on December 21, 2022
- The Project defined in the Project Performance Statement pertains to infrastructure improvements to 26,350 feet of sanitary sewer pipelines and rehabilitation of approximately 682 manholes.
- The Project Manual provides the Bid Submittal and specifics regarding the Project, including mandatory construction documents for Federally funded projects and Technical Specifications.
- The Bid Proposal includes Base Bid items, Supplemental Items, Extra Items, and Add-Alternate Items; allowing the City the option to accept the bid and delete some items to ensure the bid amount does not exceed the funding.
 - City Manager reviewed and approved.
 - Finance Director reviewed and approved.
 - City Attorney reviewed and approved.
 - City Engineer reviewed and approved.



CITY COUNCIL AGENDA FORM

HISTORY:

- Grant Administrator Contract with GrantWorks signed on July 13, 2020
- Engineering Agreement with Adico Consulting Engineers signed on August 24, 2020
- The Project Budget Justification was submitted to Texas General Land Office (GLO) on 9/25/2020
- The Funding was accepted on December 13, 2021 - Resolution R-2021-0032
- Environment Review Record was completed on October 26, 2022
- Request for Release of Funds was submitted on November 15, 2022
- Authority to Use Grant Funds was received on December 21, 2022

SIGNIFICANT ACTION DATES:

ACTIVITY	End Date	Calendar Days
Bid Phase:		
City Council Authorization For Bidding	January 23, 2023	9
1 st Advertisement	February 8, 2023	7
2 nd Advertisement	February 15, 2023	12
Pre-Bid	February 27, 2023	32
Last Date For Questions	March 16, 2023	7
Last Date for Addendums	March 23, 2023	8
Bid Date – Receiving Sealed Proposals (2:00)	March 31, 2023	10
Recommendation to City Council	April 10, 2023	14
City Council Approval	April 24, 2023	

ACTION:

FISCAL IMPACT: \$60,000 for the Construction Phase. Total Project cost funded through HUD - CDBG - MIT was \$7,493,145, including Construction, Engineering, Environmental, and Administration (City Share = \$75,000)

STAFF'S RECOMMENDATION: Motion to approve the Advertisement and Invitation to Bid for the Sanitary Sewer Improvement Project - CDBG FM519 Wateline.

Advertisement and Invitation to Bid

The City of La Marque will receive bids for the Citywide Manhole Rehabilitation Competition 22-083-003-D208 until 11:00 am on Friday, March 31, 2023 at City of La Marque City Hall, 1111 Bayou Road, La Marque, TX 77568. The bids will be publicly opened and read aloud at 11:15 am on Friday, March 31, 2023 at City of La Marque City Hall, 1111 Bayou Road, La Marque, TX 77568.

Bids are invited for several items and quantities of work as follows:

1. Approximately 420 LF of 6-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
2. Approximately 529 LF of 8-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
3. Approximately 3,979 LF of 15-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
4. Approximately 3,513 LF of 18-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
5. Approximately 17,909 LF of 24-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
6. Rehabilitation of approximately 682 sanitary sewer manholes in various locations within the City.

Bid/Contract Documents, including Drawings and Technical Specifications are on file at City of La Marque, City Hall, 1111 Bayou Road, La Marque, TX 77568.

Copies of the Bid/Contract Documents may be obtained by depositing \$100 with the Engineer, Adico LLC for each set of documents obtained. The deposit will be refunded if the documents and drawings are returned in good condition within 10 days following the bid opening.

A bid bond in the amount of 5 percent of the bid issued by an acceptable surety shall be submitted with each bid [for those contracts that exceed \$100,000]. A certified check or bank draft payable to the City of La Marque or negotiable U.S. Government Bonds (as par value) may be submitted in lieu of the Bid Bond.

Attention is called to the fact that not less than, the federally determined prevailing (Davis-Bacon and Related Acts) wage rate, as issued by the Texas Department of Agriculture Office of Rural Affairs and contained in the contract documents, must be paid on this project. In addition, the successful bidder must ensure that employees and applicants for employment are not discriminated against because of race, color, religion, sex, sexual identity, gender identity, or national origin.

The City of La Marque reserves the right to reject any or all bids or to waive any informalities in the bidding.

Bids may be held by City of La Marque for a period not to exceed 90 days from the date of the bid opening for the purpose of reviewing the bids and investigating the bidder's qualifications prior to the contract award.

City of La Marque (Contracting officer), (title) (date)

All contractors/subcontractors that are debarred, suspended or otherwise excluded from or ineligible for participation on federal assistance programs may not undertake any activity in part or in full under this project.

CONTRACT DOCUMENTS AND TECHNICAL SPECIFICATIONS

FOR

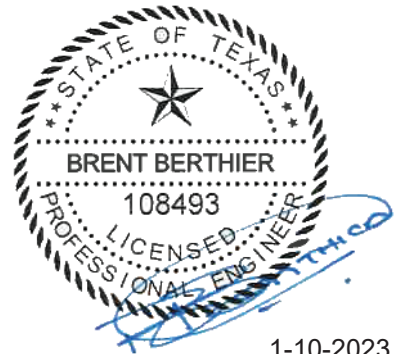
CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

**HUD MITIGATION COMPETITION (HMID)
CDBG-MIT CONTRACT NO. 22-083-003-D208
LA MARQUE, TEXAS**



ADICO PROJECT NO. 20100-17

JANUARY 2023



TBPE FIRM NO. 16423
2114 El Dorado Blvd., Suite 400
Friendswood, TX 77546
(832) 895-1093

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Technical Specifications

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01010	Summary of Work	1
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01300	Submittals	2
01310	Construction Schedules	2
01340	Shop Drawings, Product Data and Samples	4
01370	Schedule of Values	2
01410	Testing Laboratory Services	2
01420	Inspection Services	1
01500	Temporary Facilities & Controls	2
01570	Traffic Control and Regulation	3
01578	Control of Ground Water & Surface Water	8
01600	Materials & Equipment	5
01700	Contract Closeout	3
01710	Cleaning & Adjusting	3
01720	Project Record Documents	2
01740	Site Restoration	4
01782	Operations & Maintenance Data	1
DIVISION 2 - SITE WORK		
02076	Removing Existing Pavements and Structures	3
02105	Erosion Control	5
02110	Demolition	3
02160	Trench Safety Systems	3
02200	Earthwork	4
02201	Stripping and Fill	4
02235	Waste Material Disposal	2
02252	Cement Stabilized Sand	3
02253	Concrete Joints	4
02532	Curb, Curb and Gutter, and Headers	3
02615	Reinforced Concrete Pipe	2
DIVISION 3 - CONCRETE		
03100	Concrete Formwork	6
03200	Concrete Reinforcement	4
03310	Portland Cement Concrete	17
CITY OF HOUSTON SPECIFICATIONS, REFERENCES, AND SPECIAL PROVISIONS		
02086	Adjusting Manholes, Inlets, and Valve Boxes to Grade	3
02088	Precast Polymer Concrete Manholes	11
02090	Frames, Crates, Rings, and Covers	4

02221	Removing Existing Pavements and Structures	4
02222	Abandonment of Sewers	8
02317	Excavation and Backfill for Utilities	17
02320	Utility Backfill Materials	11
02321	Cement Stabilized Sand	8
02501	Ductile Iron Pipe and Fittings	9
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02531	Gravity Sanitary Sewers	12
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02533	Acceptance Testing for Sanitary Sewers	14
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02550	Slipping Sanitary Sewers	14
02553	Point Repairs and Obstruction and Removals	9
02555	Manhole Rehabilitation	13
02558	Cleaning and Television Inspection	20
02571	Pipe Bursting/Crushing Sanitary Sewers	12
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02922	Sodding	5
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09901	Protective Coatings	24

The work covered by this contract is to be constructed in accordance with the specifications listed above. All City of La Marque specifications shall apply as if fully repeated and bound herein. Where conflicts between specifications occur, the most restrictive shall govern.

ITEM 1 City of La Marque "Engineering Design Criteria Manual" (dated December 7, 2018, with all Addenda and Amendments).

ITEM 2 Galveston County Engineering Department's "Rules, Regulations and Requirements Relating to the Approval and Acceptance of Improvements in Subdivisions or Resubdivisions" (with all Addenda and Amendments).

Note: Bold specification sections are included in the "City of Houston Standard Specifications for Wastewater Collections Systems, Water Lines, Storm Drainage, and Street Paving" dated 2022 and are incorporated herein by reference as if copied verbatim including any supplementary specification or amendments thereto and related specifications referenced therein unless indicated otherwise in the Drawings or Specifications.

Italicized specification sections are included in the "Harris County Flood Control Standard Specification Book" dated February 2000 and are incorporated herein by reference as if copied verbatim including any supplementary specification or amendments thereto and related specifications referenced therein unless indicated otherwise in the Drawings or Specifications.

Advertisement and Invitation to Bid

The City of La Marque will receive bids for the Citywide Manhole Rehabilitation Competition until 2:00 pm on Wednesday, March 01, 2023 at City of La Marque City Hall, 1111 Bayou Road, La Marque, TX 77568. The bids will be publicly opened and read aloud at 2:15 pm on Wednesday, March 01, 2023 at City of La Marque City Hall, 1111 Bayou Road, La Marque, TX 77568.

Bids are invited for several items and quantities of work as follows:

1. Approximately 420 LF of 6-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
2. Approximately 529 LF of 8-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
3. Approximately 3,979 LF of 15-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
4. Approximately 3,513 LF of 18-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
5. Approximately 17,909 LF of 24-inch sanitary sewer rehabilitation by Cured In Place Piping (CIPP).
6. Rehabilitation of approximately 682 sanitary sewer manholes in various locations within the City.

Bid/Contract Documents, including Drawings and Technical Specifications are on file at City of La Marque, City Hall, 1111 Bayou Road, La Marque, TX 77568.

Copies of the Bid/Contract Documents may be obtained by depositing \$100 with the Engineer, Adico LLC for each set of documents obtained. The deposit will be refunded if the documents and drawings are returned in good condition within 10 days following the bid opening.

A bid bond in the amount of 5 percent of the bid issued by an acceptable surety shall be submitted with each bid [for those contracts that exceed \$100,000]. A certified check or bank draft payable to the City of La Marque or negotiable U.S. Government Bonds (as par value) may be submitted in lieu of the Bid Bond.

Attention is called to the fact that not less than, the federally determined prevailing (Davis-Bacon and Related Acts) wage rate, as issued by the Texas Department of Agriculture Office of Rural Affairs and contained in the contract documents, must be paid on this project. In addition, the successful bidder must ensure that employees and applicants for employment are not discriminated against because of race, color, religion, sex, sexual identity, gender identity, or national origin.

The City of La Marque reserves the right to reject any or all bids or to waive any informalities in the bidding.

Bids may be held by City of La Marque for a period not to exceed 60 days from the date of the bid opening for the purpose of reviewing the bids and investigating the bidder's qualifications prior to the contract award.

City of La Marque (Contracting officer), (title) (date)

All contractors/subcontractors that are debarred, suspended or otherwise excluded from or ineligible for participation on federal assistance programs may not undertake any activity in part or in full under this project.

Instruction to Bidders for Construction

1. Use of Separate Bid Forms

These contract documents include a complete set of bid and contract forms which are for the convenience of the bidders and are not to be detached from the contract document, completed or executed. Separate bid forms are provided for your use.

2. Interpretations or Addenda

No oral interpretations will be made to any bidder. Each request for clarification shall be made in writing to the Grant Recipient or engineer no less than seven (7) days prior to the bid opening. Each interpretation made will be in the form of an Addendum to the contract documents and will be distributed to all parties holding contract documents no less than seven (7) days prior to the bid opening. It is, however, the bidder's responsibility to make inquiry as to any addenda issued. All such addenda shall become part of the contract documents and all bidders shall be bound by such addenda, whether or not received by the bidders.

If an addendum to the bid package is necessary, it must be distributed to each potential bidder. The distribution of an addendum shall be verified either by statements of receipt or registered/certified mail receipts, which shall be included in the public works construction file. The addendum shall allow adequate time for consideration in bid preparation (usually at least one week). If adequate time is not available, the bid opening date must be extended and the Grant Recipient must republish the invitation for bids containing the place, time, and date for the new bid opening. Note that any change to the original bid opening date will require republication of the invitation for bids at least once in a locally published newspaper. The republished notice will include the place, time and date for the new bid opening and must be published at least seven days prior to the new bid opening date.

3. Inspection of Site

Each bidder should visit the site of the proposed work and should become acquainted with the existing conditions and facilities, the difficulties and restrictions pertaining to the performance of the contract. The bidder should thoroughly examine and become familiar with the drawings, technical specifications and all other contract documents. The contractor by the execution of the contract shall in no way be relieved of any obligation under it due to failure to receive or examine any form or legal document or to visit the site or the conditions existing at the site. The City/ County will be justified in rejecting any claim based on lack of inspection of the site prior to the bid.

4. Alternate bid items

No alternate bids or bid items will be considered unless they are specifically requested by the technical specifications.

5. Bids

- a. All bids must be submitted on the forms provided and are subject to all requirements of the Contract Documents, including the Drawings.
- b. All bids must be regular in every respect and no interlineation, excisions or special conditions may be made or included by the bidder.
- c. Bid documents, including but not limited to the bid, the bid bond(s), the contractor's certifications, local opportunity plan, and the statement of the bidder's qualifications, shall be sealed in an envelope and clearly labeled with the words "Bid Documents", the project number, name of bidder and the date and time of bid opening.
- d. The City / County may consider as irregular any bid on which there is an alteration of or departure from the bid form and, at its option, may reject any irregular bid.
- e. If a contract is awarded, it will be awarded to a responsible bidder on the basis of the lowest/best bid and the selected alternate bid items, if any. The contract will require the completion of the work in accordance with the contract documents.

6. Bid Modifications Prior to Bid Opening

- a. Any bidder may modify its bid by submitting a modification or supplemental bid at any time prior to the scheduled closing time for receipt of bids, provided such modification or supplemental bid is received by the locality prior to the closing time. The modification or supplemental bid should not reveal the original bid price but should provide only the addition, subtractions or other modifications to the original bid so that the final prices or terms will not be known by the locality until the sealed bid is open.

7. Bid Bond

- a. A bid bond in the amount of 5% of the bid issued by an acceptable surety shall be submitted with each bid [for contracts greater than \$100,000]. A certified check or bank draft payable to the locality or negotiable U.S. Government Bonds (as par value) may be submitted in lieu of the Bid Bond.
- b. The bid bond or its comparable will be returned to the bidder as soon as practical after the opening of the bids.

8. Statement of Bidders Qualifications

Each bidder shall submit on the form furnished for that purpose a statement of the bidder's qualifications. The Grant Recipient shall have the right to take such steps as it deems necessary to determine the ability of the bidder to perform its obligations under the contract, and the bidder shall furnish the Grant Recipient all such information and data for this purpose as it may request. The right is reserved to reject any bid where an investigation of the available data does not satisfy the Grant Recipient that the bidder is qualified to carry out properly the terms of the contract.

9. Unit Price

The unit price for each of the several items in the bid shall include its pro rata share of overhead so that the sum of the products obtained by multiplying the quantity shown for each item by the unit price bid represents the total bid. Any bid not conforming to this requirement may be rejected as informal. Special attention is drawn to this condition, as the unit prices will be used to determine the amount of any change orders resulting from an increase or decrease in quantities.

10. Corrections

Erasures or other corrections in the bid must be noted over the signature of the bidder.

11. Time for Receiving Bids

Bids received prior to the advertised hour of opening shall be kept securely sealed. The officer appointed to open the bids shall decide when the specified time has arrived and no bid received thereafter will be considered; except that when a bid arrives by mail after the time fixed for opening, but before the reading of all other bids is completed, and it is shown to the satisfaction of the Grant Recipient that the late arrival of the bid was solely due to delay in the mail for which the bidder was not responsible, such bid will be received and considered.

12. Opening of Bids

The City/County shall, at the time and place fixed for the opening of bids, open each bid and publicly read it aloud, irrespective of any irregularities therein. Bidders and other interested individuals may be present.

13. Withdrawal of Bids

Bidder may withdraw the bid before the time fixed for the opening of bids, by communicating its purpose in writing to the Grant Recipient. Upon receipt of such notice, the unopened bid will be returned to the bidder. The bid guaranty of any bidder withdrawing his bid will be returned promptly.

14. Award of Contract/Rejection of Bids

- a. The contract will be awarded to the responsive, responsible Bidder submitting the lowest/best bid. The bidder selected will be notified at the earliest possible date. The locality reserves the right to

reject any or all bids and to waive any informality in bids received where such rejection or waiver is in its interest.

- b. The Grant Recipient reserves the right to consider as unqualified to do the work any bidder who does not habitually perform with his own forces the major portions of the work involved in construction of the improvements embraced in this contract.

15. Execution of Agreement/Performance and Payment Bonds

- a. Performance Bonds - Requires all prime contractors which enter into a formal contract in excess of \$100,000 with the State, a county, or a municipality; a department, board, or agency of the state, a county, or a municipality; and a school district or a subdivision thereof, to obtain a Performance Bond in the amount of the contract before commencing with work
- b. Payment Bonds- Requires all prime contractors which enter into a formal contract with the State, a county, or a municipality; a department, board, or agency of the state, a county, or a municipality; and a school district or a subdivision thereof, to furnish to the governmental entity a payment bond in the amount of the contract. The payment bond must be filed within 30 days from the date of the Notice of Award:
 - o Municipalities: If the contract is in excess of \$50,000, a payment bond is required.
 - o Counties: If the contract is in excess of \$25,000, a payment bond is required.
- c. The failure of the successful bidder to execute the agreement and supply the required bonds within thirty (30) days from the date of the notice of award-or within such extended period as the locality may grant, shall constitute a default and the locality may, at its option, either award the contract to the next lowest responsible bidder, or re-advertise for bids. In either case, the locality may charge against the bidder the difference between the amount of the bid, and the amount for which a contract is subsequently executed irrespective of whether this difference exceeds the amount of the bid bond. If a more favorable bid is received through re-advertisement, the defaulting bidder shall have no claim against the locality for a refund.

16. Wages and Salaries

Attention is particularly called to the requirement of paying not less than the prevailing Davis Bacon Related Acts (DBRA) wage rates specified in the Contract Documents. These rates are minimums to be paid during the life of the contract. It is therefore the responsibility of the Bidder to inform themselves as to local labor conditions.

17. Equal Employment Opportunity

Attention is called to the requirements for ensuring that employees and applicants for employment are not discriminated against because of race, color, religion, sex, sexual identity, gender identity, or national origin, and other civil rights requirements.

18. Certification Regarding Lobbying –

Contractors who apply or bid for an award of \$100,000 or more shall provide the required certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC § 1352.

BID PROPOSAL

CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

ADICO PROJECT NO. 20100-17

HUD MITIGATION COMPETITION (HMID)

SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
SECTION A - GENERAL					
1.	Mobilization/Payment/ Performance Bonds/Permits & Fees	LS	1	\$ _____	\$ _____
				SUBTOTAL SECTION A - GENERAL \$ _____	
SECTION B - DEMOLITION					
2.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform demolition of all existing designated manholes to be rehabilitated, including disposal of all material off site as shown on plans and according to specifications. complete in place.	LS	1.00	\$ _____	\$ _____
				SUBTOTAL SECTION B - DEMOLITION \$ _____	
SECTION C - CIPP SECTION 1					
3.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for repair of existing 24-inch (24") sanitary sewer by Cured In Place Piping (CIPP) method as shown on plans and according to specifications, complete in place. Includes restoration of service laterals.	LF	9,048	\$ _____	\$ _____
4.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for repair of existing 8-inch (8") sanitary sewer by Cured In Place Piping (CIPP) method as shown on plans and according to specifications, complete in place. Includes restoration of service laterals.	LF	529	\$ _____	\$ _____
5.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for repair of existing 6-inch (6") sanitary sewer by Cured In Place Piping (CIPP) method as shown on plans and according to specifications, complete in place. Includes restoration of service laterals.	LF	420	\$ _____	\$ _____
				SUBTOTAL SECTION C - CIPP SECTION 1 \$ _____	
SECTION D - CIPP SECTION 2					
6.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for repair of existing 15-inch (15") sanitary sewer by Cured In Place Piping (CIPP) method as shown on plans and according to specifications, complete in place. Includes restoration of service laterals.	LF	3,568	\$ _____	\$ _____
7.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for repair of existing 24-inch (24") sanitary sewer by Cured In Place Piping (CIPP) method as shown on plans and according to specifications, complete in place. Includes restoration of service laterals.	LF	3,778	\$ _____	\$ _____
				SUBTOTAL SECTION D - CIPP SECTION 2 \$ _____	
SECTION E - CIPP SECTION 3					
8.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for repair of existing 15-inch (15") sanitary sewer by Cured In Place Piping (CIPP) method as shown on plans and according to specifications, complete in place. Includes restoration of service laterals.	LF	411	\$ _____	\$ _____

Bid Sheet Must Be Initialed By Same
Person Who Signs Proposal

Initial _____

BID PROPOSAL

CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

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SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
9.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for repair of existing 18-inch (18") sanitary sewer by Cured In Place Piping (CIPP) method as shown on plans and according to specifications, complete in place. Includes restoration of service laterals.	LF	3513	\$_____	\$_____
10.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for repair of existing 24-inch (24") sanitary sewer by Cured In Place Piping (CIPP) method as shown on plans and according to specifications, complete in place. Includes restoration of service laterals.	LF	5,083	\$_____	\$_____
SUBTOTAL SECTION E - CIPP SECTION 3					\$_____
SECTION F - MANHOLE REHABILITATION AREA 3					
11.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	261	\$_____	\$_____
12.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	73	\$_____	\$_____
13.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install sealed manhole lid including inflow protector and vent as shown on plans and according to specifications, complete in place. (Manholes Located In Flood Plain)	EA	6	\$_____	\$_____
14.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	10	\$_____	\$_____
15.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	40	\$_____	\$_____
16.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place.(Extra Depth greater than 8')	VF	95	\$_____	\$_____
SUBTOTAL SECTION F - MANHOLE REHABILITATION AREA 3					\$_____
SECTION G - MANHOLE REHABILITATION AREA 6					
17.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	5	\$_____	\$_____

Bid Sheet Must Be Initialed By Same
Person Who Signs Proposal

Initial _____

BID PROPOSAL

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SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
18.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	64	\$ _____	\$ _____
19.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install sealed manhole lid including inflow protector and vent as shown on plans and according to specifications, complete in place. (Manholes Located In Flood Plain)	EA	7	\$ _____	\$ _____
20.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	18	\$ _____	\$ _____
21.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	70	\$ _____	\$ _____
22.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	173	\$ _____	\$ _____
SUBTOTAL SECTION G - MANHOLE REHABILITATION AREA 6					\$ _____
SECTION H - MANHOLE REHABILITATION AREA 7					
23.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	123	\$ _____	\$ _____
24.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	49	\$ _____	\$ _____
25.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	19	\$ _____	\$ _____
26.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	28	\$ _____	\$ _____
27.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	108	\$ _____	\$ _____
SUBTOTAL SECTION H - MANHOLE REHABILITATION AREA 7					\$ _____
				Bid Sheet Must Be Initialed By Same Person Who Signs Proposal	
				Initial _____	
3					

BID PROPOSAL

CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

ADICO PROJECT NO. 20100-17

HUD MITIGATION COMPETITION (HMID)

SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
SECTION I - MANHOLE REHABILITATION AREA 8					
28.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	205	\$ _____	\$ _____
29.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	66	\$ _____	\$ _____
30.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	28	\$ _____	\$ _____
31.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	25	\$ _____	\$ _____
32.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	107	\$ _____	\$ _____
SUBTOTAL SECTION I - MANHOLE REHABILITATION AREA 8					\$ _____
SECTION J - MANHOLE REHABILITATION AREA 9					
33.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	226	\$ _____	\$ _____
34.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes NOT Located In Flood Plain)	EA	51	\$ _____	\$ _____
35.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install sealed manhole lid including inflow protector and vent as shown on plans and according to specifications, complete in place. (Manholes Located In Flood Plain)	EA	1	\$ _____	\$ _____
36.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	28	\$ _____	\$ _____
37.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	19	\$ _____	\$ _____

Bid Sheet Must Be Initialed By Same
Person Who Signs Proposal
Initial _____

BID PROPOSAL

CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

ADICO PROJECT NO. 20100-17

HUD MITIGATION COMPETITION (HMID)

SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
38.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	97	\$ _____	\$ _____
SUBTOTAL SECTION J - MANHOLE REHABILITATION AREA 9 \$ _____					
SECTION K - MANHOLE REHABILITATION AREA 10					
39.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	186	\$ _____	\$ _____
40.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	55	\$ _____	\$ _____
41.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	11	\$ _____	\$ _____
42.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	26	\$ _____	\$ _____
43.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	116	\$ _____	\$ _____
SUBTOTAL SECTION K - MANHOLE REHABILITATION AREA 10 \$ _____					
SECTION L - MANHOLE REHABILITATION AREA 11					
44.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	228	\$ _____	\$ _____
45.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	42	\$ _____	\$ _____
46.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install sealed manhole lid including inflow protector and vent as shown on plans and according to specifications, complete in place. (Manholes Located In Flood Plain)	EA	20	\$ _____	\$ _____

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BID PROPOSAL

CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

ADICO PROJECT NO. 20100-17

HUD MITIGATION COMPETITION (HMID)

SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
47.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	19	\$_____	\$_____
48.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	17	\$_____	\$_____
49.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	101	\$_____	\$_____
SUBTOTAL SECTION L - MANHOLE REHABILITATION AREA 11					\$_____
SECTION M - MANHOLE REHABILITATION AREA 12					
50.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	277	\$_____	\$_____
51.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	46	\$_____	\$_____
52.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install sealed manhole lid including inflow protector and vent as shown on plans and according to specifications, complete in place. (Manholes Located In Flood Plain)	EA	29	\$_____	\$_____
53.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	19	\$_____	\$_____
54.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	37	\$_____	\$_____
55.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	191	\$_____	\$_____
SUBTOTAL SECTION M - MANHOLE REHABILITATION AREA 12					\$_____
SECTION N - MISCELLANEOUS ITEMS					
56.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to provide traffic control according to specifications, complete in place. Includes removal after completion of work.	LS	1	\$_____	\$_____

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CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

ADICO PROJECT NO. 20100-17

HUD MITIGATION COMPETITION (HMID)

SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
57.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to hydromulch areas disturbed by construction activities according to specifications, complete in place. Includes removal after completion of work.	AC	2.5	\$ _____	\$ _____
SUBTOTAL SECTION N- MISCELLANEOUS ITEMS					\$ _____
SECTION O - SUPPLEMENTAL ITEMS					
58.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 6" sanitary sewer by open cut construction according to specifications, complete in place.	LF	200	\$ _____	\$ _____
59.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 8" sanitary sewer by open cut construction according to specifications, complete in place.	LF	200	\$ _____	\$ _____
60.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 15" sanitary sewer by open cut construction according to specifications, complete in place.	LF	1500	\$ _____	\$ _____
61.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 18" sanitary sewer by open cut construction according to specifications, complete in place.	LF	1500	\$ _____	\$ _____
62.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 24" sanitary sewer by open cut construction according to specifications, complete in place.	LF	2500	\$ _____	\$ _____
SUBTOTAL SECTION O - SUPPLEMENTAL ITEMS					\$ _____
SECTION P - EXTRA ITEMS					
63.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	30	\$ _____ \$3500 Min.	\$ _____
64.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	500	\$ _____ \$100 Min.	\$ _____
65.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	30	\$ _____ \$1500 Min.	\$ _____
66.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for manhole lining/coating as shown on plans and according to specifications, complete in place.	VF	500	\$ _____ \$50 Min.	\$ _____

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BID PROPOSAL

CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

ADICO PROJECT NO. 20100-17

HUD MITIGATION COMPETITION (HMID)

SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
67.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	10	\$_____	\$_____
				\$500 Min.	
SUBTOTAL SECTION P - EXTRA ITEMS					\$_____
TOTAL BASE BID					\$_____
ALTERNATE 1 - MANHOLE REHABILITATION AREA 1					
A1.1	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	203	\$_____	\$_____
A1.2	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	34	\$_____	\$_____
A1.3	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	3	\$_____	\$_____
A1.4	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	12	\$_____	\$_____
A1.5	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	80	\$_____	\$_____
SUBTOTAL ALTERNATE 1 - MANHOLE REHABILITATION AREA 1					\$_____
ALTERNATE 2 - MANHOLE REHABILITATION AREA 2					
A2.1	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	153	\$_____	\$_____
A2.2	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	33	\$_____	\$_____
A2.3	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	2	\$_____	\$_____

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BID PROPOSAL

CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

ADICO PROJECT NO. 20100-17

HUD MITIGATION COMPETITION (HMID)

SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
A2.4	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	22	\$_____	\$_____
A2.5	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	133	\$_____	\$_____
SUBTOTAL ALTERNATE 2 MANHOLE REHABILITATION AREA 2					\$_____
<u>ALTERNATE 3 - MANHOLE REHABILITATION AREA 4</u>					
A3.1	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	46	\$_____	\$_____
A3.2	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	52	\$_____	\$_____
A3.3	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	48	\$_____	\$_____
A3.4	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	123	\$_____	\$_____
SUBTOTAL ALTERNATE 3 - MANHOLE REHABILITATION AREA 4					\$_____
<u>ALTERNATE 4 - MANHOLE REHABILITATION AREA 5</u>					
A4.1	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for cementitious lining of manhole interior surface as shown on plans and according to specifications, complete in place.	VF	45	\$_____	\$_____
A4.2	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install manhole lid including inflow protector as shown on plans and according to specifications, complete in place. Includes reconstruction of cone and adjustment to grade as required. (Manholes Not Located In Flood Plain)	EA	14	\$_____	\$_____
A4.3	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install sealed manhole lid including inflow protector and vent as shown on plans and according to specifications, complete in place. (Manholes Located In Flood Plain)	EA	40	\$_____	\$_____

BID PROPOSAL

CITYWIDE SANITARY SEWER INFLOW & INFILTRATION REDUCTION PROJECT

ADICO PROJECT NO. 20100-17

HUD MITIGATION COMPETITION (HMID)

SDBG-MIT CONTRACT NO. 22-083-003-D208

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
A4.4	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform full depth saw cut, remove pavement and replace with 4' x 4' square reinforced concrete pavement for pavement rehabilitation as shown on plans and according to specifications, complete in place.	EA	19	\$ _____	\$ _____
A4.5	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (0'-8')	EA	49	\$ _____	\$ _____
A4.6	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to replace manhole, includes interior surface liner, resilient pipe connector and inflow protector as shown on plans and according to specifications, complete in place. (Extra Depth greater than 8')	VF	167	\$ _____	\$ _____
SUBTOTAL ALTERNATE 4 - MANHOLE REHABILITATION AREA 5					\$ _____

ALTERNATE 5 - CONSHIELD MANHOLE PROTECTION

A5.1	ADD or DEDUCT to provide all supervision, labor, materials, tools, equipment, incidentals and related items for manhole lining with ConShield in lieu of Cementitious Liner as shown on plans and according to specifications, complete in place.	LS	1	\$ _____	\$ _____
A5.2	ADD or DEDUCT to provide all supervision, labor, materials, tools, equipment, incidentals and related items for precast Conshield Corrosion Resistant manholes in lieu of Concrete manhole lined with Cementitious Liner as shown on plans and according to specifications, complete in place.	LS	1	\$ _____	\$ _____

SUBTOTAL ALTERNATE 5 - CONSHIELD MANHOLE PROTECTION \$ _____

Bid Phase:		
City Council Authorization For Bidding	January 23, 2023	17
1 st Advertisement	February 8, 2023	7
2 nd Advertisement	February 15, 2023	12
Pre-Bid	February 27, 2023	21
Last Date For Questions	March 20, 2023	7
Last Date for Addendums	March 27, 2023	4
Bid Date – Receiving Sealed Proposals (2:45pm)	March 31, 2023	14
Recommendation to City Council	April 10, 2023	14
City Council Approval	April 24, 2023	

From: Brent Berthier
To: Dinh Ho; Rick Sailer
Cc: Anthony Gonzales
Subject: 20100-17 Manhole Assessment & Rehabilitation - Schedule
Date: Tuesday, January 10, 2023 12:05:13 PM
Attachments: image002.png
1. Advertisement and Invitation to Bid.docx

[External Email] This message originated from outside your organization.

See revised schedule below for January 23, 2023 Approval for Bidding. Advertisement attached for review.

ACTIVITY	End Date	Calendar
		Days
Bid Phase:		
City Council Authorization For Bidding	January 23, 2023	9
1 st Advertisement	February 1, 2023	7
2 nd Advertisement	February 8, 2023	12
Pre-Bid	February 20, 2023	21
Bid Date – Receiving Sealed Proposals	March 13, 2023	14
Recommendation to City Council	March 27, 2023	14
City Council Approval	April 10, 2023	

Kind Regards,

Brent Berthier, P.E.
Senior Project Manager
Adico Consulting Engineers
2114 El Dorado Blvd., Suite 400
Friendswood, TX 77546
832.895.1093 (O) 713.398.7799 (C)
Email: brent@adico-llc.com



CONSTRUCTION CONTRACT

THIS AGREEMENT made this the _____ day of _____, _____, by and between _____ (a corporation organized and existing under the laws of the State of _____) (a partnership consisting of _____) (an individual trading as _____) [Note 1] hereinafter called the "Contractor", and _____ hereinafter called the "City/County."

WITNESSETH, that the Contractor and the City/County for the considerations stated herein mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment and services, including utility and transportation services, and perform and complete all work required for the construction of the Improvements embraced in the Project; namely, _____ [Note 2] for the _____ Texas Community Development Block Grant (TxCDBG) project, all in strict accordance with the contract documents including all addenda thereto, numbered _____, dated _____ and _____, all as prepared by _____ acting and in these contract documents preparation, referred to as the "**Engineer**".

Special Notes:

Note 1. Strike out the terms not applicable.

Note 2. Identify the principal items of Contract such as grading, paving, water mains, sewer lines, treatment facilities, etc.

ARTICLE 2. The Contract Price. The City/County will pay the Contractor for the performance of the Contract in current funds, for the total quantities of work performed at the *unit prices* stipulated in the Bid for the several respective items of work completed subject to additions and deductions as provided in _____ hereof.

ARTICLE 3. The Contract. The executed contract documents shall consist of the following components:

- | | |
|------------------------------|--|
| a. This Agreement (pgs. 1-3) | f. General Conditions, Part I |
| b. Addenda | g. Special Conditions |
| c. Invitation for Bids | h. Technical Specifications |
| d. Instructions to Bidders | i. Drawings (<i>as listed in the Schedule of Drawings</i>) |
| e. Signed Copy of Bid | j. [Add any applicable documents] |

ARTICLE 4. Performance. Work, in accordance with the Contract dated _____, _____, shall commence on or before _____, _____, and Contractor shall complete the WORK within _____ consecutive calendar days thereafter. The date of completion of all WORK is therefore _____, _____.

This Agreement, together with other documents enumerated in this ARTICLE 3, which said other documents are as fully a part of the Contract as if hereto attached or herein repeated, forms the Contract between the parties hereto. In the event that any provision in any component part of this Contract conflicts with any provision of any other component part, the provision of the component part first enumerated in this ARTICLE 3 shall govern, except as otherwise specifically stated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in triplicate (Note 3) original copies on the day and year first above written. (Note 3)

(The Contractor)

By _____ [Note 4]

Title _____

(City/County)

By _____

Title _____

Special Notes:

Note 3. The number of copies to be executed by the parties should be stated in the agreement in the space provided. Such additional signed copies shall be prepared as may be required by the surety companies and others.

Note 4. Supply a description of the Contractor (e.g., proprietorship, partnership, and corporation).

Corporate Certifications

I, _____, certify that I am the _____ of the corporation named as Contractor herein; that _____, who signed this Agreement on behalf of the Contractor, was then _____ of said corporation; that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Corporate
Seal

(Corporate Secretary)

GENERAL CONDITIONS - PART I FOR CONSTRUCTION

1. Contract and Contract Documents

- a. The project to be constructed pursuant to this contract will be financed with assistance from the General Land Office (GLO) through the Community Development Block Grant – Mitigation (CDBG-MIT) fund and is subject to all applicable Federal and State laws and regulations.
- b. The Plans, Specifications and Addenda shall form part of this contract and the provisions thereof shall be binding upon the parties as if they were herein fully set forth.

2. Definitions

Whenever used in any of the Contract Documents, the following meanings shall be given to the terms here in defined:

- (a) The term "Contract" means the Contract executed between the (Name of City/County), hereinafter called the "City/County" and (Name of Construction Co.), hereinafter called "Contractor", of which these GENERAL CONDITIONS, form a part.
- (b) The term "Project Area" means the area within the specified Contract limits of the Improvements contemplated to be constructed in whole or in part under this contract.
- (c) The term "Engineer" means (name of engineering firm), Engineer in charge, serving the City/County with architectural or engineering services, his successor, or any other person or persons, employed by the City/County for the purpose of directing or having in charge the work embraced in this Contract.
- (d) The term "Contract Documents" means and shall include the following: Executed Contract, Addenda (if any), Invitation for Bids, Instructions to Bidders, Signed Copy of Bid, General Conditions, Special Conditions, Technical Specifications, and Drawings (as listed in the Schedule of Drawings).

3. Supervision By Contractor

- (a) Except where the Contractor is an individual and personally supervises the work, the Contractor shall provide a competent superintendent, satisfactory to the Engineer, on the work at all times during working hours with full authority to act as Contractor's agent. The Contractor shall also provide adequate staff for the proper coordination and expediting of his work.
- (b) The Contractor shall be responsible for all work executed under the Contract. Contractor shall verify all figures and elevations before proceeding with the work and will be held responsible for any error resulting from his failure to do so.

4. Subcontracts

- (a) The Contractor shall not execute an agreement with any subcontractor or permit any subcontractor to perform any work included in this contract until Contractor has verified the subcontractor has been cleared (not suspended or debarred) to participate in federally funded contracts.
- (b) No proposed subcontractor shall be disapproved by the City/County except for cause.
- (c) The Contractor shall be as fully responsible to the City/County for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them.
- (d) The Contractor shall cause appropriate provisions to be inserted in all subcontracts relative to the work and required compliance by each subcontractor with the applicable provisions of the Contract.
- (e) Nothing contained in the Contract shall create any contractual relation between any subcontractor and the City/County.
- (f) Contractors are encouraged to subcontract with Minority Business Enterprises, Small Business Enterprises, Women Business Enterprises, and labor surplus area firms.

5. Fitting and Coordination of Work

The Contractor shall be responsible for the proper fitting of all work and for the coordination of the operations of all trades, subcontractors, or material suppliers engaged upon this Contract.

6. Payments to Contractor

(a) Partial Payments

- 1) The Contractor shall prepare the requisition for partial payment as of the last day of the month and submit it, with the required number of copies, to the Engineer for approval. The amount of the payment due the Contractor shall be determined by adding to the total value of work completed to date, the value of materials properly stored on the site and deducting (1) ten percent (10%) of the total amount, to be retained until final payment, and (2) the amount of all previous payments. The total value of work completed to date shall be based on the estimated quantities of work completed and on the unit prices contained in the agreement. The value of materials properly stored on the site shall be based upon the estimated quantities of such materials and the invoice prices. Copies of all invoices shall be available for inspection of the Engineer.
- 2) Monthly or partial payments made by the City/County to the Contractor are advanced for the purpose of assisting the contractor to expedite the work of construction. The Contractor shall be responsible for the care and protection of all materials and work upon which payments have been made until final acceptance of such work and materials by the City/County. Such payments shall

not constitute a waiver of the right of the City/County to require the fulfillment of all terms of the Contract and the delivery of all improvements embraced in this Contract complete and satisfactory to the City/County in all details.

(b) Final Payment

- 1) After final inspection and the acceptance by the City/County of all work under the Contract, the Contractor shall prepare the requisition for final payment which shall be based upon the careful inspection of each item of work at the applicable unit prices stipulated in the Contract. The total amount of the final payment due the Contractor under this Contract shall be the amount computed as described above less all previous payments.
- 2) Before paying the final estimate, City/County shall require the Contractor to furnish releases or receipts from all subcontractors having performed any work and all persons having supplied materials, equipment (installed on the Project) and services to the Contractor. The City/County may make payment in part or in full to the Contractor without requiring the furnishing of such releases or receipts and any payments made shall in no way impair the obligations of any surety or sureties furnished under this Contract.
- 3) Any amount due the City/County under Liquidated Damages, shall be deducted from the final payment due the contractor.

(c) Payments Subject to Submission of Certificates

Each payment to the Contractor by the City/County shall be made subject to submission by the Contractor of all written certifications required of it and its subcontractors.

(d) Withholding Payments

The City/County may withhold any payment due the Contractor as deemed necessary to protect the City/County, and if so elects, may also withhold any amounts due from the Contractor to any subcontractors or material dealers, for work performed or material furnished by them. The foregoing provisions shall be construed solely for the benefit of the City/County and will not require the City/County to determine or adjust any claims or disputes between the Contractor and its subcontractors or material dealers, or to withhold any moneys for their protection unless the City/County elects to do so. The failure or refusal of the City/County to withhold any moneys from the Contractor shall in no way impair the obligations of any surety or sureties under any bond or bonds furnished under this Contract.

7. Changes in the Work

- (a) The City/County may make changes in the scope of work required to be performed by the Contractor under the Contract without relieving or releasing the Contractor from any obligations under the Contract or any guarantee given pursuant to the Contract provisions, and without affecting the validity of the guaranty bonds, and without relieving or releasing the surety or sureties of said bonds. All such work shall be executed under the terms of the original Contract unless it is expressly provided otherwise. Additionally, all such change orders must be approved by CDBG-MIT prior to execution of same.

- (b) Except for the purpose of affording protection against any emergency endangering health, life, limb or property, the Contractor shall make no change in the materials used or in the specified manner of constructing and/or installing the improvements or supply additional labor, services or materials beyond that actually required for the execution of the Contract, unless in pursuance of a written order from the City/County authorizing the Contractor to proceed with the change. No claim for an adjustment of the Contract Price will be valid unless so ordered.
- (c) If applicable unit prices are contained in the Contract, the City/County may order the Contractor to proceed with desired unit prices specified in the Contract; provided that in case of a unit price contract the net value of all changes does not increase the original total amount of the agreement by more than twenty-five percent (25%) or decrease the original total amount by more than twenty-five percent (25%) for municipalities and eighteen percent (18%) for counties without the written consent of the contractor. [Texas Local Government Code Section 252.048(d) and Section 262.031(b)]
- (d) Each change order shall include in its final form:
 - 1) A detailed description of the change in the work.
 - 2) The Contractor's proposal (if any) or a confirmed copy thereof.
 - 3) A definite statement as to the resulting change in the contract price and/or time.
 - 4) The statement that all work involved in the change shall be performed in accordance with contract requirements except as modified by the change order.
 - 5) The procedures as outlined in this Section for a unit price contract also apply in any lump sum contract.

8. Claims for Extra Cost

- (a) If the Contractor claims that any instructions by Drawings or otherwise involve extra cost or extension of time, he shall, within ten days after the receipt of such instructions, and in any event before proceeding to execute the work, submit his protest thereto in writing to the City/County, stating clearly and in detail the basis of his objections. No such claim will be considered unless so made.
- (b) Claims for additional compensation for extra work, due to alleged errors in ground elevations, contour lines, or bench marks, will not be recognized unless accompanied by certified survey data, made prior to the time the original ground was disturbed, clearly showing that errors exist which resulted, or would result, in handling more material, or performing more work, than would be reasonably estimated from the Drawings and maps issued.
- (c) Any discrepancies which may be discovered between actual conditions and those represented by the Drawings and maps shall be reported at once to the City/County and work shall not proceed except at the Contractor's risk, until written instructions have been received from the City/County.

- (d) If, on the basis of the available evidence, the City/County determines that an adjustment of the Contract Price and/or time is justifiable, a change order shall be executed.

9. Termination, Delays, and Liquidated Damages

Right of the City/County to Terminate Contract for Convenience

City/County may at any time and for any reason terminate Contractor's services and work at City/County's convenience upon providing written notice to the Contractor specifying the extent of termination and the effective date. Upon receipt of such notice, Contractor shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement.

Upon such termination, Contractor shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement plus (2) such other costs actually incurred by Contractor as are permitted by the prime contract and approved by City/County. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Contractor prior to the date of the termination of this Agreement. Contractor shall not be entitled to any claim or claim of lien against City/County for any additional compensation or damages in the event of such termination and payment.

Right of the City/County to Terminate Contract for Cause

If the Contractor fails to fulfill in a timely and proper manner its obligations under this Agreement, or if the Contractor violates any of the covenants, conditions, agreements, or stipulations of this Agreement, the City/County shall have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, which shall be at least five days before the effective date of such termination. In the event of termination for cause, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor pursuant to this Agreement shall, at the option of the City/County, be turned over to the City / County and become the property of the City / County. In the event of termination for cause, the Contractor shall be entitled to receive reasonable compensation for any necessary services actually and satisfactorily performed prior to the date of termination.

Notwithstanding the above, the Contractor shall not be relieved of liability to the City/County for damages sustained by the City/County by virtue of any breach of contract by the Contractor, and the City/County may set-off the damages it incurred as a result of the Contractor's breach of contract from any amounts it might otherwise owe the Contractor. 2 CFR 200 APPENDIX II(B)

(a) Liquidated Damages for Delays.

If the work is not completed within the time stipulated in the applicable bid for Lump Sum or Unit Price Contract provided, the Contractor shall pay to the City/County as fixed, agreed, and liquidated damages (it being impossible to determine the actual damages occasioned by the delay) the amount of _____ for each calendar day of delay, until the work is completed. The Contractor and Contractor's sureties shall be liable to the City/County for the amount thereof.

(b) Excusable Delays.

- 1) The right of the Contractor to proceed shall not be terminated nor shall the Contractor be charged with liquidated damages for any delays in the completion of the work due to:
- 2) Any acts of the Government, including controls or restrictions upon or requisitioning of materials, equipment, tools, or labor by reason of war, national defense, or any other national emergency;
- 3) Any acts of the City/County;
- 4) Causes not reasonably foreseeable by the parties to this Contract at the time of execution which are beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God, terrorism, war, acts of another Contractor in the performance of some other contract with the City/County, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, and weather of unusual severity such as hurricanes, tornadoes, cyclones and other extreme weather conditions.
- 5) Provided, however, that the Contractor promptly notifies the City/County within ten (10) days in writing of the cause of the delay. Upon receipt of such notification, the City/County shall ascertain the facts and the cause and extent of delay. If, upon the basis of the facts and the terms of this contract, the delay is properly excusable, the City/County shall extend the time for completing the work for a period of time commensurate with the period of excusable delay.

10. Assignment or Novation

The Contractor shall not assign nor transfer, whether by assignment or novation, any of its rights, duties, benefits, obligations, liabilities, or responsibilities under this Contract without the written consent of the City/County. No assignment or novation of this Contract shall be valid unless the assignment or novation expressly provides that the assignment of any of the Contractor's rights or benefits under the Contract is subject to a prior lien for labor performed, services rendered, and materials, tools, and equipment supplied for the performance of the work under this Contract in favor of all persons, Contractors, or corporations rendering such labor or services or supplying such materials, tools, or equipment.

11. Technical Specifications and Drawings

Anything mentioned in the Technical Specifications and not shown on the Drawings or vice versa, shall be of like effect as if shown on or mentioned in both. In case of difference between Drawings and Technical Specifications, the Technical Specifications shall govern. In case of any discrepancy in Drawings, or Technical Specifications, the matter shall be immediately submitted to the City/County for review. Contractor shall be liable for any issues or expenses in the event the discrepancy is not submitted to the City/County.

12. Shop Drawings

- (a) All required shop drawings, machinery details, layout drawings, etc. shall be submitted to the Engineer in _____ copies for approval sufficiently in advance of requirements to afford ample time for checking, including time for correcting, resubmitting and rechecking if necessary. The Contractor may proceed, only at Contractor's own risk, with manufacture or installation of any equipment or work covered by said shop drawings, etc. until they are approved and no claim, by the Contractor, for extension of the contract time shall be granted by reason of his failure in this respect.
- (b) Any drawings submitted without the Contractor's stamp of approval will not be considered and will be returned to him for proper resubmission. If any drawings show variations from the requirements of the Contract because of standard shop practice or other reason, the Contractor shall make specific mention of such variation in his letter of transmittal in order that, if acceptable, suitable action may be taken for proper adjustment of contract price and/or time, otherwise the Contractor will not be relieved of the responsibility for executing the work in accordance with the Contract even though the drawings have been approved.
- (c) If a shop drawing is in accordance with the contract or involves only minor adjustment in the interest of the City/County not involving a change in contract price or time, the engineer may approve the drawing. The approval shall not relieve the Contractor from responsibility to adhere to the contract or for any error in the drawing.

13. Requests for Supplementary Information

It shall be the responsibility of the Contractor to make timely requests of the City/County for any additional information which should be furnished by the City/County under the terms of this Contract, and which is required in the planning and execution of the work. Such requests may be submitted from time to time as the need approaches, but each shall be filed in ample time to permit appropriate action to be taken by all parties involved so as to avoid delay. Each request shall be in writing, and list the various items and the latest date by which each will be required by the Contractor. The first list shall be submitted within two weeks after Contract award and shall be as complete as possible at that time. The Contractor shall, if requested, furnish promptly any assistance and information the Engineer may require in responding to these requests of the Contractor. The Contractor shall be fully responsible for any delay in his work or to others arising from his failure to comply fully with the provision of this section.

14. Materials and Workmanship

- (a) Unless otherwise specifically provided for in the technical specifications, all workmanship, equipment, materials and articles incorporated in the work shall be new and the best grade of the respective kinds for the purpose. Where equipment, materials, articles or workmanship are referred to in the technical specifications as "equal to" any particular standard, the Engineer shall decide the question of equality.
- (b) The Contractor shall furnish to the City/County for approval the manufacturer's detailed specifications for all machinery, mechanical and other special equipment, which he contemplates installing together with full information as to type, performance characteristics, and all other pertinent information as required, and shall likewise submit for approval full information concerning all other materials or articles which he proposes to incorporate.
- (c) Machinery, mechanical and other equipment, materials or articles installed or used without such prior approval shall be at the risk of subsequent rejection.

- (d) Materials specified by reference to the number or symbol of a specific standard, shall comply with requirements in the latest revision thereof and any amendment or supplement thereto in effect on the date of the Invitation for Bids, except as limited to type, class or grade, or modified in the technical specifications shall have full force and effect as though printed therein.
- (e) The City/County may require the Contractor to dismiss from the work such employee or employees as the City/County or the Engineer may deem unqualified.

15. Samples, Certificates and Tests

- (a) The Contractor shall submit all material or equipment samples, certificates, affidavits, etc., as called for in the contract documents or required by the Engineer, promptly after award of the contract and acceptance of the Contractor's bond. No such material or equipment shall be manufactured or delivered to the site, except at the Contractor's own risk, until the required samples or certificates have been approved in writing by the Engineer. Any delay in the work caused by late or improper submission of samples or certificates for approval shall not be considered just cause for an extension of the contract time.
- (b) Each sample submitted by the Contractor shall carry a label giving the name of the Contractor, the project for which it is intended, and the name of the producer. The accompanying certificate or letter from the Contractor shall state that the sample complies with contract requirements, shall give the name and brand of the product, its place of origin, the name and address of the producer and all specifications or other detailed information which will assist the Engineer in making a prompt decision regarding the acceptability of the sample. It shall also include the statement that all materials or equipment furnished for use in the project will comply with the samples and/or certified statements.
- (c) Approval of any materials shall be general only and shall not constitute a waiver of the City/County's right to demand full compliance with Contract requirements. After actual deliveries, the Engineer will have such check tests made as he deems necessary in each instance and may reject materials and equipment and accessories for cause, even though such materials and articles have been given general approval. If materials, equipment or accessories which fail to meet check tests have been incorporated in the work, the Engineer will have the right to cause their removal and replacement by proper materials or to demand and secure such reparation by the Contractor as is equitable.
- (d) Except as otherwise specifically stated in the Contract, the costs of sampling and testing will be divided as follows:
 - 1) The Contractor shall furnish without extra cost, including packing and delivery charges, all samples required for testing purposes, except those samples taken on the project by the Engineer;
 - 2) The Contractor shall assume all costs of re-testing materials which fail to meet contract requirements;
 - 3) The Contractor shall assume all costs of testing materials offered in substitution for those found deficient;

- 4) The City/County will pay all other expenses.

16. Permits and Codes

- (a) The Contractor shall give all notices required by and comply with all applicable federal and state laws, ordinances, and codes of the Local Government. All construction work and/or utility installations shall comply with all applicable ordinances, and codes including all written waivers. Before installing any work, the Contractor shall examine the drawings and technical specifications for compliance with applicable ordinances and codes and shall immediately report any discrepancy to the City/County. Where the requirements of the drawings and technical specifications fail to comply with such applicable ordinances or codes, the City/County will adjust the Contract by Change Order to conform to such ordinances or codes (unless waivers in writing covering the difference have been granted by the governing body or department) and make appropriate adjustment in the Contract Price or stipulated unit prices.
- (b) Should the Contractor fail to observe the foregoing provisions and proceed with the construction and/or install any utility at variance with any applicable ordinance or code, including any written waivers (notwithstanding the fact that such installation is in compliance with the drawings and technical specifications), the Contractor shall remove such work without cost to the City/County.
- (c) The Contractor shall at his own expense, secure and pay for all permits for street pavement, sidewalks, shed, removal of abandoned water taps, sealing of house connection drains, pavement cuts, buildings, electrical, plumbing, water, gas and sewer permits required by the local regulatory body or any of its agencies.
- (d) The Contractor shall comply with applicable local laws and ordinances governing the disposal of surplus excavation, materials, debris and rubbish on or off the Project Area and commit no trespass on any public or private property in any operation due to or connected with the Improvements contained in this Contract.
- (e) The Contractor will be required to make arrangements for and pay the water, electrical power, or any other utilities required during construction.
- (f) During construction of this project, the Contractor shall use every means possible to control the amount of dust created by construction. Prior to the close of a day's work, the Contractor, if directed by the City/County, shall moisten the surrounding area to prevent a dusty condition.

17. Care of Work

- (a) The Contractor shall be responsible for all damages to person or property that occur as a result of its fault or negligence in connection with the prosecution of the work and shall be responsible for the proper care and protection of all materials delivered and work performed until completion and final acceptance.
- (b) The Contractor shall provide sufficient competent watchmen, both day and night, including Saturdays, Sundays, and holidays, from the time the work is commenced until final completion and acceptance.

- (c) In an emergency affecting the safety of life, limb or property, including adjoining property, the Contractor, without special instructions or authorization from the City/County is authorized to act to prevent such threatened loss or injury. Contractor shall follow all instructions of City/County.
- (d) The Contractor shall avoid damage as a result of his operations to existing sidewalks, streets, curbs, pavements, utilities (except those which are to be replaced or removed), adjoining property, etc., and shall be responsible for completely repairing any damage thereto caused by the operations.
- (e) The Contractor shall shore up, brace, underpin, secure, and protect as maybe necessary, all foundations and other parts of existing structures adjacent to, adjoining, and in the vicinity of the site, which may be in any way affected by the excavations or other operations connected with the construction of the improvements included in this Contract. The Contractor shall be responsible for the giving of any and all required notices to any adjoining or adjacent property owner or other party before the commencement of any work. The Contractor shall indemnify and save harmless the City/County from any damages on account of settlements or the loss of lateral support of adjoining property and from all loss or expense and all damages for which the City/County may become liable in consequence of such injury or damage to adjoining and adjacent structures and their premises.

18. Accident Prevention

- (a) No laborer or mechanic employed in the performance of this Contract shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health or safety as determined under construction safety and health standards promulgated by the Department of Labor.
- (b) The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the site, which occur as a result of his prosecution of the work.
- (c) The Contractor shall maintain an accurate record of all cases of death, occupational disease, or injury requiring medical attention or causing loss of time from work, arising out of and in the course of employment on work under the Contract. The Contractor shall promptly furnish the City/County with reports concerning these matters.
- (d) The Contractor shall indemnify and hold harmless the City/County from any claims for damages resulting from property damage, personal injury and/or death suffered or alleged to have been suffered by any person as a result of any work conducted under this contract.
- (e) The Contractor shall provide trench safety for all excavations more than five feet deep prior to excavation. All OSHA Standards for trench safety must be adhered to by the Contractor.
- (f) The contractor shall at all times conduct work in such a manner as to ensure the least possible inconvenience to vehicular and pedestrian traffic. At the close of the work each day, all streets where possible in the opinion of the City/County, shall be opened to the public in order that persons living in the area may have access to their homes or businesses by the use of the streets. Barricades, warning signs, and necessary lighting shall be provided to the satisfaction of the City/County at the expense of the Contractor.

19. Sanitary Facilities

The Contractor shall furnish, install and maintain ample sanitary facilities for laborers. As the needs arise, a sufficient number of enclosed temporary toilets shall be conveniently placed as required. Drinking water shall be provided from an approved source, so piped or transported as to keep it safe and fresh and served from single service containers or satisfactory types of sanitary drinking stands or fountains. All such facilities and services shall be furnished in strict accordance with existing and governing health regulations.

20. Use of Premises

- (a) The Contractor shall confine equipment, storage of materials, and construction operations to the contract limits as shown on the drawings and as prescribed by ordinances or permits, or as may be desired by the City/County, and shall not unreasonably encumber the site or public rights of way with materials and construction equipment.
- (b) The Contractor shall comply with all reasonable instructions of the City/County and all existing federal, state and local regulations regarding signs, advertising, traffic, fires, explosives, danger signals, and barricades.

21. Removal of Debris, Cleaning, Etc.

The Contractor shall, periodically or as directed during the progress of the work, remove and legally dispose of all surplus excavated material and debris, and keep the Project Area and public rights of way reasonably clear. Upon completion of the work, he shall remove all temporary construction facilities, debris and unused materials provided for work, and put the whole site of the work and public rights of way in a neat and clean condition.

22. Inspection

- (a) All materials and workmanship shall be subject to inspection, examination, or test by the City/County and Engineer at any and all times during manufacture or construction and at any and all places where such manufacture or construction occurs. The City/County shall have the right to reject defective material and workmanship or require its correction. Unacceptable workmanship shall be satisfactorily corrected. Rejected material shall be promptly segregated and removed from the Project Area and replaced with material of specified quality without charge. If the Contractor fails to proceed at once with the correction of rejected workmanship or defective material, the City/County may by contract or otherwise have the defects remedied or rejected materials removed from the Project Area and charge the cost of the same against any Monies which may be due the Contractor, without prejudice to any other rights or remedies of the City/County.
- (b) The Contractor shall furnish promptly all materials reasonably necessary for any tests which may be required. All tests by the City/County will be performed in such manner as not to delay the work unnecessarily and will be made in accordance with the provisions of the technical specifications.
- (c) The Contractor shall notify the City/County sufficiently in advance of back filling or concealing any facilities to permit proper inspection. If any facilities are concealed without approval or consent of the

City/County, the Contractor shall uncover for inspection and recover such facilities at Contractor's expense, when so requested by the City/County.

- (d) Should it be considered necessary or advisable by the City/County at any time before final acceptance of the entire work to make an examination of work already completed, the Contractor shall on request promptly furnish all necessary facilities, labor, and material. If such work is found to be defective in any important or essential respect, due to fault of the Contractor or subcontractors, the Contractor shall defray all the expenses of such examination and of satisfactory reconstruction. If, however, such work is found to meet the requirements of the Contract, the actual cost of labor and material necessarily involved in the examination and replacement, shall be reimbursable and if completion of the work of the entire Contract has been delayed, a suitable extension of time will be approved.
- (e) Inspection of materials and appurtenances to be incorporated in the improvements included in this Contract may be made at the place of production, manufacture or shipment, whenever the quantity justifies it, and such inspection and acceptance, unless otherwise stated in the technical specifications, shall be final, except as regards to: (1) latent defects, (2) departures from specific requirements of the Contract, (3) damage or loss in transit, or (4) fraud or such gross mistakes as amount to fraud. Subject to the requirements contained in the preceding sentence, the inspection of materials as a whole or in part will be made at the Project Site.
- (f) Neither inspection, testing, approval nor acceptance of the work in whole or in part, by the City/County or its agents shall relieve the Contractor or its sureties of full responsibility for materials furnished or work performed not in strict accordance with the Contract.

23. Review by City/County

The City/County and its authorized representatives and agents shall have access to and be permitted to observe and review all work, materials, equipment, payrolls, personnel records, employment conditions, material invoices, and other relevant data and records pertaining to this Contract, provided, however that all instructions and approval with respect to the work will be given to the Contractor only by the City/County through its authorized representatives or agents.

24. Final Inspection

When the Improvements included in this Contract are substantially completed, the Contractor shall notify the City/County in writing that the work will be ready for final inspection on a definite date which shall be stated in the notice. The City/County will make the arrangements necessary to have final inspection commenced on the date stated in the notice, or as soon thereafter as is practicable.

25. Deduction for Uncorrected Work

If the City/County deems it not expedient to require the Contractor to correct work not done in accordance with the Contract Documents, an equitable deduction from the Contract Price will be made by agreement between the Contractor and the City/County and subject to settlement, in case of dispute, as herein provided.

26. Insurance

The Contractor shall not commence work under this contract until all required insurance under this paragraph has been secured and approved by the City/County.

- (a) Worker's Compensation Insurance: The Contractor shall procure and shall maintain during the life of this contract Worker's Compensation Insurance as required by the State of Texas for all of his employees to be engaged in work at the site of the project under this contract and, in case of any such work sublet, the Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the employees to be engaged in such work unless such employees are covered by the protection afforded by the Contractor's Worker's Compensation Insurance.
- (b) Contractor's Public Liability and Property Damage Insurance and Vehicle Liability Insurance. The Contractor shall procure and shall maintain during the life of this contract Contractor's Public Liability Insurance, Contractor's Property Damage Insurance and Vehicle Liability Insurance in the following amounts: (_____).
- (c) Proof of Insurance: The Contractor shall furnish the City/County with certificates showing the type, amount, class of operations covered, effective dates and date of expiration of policies. Such certificates shall also contain substantially the following statement: "The insurance covered by this certificate will not be canceled or materially altered, except after ten (10) days written notice has been received by the City/County."

27. Warranty of Title

No material, supplies, or equipment to be installed or furnished under this Contract shall be purchased subject to any chattel mortgage or under a conditional sale, lease-purchase or other agreement by which an interest is retained by the seller or supplier. The Contractor shall warrant good title to all materials, supplies, and equipment installed or incorporated in the work and upon completion of all work, shall deliver the same, together with all improvements and appurtenances constructed or placed by Contractor, to the City/County free from any claims, liens, or charges. Neither the Contractor nor any person, firm, or corporation furnishing any material or labor for any work covered by this Contract shall have any right to a lien upon any improvement or appurtenance. Nothing contained in this paragraph, however, shall defeat or impair the right of persons furnishing materials or labor to recover under any law permitting such persons to look to funds due the Contractor. The provisions of this paragraph shall be inserted in all subcontracts and material contracts and notice of its provisions shall be given to all persons furnishing materials for the work when no formal contract is entered into for such materials.

28. Warranty of Workmanship and Materials

Neither the final certificate of payment nor any provision in the Contract nor partial or entire use of the improvements included in this Contract by the City/County or the public shall constitute an acceptance of work not done in accordance with the Contract or relieve the Contractor of liability in respect to any express warranties or responsibility for faulty materials or workmanship. The Contractor shall promptly remedy any defects in the work and pay for any damage to other work resulting therefrom which shall appear within a period of _____ months from the date of final acceptance of the work.

29. Job Offices

- (a) The Contractor and its subcontractors may maintain such office and storage facilities on the site as are necessary for the proper conduct of the work. These shall be located so as to cause no interference to any work to be performed on the site. The City/County shall be consulted with regard to locations.
- (b) Upon completion of the improvements, or as directed by the City/County, the Contractor shall remove all such temporary structures and facilities from the site, and leave the site of the work in the condition required by the Contract.

30. Partial Use of Site Improvements

The City/County may give notice to the Contractor and place in use those sections of the improvements which have been completed, inspected and can be accepted as complying with the technical specifications and if in its opinion, each such section is reasonably safe, fit, and convenient for the use and accommodation for which it was intended, provided:

- (a) The use of such sections of the Improvements shall in no way impede the completion of the remainder of the work by the Contractor.
- (b) The Contractor shall not be responsible for any damages or maintenance costs due directly to the use of such sections.

31. Contract Documents and Drawings

The City/County will furnish the Contractor without charge ____copies of the Contract Documents, including Technical Specifications and Drawings. Additional copies requested by the Contractor will be furnished at cost.

32. Contract Period

The work to be performed under this contract shall commence within the time stipulated by the City/County in the Notice to Proceed, and shall be fully completed within _____ calendar days thereafter.

33. Liquidated Damages

Since the actual damages for any delay in completion of the work under this contract are impossible to determine, the Contractor and his Sureties shall be liable for and shall pay to the City/County the sum of _____ Dollars (\$_____) as fixed, agreed and liquidated damages for each calendar day of delay from the above stipulated time for completion.

ADMINISTRATIVE REQUIREMENTS

34. Local Program Liaison

For purposes of this Agreement, the [e.g. City Manager/County Judge _____] or equivalent authorized

person will serve as the Local Program Liaison and primary point of contact for the Contractor. All required progress reports and communication regarding the project shall be directed to this liaison and other local personnel as appropriate.

35. Access to Information

(a) The U.S. Department of Housing and Urban Development (HUD), Inspectors General, the Comptroller General of the United States, the General Land Office (GLO), and the City/County, or any of their authorized representatives, shall have access to any documents, papers, or other records of the Contractor which are pertinent to the CDBG-MIT award, in order to make audits, examinations, excerpts, and transcripts, and to closeout the City's/County's CDBG-MIT contract with GLO. **2 CFR 200.336 (former 24 CFR 85.36(i)(10))**

The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection.

(b) Contractor shall include the substance of this clause in all subcontracts it awards.

36. Records Retention

(a) The Contractor shall retain all required records for three years after the City/County makes its final payment and all pending matters are closed. 2 CFR 200.333 (former 24 CFR (85.36(i)(11))

(b) Contractor shall include the substance of this clause in all subcontracts it awards.

FEDERAL REQUIREMENTS

37. Resolution of Program Non-Compliance and Disallowed Costs

In the event of any dispute, claim, question, or disagreement arising from or relating to this Contract, or the breach thereof, including determination of responsibility for any costs disallowed as a result of non-compliance with federal, state or CDBG-MIT program requirements, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, the parties shall consult and negotiate with each other in good faith within 30 days of receipt of a written notice of the dispute or invitation to negotiate, and attempt to reach a just and equitable solution satisfactory to both parties. If the matter is not resolved by negotiation within 30 days of receipt of written notice or invitation to negotiate, the parties agree first to try in good faith to settle the matter by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may enter into a written amendment to this Contract and choose a mediator that is not affiliated with the American Arbitration Association. The parties shall bear the costs of such mediation equally. *[This section may also provide for the qualifications of the mediator(s), the locale of meetings, time limits, or any other item of concern to the parties.]* If the matter is not resolved through such mediation within 60 days of the initiation of that procedure, either party may proceed to file suit.

38. Compliance with Davis-Bacon Act

All laborers and mechanics employed upon the work covered by this Contract shall be paid unconditionally and not less often than once each week, and without subsequent deduction or rebate on any account (except such payroll deductions as are made mandatory by law and such other payroll deductions as are permitted by the applicable regulations issued by the Secretary of Labor, United States Department of Labor, pursuant to the Anti-Kickback Act hereinafter identified), the full amount due at time of payment computed at wage rates not less than those contained in the wage determination decision of said Secretary of Labor (**a copy of which is attached as Attachment [REDACTED] and herein incorporated by reference**), regardless of any contractual relationship which may be alleged to exist between the Contractor or any subcontractor and such laborers and mechanics. All laborers and mechanics employed upon such work shall be paid in cash, except that payment may be by check if the employer provides or secures satisfactory facilities approved by the City/County for the cashing of the same without cost or expense to the employee. For the purpose of this clause, contributions made or costs reasonably anticipated under Section 1 (b) (2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of Section 5.5 (a) (1) (iv) of Title 29, Code of Federal Regulations. Also for the purpose of this clause, regular contributions made or costs incurred for more than a weekly period under plans, funds, or programs, but covering the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

The Contractor and its subcontractors shall not, by any means, induce any person employed in the construction, completion, or repair of public work, give up any part of the compensation to which he or she is otherwise entitled. The City/County must report all suspected or reported violations to GLO.

39. Conflicts of Interest

- (a) Governing Body. No member of the governing body of the City/County and no other officer, employee, or agent of the City/County, who exercises any functions or responsibilities in connection with administration, construction, engineering, or implementation of CDBG-MIT award between GLO and the City / County, shall have any personal financial interest, direct or indirect, in the Contractor or this Contract; and the Firm shall take appropriate steps to assure compliance.
- (b) Other Local Public Officials. No other public official, who exercises any functions or responsibilities in connection with the planning and carrying out of administration, construction, engineering or implementation of the CDBG-MIT award between GLO and the City/County, shall have any personal financial interest, direct or indirect, in the Contractor or this Contract; and the Contractor shall take appropriate steps to assure compliance.
- (c) The Contractor and Employees. The Contractor warrants and represents that it has no conflict of interest associated with the CDBG-MIT award between GLO and the City/County or this Contract. The Contractor further warrants and represents that it shall not acquire an interest, direct or indirect, in any geographic area that may benefit from the CDBG-MIT award between GLO and the City/County or in any business, entity, organization or person that may benefit from the award. The Contractor further agrees that it will not employ an individual with a conflict of interest as described herein.

40. Debarment and Suspension (Executive Orders 12549 and 12689)

The Contractor certifies, by entering into this Contract, that neither it nor its principals are presently debarred, suspended, or otherwise excluded from or ineligible for participation in federally-assisted programs under Executive Orders 12549 (1986) and 12689 (1989). The term "principal" for purposes of this Contract is defined as an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor. The Contractor understands that it must not make any award

or permit any award (or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. 2 CFR 200 APPENDIX II (H)

41. [\[For Contracts that exceed \\$100,000\]](#) Byrd Anti-Lobbying

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

Such disclosures are forwarded from tier to tier up to the non-Federal award.

Contractor shall file the required certification: The undersigned certifies, to the best of his or her knowledge and belief, that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. 2 CFR 200 APPENDIX II (I) and 24 CFR §570.303

42. [\[For Contracts > \\$100K\]](#) Overtime Requirements

No Contractor or subcontractor contracting for any part of the Contract work which may require or involve the employment of laborers or mechanics, including watchmen and guards, shall require or permit any laborer or mechanic in any workweek in which he is employed on such work to work in excess of 40 hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and

one-half times his basic rate of pay for all hours worked in excess of 40 hours in such work week, as the case may be. 2 CFR 200 APPENDIX II (E)

43. Equal Opportunity Clause

Comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply.

During the performance of this contract, the Contractor agrees as follows:

- (a.) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (b.) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- (c.) The Contractor will not discourage or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
- (d.) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (e.) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, "Equal Employment Opportunity," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (f.) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (g.) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (h.) The Contractor will include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Contractor may request the United States to enter into such litigation to protect the interests of the United States. 41 CFR §60-1.4(b) And 2 CFR 200 APPENDIX II (C)

44. Section 109 of the Housing and Community Development Act of 1974.

The Contractor shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the ground of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

45. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148).

When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity

must report all suspected or reported violations to the Federal awarding agency. 2 CFR 200 APPENDIX II (D)

46. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708).

Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. 2 CFR 200 APPENDIX II (E)

47. Section 504 Rehabilitation Act of 1973, as amended.

The Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including discrimination in employment, under any program or activity receiving federal financial assistance.

48. Age Discrimination Act of 1975.

The Contractor shall comply with the Age Discrimination Act of 1975 which provides that no person in the United States shall on the basis of age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

49. Non Segregated Facilities

The Contractor certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees any segregated facilities at any of his establishments, or permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. As used in this paragraph the term "segregated facilities" means any waiting rooms, work areas, rest rooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise.

50. The Provision of Local Training, Employment, and Business Opportunities

(a) To the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project. See also GLO Section 3 Policy and "Exhibit G" on the GLO-DR website.

(b) The Contractor will include this clause in every subcontract for work in connection with the project.

51. Economic Opportunities for Section 3 Residents and Section 3 Business Concerns.

- (a) The work to be performed under this Contract is subject to the requirements of section 3 of the Housing and Urban Development (HUD) Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this Contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- (c) The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- (d) The Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- (e) The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.
- (f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.
- (g) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b). 24 CFR §135.38

52. Gender Neutral - Gender References

When necessary, unless the context clearly requires otherwise, any gender-specific or gender-neutral term in this Contract (for example, he, she, it, etc.) is to be read as referring to any other gender or to no gender.

53. Patent Rights and Inventions

Contractor shall comply with the requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract. (2 CFR 200 Appendix II (f) and Rights to Inventions in 37 CFR Part 401).

Rights to Inventions Made Under a Contract or Agreement - If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the Subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the Subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

54. Energy Efficiency

The Contractor shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201). (2 CFR 200 Appendix II (h)).

55. System for Award Management (SAM)

All contractors and subcontractors must be searched AND cleared (not suspended or debarred) prior to authorization to work on the project.

56. Solid Waste Disposal Act

Contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

57. Procurement of Recovered Materials

(a) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired—

1. Competitively within a timeframe providing for compliance with the contract performance schedule;
2. Meeting contract performance requirements; or
3. At a reasonable price.

- (c) Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/>

58. Domestic Preference

a. As appropriate and to the extent consistent with law, Contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).

b. For purposes of section (a) above:

i. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

ii. "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

STATE REQUIREMENTS

58. Verification No Boycott Israel.

As required by Chapter 2270, Government Code, CONTRACTOR hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

59. Foreign Terrorist Organizations.

Pursuant to Chapter 2252, Texas Government Code, [Company] represents and certifies that, at the time of execution of this Agreement neither [Company], nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

ENVIRONMENTAL CONDITIONS

60. [For Contracts > \$150K] Clean Air Act and the Federal Water Pollution Control Act

The Contractor or subcontractor shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). 2 CFR 200 APPENDIX II (G)

61. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

62. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

63. Other Conditions

Any special conditions such as mitigation measures will be carried out as instructed by the Environmental Review Record. Enter Mitigation Measures from City/County Environmental Review Record as applicable

CITY OF LA MARQUE**22-083-003-D208****PERFORMANCE STATEMENT**

The U.S. Department of Housing and Urban Development's Community Development Block Grant Mitigation ("CDBG-MIT") program to provide financial assistance with funds appropriated under Public Law 115-123, was enacted on August 30, 2019, to facilitate disaster recovery, restoration, mitigation, and economic revitalization and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by 2015, 2016, and 2017 disasters, which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*).

In strict conformance with the terms and conditions of the 2015, State Most Impacted and Distressed (SMID) Competition and this Contract, City of La Marque (Subrecipient) shall perform, or cause to be performed, the Infrastructure Activities defined below.

The Subrecipient has identified sanitary sewer activities that will increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.

Subrecipient shall perform the activities identified herein for the target area specified in its approved Texas Community Development Block Grant Mitigation Grant Application to provide a long-lasting investment that increases resiliency in the community. The persons to benefit from the activities described herein must receive the prescribed service or benefit, and all eligibility requirements must be met to fulfill contractual obligations.

The grant total is \$7,493,145.00. Subrecipient will be required to maintain a detailed budget breakdown in the official system of record of the GLO's Community Development and Revitalization (GLO-CDR) division.

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Sewer Facilities

Subrecipient shall remove, repair, or relocate existing sewer lines and complete all associated appurtenances. Construction shall take place at the following locations, including mid-point coordinates for each segment.

Sewer Facilities	Location Approximate Lat/Long	Proposed HUD Performance Measures	Census Tract	Block Group
Sewer Trunk Line Section 1	At the intersection of FM 2004 and Texas Avenue eastward to Garrett Street then south along Garrett Street approximately 3,700' then east to end of Strawn Street 29.369354, -95.0141941	12,108 LF	7228.00 7229.00 7230.00 7231.00 7232.00 7233.00 7238.00 7262.00	1,2 1, 2 1, 2, 3 1 1, 2, 3 1, 2 1 2
Sewer Trunk Line Section 2	At the intersection of Duroux Road and Gulf Fwy, then southward to Main Street, then eastward to between Fairwood Road and Clark Drive, then southward to Perthius Farm 29.359364, -94.9944452	7,322 LF		
Sewer Trunk Line Section 3	At the intersection of Gulf Freeway and Main Street, eastward to 6 th Avenue, then south to approximately 100' past Beech Street 29.357547, -94.9663847	8,400 LF		
Sewer Public Facilities	Region 1 Intersection of I-45 and FM 1764, southeast on Gulf Freeway to Texas Ave, then westward to FM 2004, then westward to Avenue A, then north to FM 1764, then east back to start 29.389439, -95.033381	Seventy-three (73) Public Facilities		
Sewer Public Facilities	Region 2 Intersection of I-45 South Gulf Freeway and Texas Ave eastward to State Hwy 146 South, then southeast to TX-197 Loop North, then northwest on I-45 North back to start 29.364642, -94.970158	Four hundred fifty (450) Public Facilities		

Sewer Public Facilities	Region 3		7228.00	1, 2
	At the intersection of Texas Ave and		7229.00	1, 2
	FM 2004, eastward to I-45 N, thence	One hundred	7230.00	1, 2, 3
	southeast to Getty Road, then	fifty-nine (159)	7231.00	1
	southwest to Highway 6, then to city	Public Facilities	7232.00	1, 2, 3
	limits		7233.00	1, 2
	29.368373, -95.011382		7238.00	1
			7262.00	2
These Activities shall benefit fifteen thousand one hundred five (15,105) persons. Of these persons, eight thousand one hundred fifty-five (8,155), or fifty-three and ninety-nine hundredths' percent (53.99%), are of low to moderate income.				

BUDGET

HUD Activity Type	Grant Award	Other Funds	Total
Construction/Reconstruction of Sewer Lines or Systems	\$ 7,493,145.00	\$ 75,000.00 ¹	\$ 7,568,145.00
TOTAL	\$ 7,493,145.00	\$ 75,000.00¹	\$ 7,568,145.00

¹LA MARQUE GENERAL FUND, TO BE USED TOWARD CONSTRUCTION

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MILESTONES

Budget Gates, Milestones, Actions, and Deliverables	Not-To-Exceed Budget Gate Percentages by Budget Category (Subrecipient may draw up to, but not-to-exceed, the identified percentage of the budget category until stated deliverable(s) are submitted to and approved by the GLO.)			Single Deliverable Milestones by Budget Category (Subrecipient may draw up to 100% of budget category after submittal to and approval by the GLO of the stated deliverable.)		Multiple Deliverable Milestones (Subrecipient may draw up to, but not-to-exceed, the percentage stated after submittal to and approval by the GLO of the stated deliverable.)	
	Project Delivery		Engineering Funds	Special Environmental Funds	Acquisition Funds	Construction Funds	Planning/ Studies (not related to engineering design)
Project Phase Actions and Deliverables:	Grant Administration Funds	Environmental Funds					
Action: Start-up Phase Deliverable: Contract kick-off meeting sign-in sheet; all required start-up documentation reviewed and accepted by GLO; executed grant administration service provider contract in pdf.	0-15%						
Action: Commencement of Engineering Phase Deliverable: Executed engineering service provider contract in pdf provided during start-up phase as applicable.			0-30%				
Action: Commencement of Environmental Phase Deliverable: Executed environmental service provider contract in pdf provided during start-up phase as applicable.	15.01-30%	0-30%					

Action: Completion of Design Phase Deliverable: Complete signed and sealed 100% construction plans in pdf*.			30.01-60%					
Project Phase Actions and Deliverables:	Project Delivery		Engineering Funds		Special Environmental Funds	Acquisition Funds	Construction Funds	Planning/ Studies (not related to engineering design)
	Grant Administration Funds	Environmental Funds						
Action: Completion of Special Environmental Services Deliverable: GLO approval of required documentation, dependent upon additional environmental requirements.					100%			
Action: Completion of Environmental Record Review Deliverable: GLO signed AUGF**	30.01-50%	30.01-100%						
Action: Acquisition Phase Deliverable: Acquisition Detailed Report and supporting documentation per parcel accepted by GLO*					100%			
Action: Commencement of Bid Phase Deliverable: First published bid notice and publisher's affidavit*	50.01-60%		60.01-70%					
Action: Commencement of Construction Phase Deliverable: Signed Notice to Proceed (NTP)*	60.01-85%		70.01-85%				0-95%	
Action: Completion of Construction Phase Deliverable: Signed and sealed complete as-built plans in pdf; executed COCC accepted by GLO; signed FWCR accepted by GLO*	85.01-95%		85.01-100%				95.01-100%	

Action: Commencement of Planning/Study Phase Deliverable: Signed notice to proceed or similar document from Subrecipient initiating planning/study activity with description of work to be performed.								0-85%	
Project Phase Actions and Deliverables:	Project Delivery		Engineering Funds		Special Environmental Funds	Acquisition Funds		Construction Funds	Planning/ Studies (not related to engineering design)
	Grant Administration Funds	Environmental Funds							
Action: Completion of Planning/Study Phase Deliverable: Final report and proof of acceptance by the Subrecipient.									85.01-100%
Action: Grant Completion Report Approval Deliverable: GCR approved by GLO.	95.01-100%								
Failure to provide any deliverable identified could result in repayment of funds expended in part or in full. Deliverables identified in the table allow the subrecipient to draw the identified percentage per category contingent upon compliance of associated program guidance. *if multiple construction contracts, multiple deliverables are required and associated costs are pro-rated in accordance with budget details in final GLO approved application **if project includes more than one ERR, associated costs are pro-rated in accordance with budget details in final GLO approved application									

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Authority to Use Grant Funds

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

To: (name & address of Grant Recipient & name & title of Chief Executive Officer)

Mayor Keith Bell
City of La Marque
1111 Bayou Road
La Marque, TX 77568

Copy To: (name & address of SubRecipient)

We received your Request for Release of Funds and Certification, form HUD-7015.15 on

12/5/2022

Your Request was for HUD/State Identification Number

B-18-DP-48-0002/22-083-003-D208

All objections, if received, have been considered. And the minimum waiting period has transpired.
You are hereby authorized to use funds provided to you under the above HUD/State Identification Number.
File this form for proper record keeping, audit, and inspection purposes.

Project Name: City of La Marque Sewer Improvements

Project Location: Texas Avenue, Garrett Street, Prairie Street, Duroux Road, Main Street, Clark Drive, Sixth Avenue, and various manhole locations throughout the City of La Marque.

Project Description: City proposes to remove, repair, or relocate existing sewer lines and complete all associated appurtenances as well as replace manholes throughout the City of La Marque.

Project Conditions/Mitigation: Provided within the final environmental review record.

CDBG-MIT Funds: \$7,493,145

Typed Name of Authorizing Officer

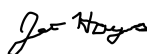
Jet Hays

Title of Authorizing Officer

Senior Deputy Director

Signature of Authorizing Officer

X



Date (mm/dd/yyyy)

12/21/2022



CITY COUNCIL AGENDA FORM

Meeting Date: January 23, 2023

Prepared by: R. Sailer

Department: Public Works

Agenda item: _____

Reviewed by: _____

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding Council approval of the Advertisement and Request for Proposal for Stormwater Improvement to the Westlawn Subdivision

☒

ATTACHMENTS FOR REFERENCE

- Adverstiment and Invitation to Bid
- Authority to Use Grant Funds
- Project Performance Statement
- Project Manual
- Construction Contract
- Engineer's Construction Cost Estimate
- Bid Process Schedule

STAFF BRIEFING:

- The Westawn Stormwater Improvement Project funded through U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Disaster Recovery (DR) Contract # 20-065-105-C287 is ready for Construction Phase.
- The City received Authorization to proceed on January 5,2023
- The Project defined in the Project Performance Statement pertains to infrastructure improvements/construction of 7,617 feet of stormwater pipelines and replacement/new construction of 6 stormwater street inlets.
- The Project Manual provides the Bid Submittal and specifics regarding the Project, including mandatory construction documents for Federally funded projects and Technical Specifications.
- The Bid Proposal includes Base Bid items, Supplemental Items, Extra Items, and Add-Alternate Items; allowing the City the option to accept the bid and delete some items to ensure the bid amount does not exceed the funding.
 - City Manager reviewed and approved.
 - Finance Director reviewed and approved.
 - City Attorney reviewed and approved.
 - City Engineer reviewed and approved.



CITY COUNCIL AGENDA FORM

HISTORY:

- The Application for funding was approved on August 19, 2019 Resolution R-2019-0022
- Grant Administrator Contract with Provision Resources signed on September 9, 2019
- Contract with GLO for funding was signed on April 8, 2020
- Engineering Agreement with Adico Consulting Engineers signed on April 10, 2020
- The Funding was accepted on August 9, 2021 - Resolution R-2021-0020
- Environment Review Record was completed on December 14, 2022
- Request for Release of Funds was submitted on December 15, 2022
- Authority to Use Grant Funds was received on January 5, 2023

SIGNIFICANT ACTION DATES:

ACTIVITY	End Date	Calendar Days
Bid Phase:		
City Council Authorization For Bidding	January 23, 2023	9
1 st Advertisement	February 1, 2023	7
2 nd Advertisement	February 8, 2023	12
Pre-Bid	February 20, 2023	21
Last Date For Questions	February 24, 2023	7
Last Date for Addendums	March 3, 2023	10
Bid Date – Receiving Sealed Proposals (2:00)	March 13, 2023	14
Recommendation to City Council	March 27, 2023	14
City Council Approval	April 10, 2023	

ACTION:

FISCAL IMPACT: \$60,000 for the Construction Phase. Total Project cost funded through HUD - CDBG -DR was \$1,447,527.00, including Construction, Engineering, Environmental, and Administration (City Share = \$0.00)

STAFF'S RECOMMENDATION: Motion to approve the Advertisement and Invitation to Bid for the Westlawn Stormwater Improvement Project.

Advertisement and Invitation to Bid

The City of La Marque will receive bids for Westlawn and Highland Subdivision Drainage Project CDBG -DR Hurricane Harvey GLO Contract No. 20-065-105-C287 until 2:00 pm on Monday, March 13, 2023 at City of La Marque City Hall, 1111 Bayou Road, La Marque, TX 77568. The bids will be publicly opened and read aloud at 2:15 pm on Monday, March 13, 2023 at City of La Marque City Hall, 1111 Bayou Road, La Marque, TX 77568.

Bids are invited for several items and quantities of work as follows:

1. Drainage Improvements within Westlawn and Highland subdivisions including the installation of approximately 5,000 LF of a combination of 24", 30", 36", 42" and 48" storm sewer.
2. Regrading of approximately 100 LF of Open Ditch
3. Approximately 690 LF of storm sewer cleaning: 30", 36", 48", 60" RCP

Bid/Contract Documents, including Drawings and Technical Specifications are on file at City of La Marque, City Hall, 1111 Bayou Road, La Marque, TX 77568.

Copies of the Bid/Contract Documents may be obtained by depositing \$100 with the Engineer, Adico LLC for each set of documents obtained. The deposit will be refunded if the documents and drawings are returned in good condition within 10 days following the bid opening.

A bid bond in the amount of 5 percent of the bid issued by an acceptable surety shall be submitted with each bid [for those contracts that exceed \$100,000]. A certified check or bank draft payable to the City of La Marque or negotiable U.S. Government Bonds (as par value) may be submitted in lieu of the Bid Bond.

Attention is called to the fact that not less than, the federally determined prevailing (Davis-Bacon and Related Acts) wage rate, as issued by the Texas Department of Agriculture Office of Rural Affairs and contained in the contract documents, must be paid on this project. In addition, the successful bidder must ensure that employees and applicants for employment are not discriminated against because of race, color, religion, sex, sexual identity, gender identity, or national origin.

The City of La Marque reserves the right to reject any or all bids or to waive any informalities in the bidding.

Bids may be held by City of La Marque for a period not to exceed 90 days from the date of the bid opening for the purpose of reviewing the bids and investigating the bidder's qualifications prior to the contract award.

City of La Marque (Contracting officer), (title) (date)

All contractors/subcontractors that are debarred, suspended or otherwise excluded from or ineligible for participation on federal assistance programs may not undertake any activity in part or in full under this project.

CONSTRUCTION CONTRACT

THIS AGREEMENT made this the _____ day of _____, _____, by and between _____ (a corporation organized and existing under the laws of the State of _____) (a partnership consisting of _____) (an individual trading as _____) [Note 1] hereinafter called the "Contractor", and _____ hereinafter called the "City/County."

WITNESSETH, that the Contractor and the City/County for the considerations stated herein mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment and services, including utility and transportation services, and perform and complete all work required for the construction of the Improvements embraced in the Project; namely, _____ [Note 2] for the _____ Texas Community Development Block Grant (TxCDBG) project, all in strict accordance with the contract documents including all addenda thereto, numbered _____, dated _____ and _____, all as prepared by _____ acting and in these contract documents preparation, referred to as the "**Engineer**".

Special Notes:

Note 1. Strike out the terms not applicable.

Note 2. Identify the principal items of Contract such as grading, paving, water mains, sewer lines, treatment facilities, etc.

ARTICLE 2. The Contract Price. The City/County will pay the Contractor for the performance of the Contract in current funds, for the total quantities of work performed at the *unit prices* stipulated in the Bid for the several respective items of work completed subject to additions and deductions as provided in _____ hereof.

ARTICLE 3. The Contract. The executed contract documents shall consist of the following components:

- | | |
|------------------------------|--|
| a. This Agreement (pgs. 1-3) | f. General Conditions, Part I |
| b. Addenda | g. Special Conditions |
| c. Invitation for Bids | h. Technical Specifications |
| d. Instructions to Bidders | i. Drawings (<i>as listed in the Schedule of Drawings</i>) |
| e. Signed Copy of Bid | j. [Add any applicable documents] |

ARTICLE 4. Performance. Work, in accordance with the Contract dated _____, _____, shall commence on or before _____, _____, and Contractor shall complete the WORK within _____ consecutive calendar days thereafter. The date of completion of all WORK is therefore _____, _____.

This Agreement, together with other documents enumerated in this ARTICLE 3, which said other documents are as fully a part of the Contract as if hereto attached or herein repeated, forms the Contract between the parties hereto. In the event that any provision in any component part of this Contract conflicts with any provision of any other component part, the provision of the component part first enumerated in this ARTICLE 3 shall govern, except as otherwise specifically stated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in triplicate (Note 3) original copies on the day and year first above written. (Note 3)

(The Contractor)

By _____ [Note 4]

Title _____

(City/County)

By _____

Title _____

Special Notes:

Note 3. The number of copies to be executed by the parties should be stated in the agreement in the space provided. Such additional signed copies shall be prepared as may be required by the surety companies and others.

Note 4. Supply a description of the Contractor (e.g., proprietorship, partnership, and corporation).

Corporate Certifications

I, _____, certify that I am the _____ of the corporation named as Contractor herein; that _____, who signed this Agreement on behalf of the Contractor, was then _____ of said corporation; that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Corporate
Seal

(Corporate Secretary)

CONTRACT DOCUMENTS AND TECHNICAL SPECIFICATIONS

FOR

WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS

CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
LA MARQUE, TEXAS



ADICO PROJECT NO. 19100-12
JANUARY 2023



TBPE FIRM NO. 16423
2114 El Dorado Blvd., Suite 400
Friendswood, TX 77546
(832) 895-1093

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CONTRACT DOCUMENTS

- A. Advertisement and Invitation to Bid
- B. Instruction to Bidders for Construction
- C. Equal Opportunity Guidelines for Construction Contractors (Form 1001)
- D. Grant Recipient's Executed Section 3 Plan
- E. Bid Form
- F. Construction Contract
 - a. HUD 4010
 - b. General Conditions
- G. Contractor's Local Opportunity Plan
 - a. Proposed Contracts Breakdown
- H. Statement of Bidder's Qualifications
- I. Contractor's Certifications
 - a. Regarding Civil Rights
 - b. Concerning Labor Standards and Prevailing Wage Requirements
- J. Non collusion Affidavit of Prime Bidder
- K. Bonds
 - a. Bid Bond
 - b. Payment Bond
 - c. Performance Bond
- L. Attorney Review Certification
- M. Certification Regarding Lobbying
- N. Conflict of Interest Questionnaire – Form CIQ (Texas Ethics Commission)
- O. Conflict of Interest
- P. Technical Specifications

Technical Specifications

<u>Document</u>	<u>Title</u>	<u>No. Of Pages</u>
DIVISION 1 - GENERAL REQUIREMENTS		
01010	Summary of Work	1
01045	Cutting and Patching	3
01300	Submittals	2
01310	Construction Schedules	2
01340	Shop Drawings, Product Data and Samples	3
01370	Schedule of Values	2
01420	Inspection Services	1
01500	Temporary Facilities & Controls	2
01526	Trench Safety System	3
01570	Traffic Control and Regulation	2
01576	Waste Material Disposal	1
01600	Materials & Equipment	5
01700	Contract Closeout	2
01710	Cleaning & Adjusting	2
01720	Project Record Documents	2
01740	Site Restoration	3
01782	Operations & Maintenance Data	1
DIVISION 2 - SITE WORK		
02076	Removing Existing Pavements and Structures	2
02105	Erosion Control	4
02200	Earthwork	3
02201	Stripping and Fill	3
02205	Groundwater Control	4
02224	Channel Excavation, Slope Repairs, and Fill	4
02233	Clearing and Grubbing	2
02235	Waste Material Disposal	1
02241	Lime Stabilized Subgrade	4
02252	Cement Stabilized Sand	3
02322	Rip Rap	2
02521	Concrete Paving	3
02523	Concrete Joints	3
02532	Curb, Curb and Gutter, and Headers	3
02615	Reinforced Concrete Pipe	2
02720	Storm Sewers	4
02751	Pavement Repair and Resurfacing	3
02921	Hydromulch Seeding	2
DIVISION 3 - CONCRETE		
03200	Reinforcing Steel	7
03310	Portland Cement Concrete	12
03370	Concrete Curing	4

The work covered by this contract is to be constructed in accordance with the specifications listed above. All City of La Marque specifications shall apply as if fully repeated and bound herein. Where conflicts between specifications occur, the most restrictive shall govern.

- ITEM 1 City of La Marque "Engineering Design Criteria Manual" (dated December 7, 2018, with all Addenda and Amendments).

- ITEM 2 Galveston County Engineering Department's "Rules, Regulations and Requirements Relating to the Approval and Acceptance of Improvements in Subdivisions or Resubdivisions" (with all Addenda and Amendments).

Advertisement and Invitation to Bid

The City of La Marque will receive bids for Westlawn and Highland Subdivision Drainage Project CDBG -DR Hurricane Harvey GLO Contract No. 20-065-105-C287 until 2:00 pm on Wednesday, March 13, 2023 at City of La Marque City Hall, 1111 Bayou Road, La Marque, TX 77568. The bids will be publicly opened and read aloud at 2:45 pm on Wednesday, March 13, 2023 at City of La Marque City Hall, 1111 Bayou Road, La Marque, TX 77568.

Bids are invited for several items and quantities of work as follows:

1. Drainage Improvements within Westlawn and Highland subdivision.
- 2.
- 3.

Bid/Contract Documents, including Drawings and Technical Specifications are on file at (address(s) at which specifications can be obtained).

Copies of the Bid/Contract Documents may be obtained by depositing \$_____ with the (Grant Recipient or engineer) for each set of documents obtained. The deposit will be refunded if the documents and drawings are returned in good condition within 10 days following the bid opening.

A bid bond in the amount of 5 percent of the bid issued by an acceptable surety shall be submitted with each bid [for those contracts that exceed \$100,000]. A certified check or bank draft payable to the City of La Marque or negotiable U.S. Government Bonds (as par value) may be submitted in lieu of the Bid Bond.

Attention is called to the fact that not less than, the federally determined prevailing (Davis-Bacon and Related Acts) wage rate, as issued by the Texas Department of Agriculture Office of Rural Affairs and contained in the contract documents, must be paid on this project. In addition, the successful bidder must ensure that employees and applicants for employment are not discriminated against because of race, color, religion, sex, sexual identity, gender identity, or national origin.

The City of La Marque reserves the right to reject any or all bids or to waive any informalities in the bidding.

Bids may be held by City of La Marque for a period not to exceed 30 / 60 days from the date of the bid opening for the purpose of reviewing the bids and investigating the bidder's qualifications prior to the contract award.

City of La Marque _____ (Contracting officer), (title) _____ (date)

All contractors/subcontractors that are debarred, suspended or otherwise excluded from or ineligible for participation on federal assistance programs may not undertake any activity in part or in full under this project.

Instruction to Bidders for Construction

1. Use of Separate Bid Forms

These contract documents include a complete set of bid and contract forms which are for the convenience of the bidders and are not to be detached from the contract document, completed or executed. Separate bid forms are provided for your use.

2. Interpretations or Addenda

No oral interpretations will be made to any bidder. Each request for clarification shall be made in writing to the Grant Recipient or engineer no less than seven (7) days prior to the bid opening. Each interpretation made will be in the form of an Addendum to the contract documents and will be distributed to all parties holding contract documents no less than seven (7) days prior to the bid opening. It is, however, the bidder's responsibility to make inquiry as to any addenda issued. All such addenda shall become part of the contract documents and all bidders shall be bound by such addenda, whether or not received by the bidders.

If an addendum to the bid package is necessary, it must be distributed to each potential bidder. The distribution of an addendum shall be verified either by statements of receipt or registered/certified mail receipts, which shall be included in the public works construction file. The addendum shall allow adequate time for consideration in bid preparation (usually at least one week). If adequate time is not available, the bid opening date must be extended and the Grant Recipient must republish the invitation for bids containing the place, time, and date for the new bid opening. Note that any change to the original bid opening date will require republication of the invitation for bids at least once in a locally published newspaper. The republished notice will include the place, time and date for the new bid opening and must be published at least seven days prior to the new bid opening date.

3. Inspection of Site

Each bidder should visit the site of the proposed work and should become acquainted with the existing conditions and facilities, the difficulties and restrictions pertaining to the performance of the contract. The bidder should thoroughly examine and become familiar with the drawings, technical specifications and all other contract documents. The contractor by the execution of the contract shall in no way be relieved of any obligation under it due to failure to receive or examine any form or legal document or to visit the site or the conditions existing at the site. The City/ County will be justified in rejecting any claim based on lack of inspection of the site prior to the bid.

4. Alternate bid items

No alternate bids or bid items will be considered unless they are specifically requested by the technical specifications.

5. Bids

- a. All bids must be submitted on the forms provided and are subject to all requirements of the Contract Documents, including the Drawings.
- b. All bids must be regular in every respect and no interlineation, excisions or special conditions may be made or included by the bidder.
- c. Bid documents, including but not limited to the bid, the bid bond(s), the contractor's certifications, local opportunity plan, and the statement of the bidder's qualifications, shall be sealed in an envelope and clearly labeled with the words "Bid Documents", the project number, name of bidder and the date and time of bid opening.
- d. The City / County may consider as irregular any bid on which there is an alteration of or departure from the bid form and, at its option, may reject any irregular bid.
- e. If a contract is awarded, it will be awarded to a responsible bidder on the basis of the lowest/best bid and the selected alternate bid items, if any. The contract will require the completion of the work in accordance with the contract documents.

6. Bid Modifications Prior to Bid Opening

- a. Any bidder may modify its bid by submitting a modification or supplemental bid at any time prior to the scheduled closing time for receipt of bids, provided such modification or supplemental bid is received by the locality prior to the closing time. The modification or supplemental bid should not reveal the original bid price but should provide only the addition, subtractions or other modifications to the original bid so that the final prices or terms will not be known by the locality until the sealed bid is open.

7. Bid Bond

- a. A bid bond in the amount of 5% of the bid issued by an acceptable surety shall be submitted with each bid [for contracts greater than \$100,000]. A certified check or bank draft payable to the locality or negotiable U.S. Government Bonds (as par value) may be submitted in lieu of the Bid Bond.
- b. The bid bond or its comparable will be returned to the bidder as soon as practical after the opening of the bids.

8. Statement of Bidders Qualifications

Each bidder shall submit on the form furnished for that purpose a statement of the bidder's qualifications. The Grant Recipient shall have the right to take such steps as it deems necessary to determine the ability of the bidder to perform its obligations under the contract, and the bidder shall furnish the Grant Recipient all such information and data for this purpose as it may request. The right is reserved to reject any bid where an investigation of the available data does not satisfy the Grant Recipient that the bidder is qualified to carry out properly the terms of the contract.

9. Unit Price

The unit price for each of the several items in the bid shall include its pro rata share of overhead so that the sum of the products obtained by multiplying the quantity shown for each item by the unit price bid represents the total bid. Any bid not conforming to this requirement may be rejected as informal. Special attention is drawn to this condition, as the unit prices will be used to determine the amount of any change orders resulting from an increase or decrease in quantities.

10. Corrections

Erasures or other corrections in the bid must be noted over the signature of the bidder.

11. Time for Receiving Bids

Bids received prior to the advertised hour of opening shall be kept securely sealed. The officer appointed to open the bids shall decide when the specified time has arrived and no bid received thereafter will be considered; except that when a bid arrives by mail after the time fixed for opening, but before the reading of all other bids is completed, and it is shown to the satisfaction of the Grant Recipient that the late arrival of the bid was solely due to delay in the mail for which the bidder was not responsible, such bid will be received and considered.

12. Opening of Bids

The City/County shall, at the time and place fixed for the opening of bids, open each bid and publicly read it aloud, irrespective of any irregularities therein. Bidders and other interested individuals may be present.

13. Withdrawal of Bids

Bidder may withdraw the bid before the time fixed for the opening of bids, by communicating its purpose in writing to the Grant Recipient. Upon receipt of such notice, the unopened bid will be returned to the bidder. The bid guaranty of any bidder withdrawing his bid will be returned promptly.

14. Award of Contract/Rejection of Bids

- a. The contract will be awarded to the responsive, responsible Bidder submitting the lowest/best bid. The bidder selected will be notified at the earliest possible date. The locality reserves the right to

reject any or all bids and to waive any informality in bids received where such rejection or waiver is in its interest.

- b. The Grant Recipient reserves the right to consider as unqualified to do the work any bidder who does not habitually perform with his own forces the major portions of the work involved in construction of the improvements embraced in this contract.

15. Execution of Agreement/Performance and Payment Bonds

- a. Performance Bonds - Requires all prime contractors which enter into a formal contract in excess of \$100,000 with the State, a county, or a municipality; a department, board, or agency of the state, a county, or a municipality; and a school district or a subdivision thereof, to obtain a Performance Bond in the amount of the contract before commencing with work
- b. Payment Bonds- Requires all prime contractors which enter into a formal contract with the State, a county, or a municipality; a department, board, or agency of the state, a county, or a municipality; and a school district or a subdivision thereof, to furnish to the governmental entity a payment bond in the amount of the contract. The payment bond must be filed within 30 days from the date of the Notice of Award:
 - o Municipalities: If the contract is in excess of \$50,000, a payment bond is required.
 - o Counties: If the contract is in excess of \$25,000, a payment bond is required.
- c. The failure of the successful bidder to execute the agreement and supply the required bonds within thirty (30) days from the date of the notice of award-or within such extended period as the locality may grant, shall constitute a default and the locality may, at its option, either award the contract to the next lowest responsible bidder, or re-advertise for bids. In either case, the locality may charge against the bidder the difference between the amount of the bid, and the amount for which a contract is subsequently executed irrespective of whether this difference exceeds the amount of the bid bond. If a more favorable bid is received through re-advertisement, the defaulting bidder shall have no claim against the locality for a refund.

16. Wages and Salaries

Attention is particularly called to the requirement of paying not less than the prevailing Davis Bacon Related Acts (DBRA) wage rates specified in the Contract Documents. These rates are minimums to be paid during the life of the contract. It is therefore the responsibility of the Bidder to inform themselves as to local labor conditions.

17. Equal Employment Opportunity

Attention is called to the requirements for ensuring that employees and applicants for employment are not discriminated against because of race, color, religion, sex, sexual identity, gender identity, or national origin, and other civil rights requirements.

18. Certification Regarding Lobbying –

Contractors who apply or bid for an award of \$100,000 or more shall provide the required certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC § 1352.

Equal Opportunity Guidelines for Construction Contractors

Note: To be included in bid packet and distributed at the preconstruction conference (optional)

1. **What are the responsibilities of the offeror or bidder to ensure equal employment opportunity?**
For contracts over \$ 10,000, the offeror or bidder must comply with the "Equal Opportunity Clause" and the "Standard Federal Equal Opportunity Construction Contract Specifications."
2. **Are construction contractors required to ensure a legal working environment for all employees?**
Yes, it is the construction contractor's responsibility to provide an environment free of harassment, intimidation, and coercion to all employees and to notify all foremen and supervisors to carry out this obligation, with specific attention to minority or female individuals.
3. **To alleviate developing separate facilities for men and women on all sites, can a construction contractor place all women employees on one site?**
No, two or more women should be assigned to each site when possible.
4. **Are construction contractors required to make special outreach efforts to Section 3 or minority and female recruitment sources?**
Yes, construction contractors must establish a current list of Section 3, minority and female recruitment sources. Notification of employment opportunities, including the availability of on-the-job training and apprenticeship programs, should be given to these sources. The efforts of the construction contractors should be kept in file.
5. **Should records be maintained on the number of Section 3 residents, minority and females applying for positions with construction contractors?**
Yes, records must be maintained to include a current list of names, addresses and telephone numbers of all Section 3, minority and female applicants. The documentation should also include the results of the applications submitted.
6. **What happens if a woman or minority is sent to the union by the Contractor and is not referred back to the Contractor for employment?**
If the unions impede the construction contractor's responsibility to provide equal employment opportunity, a written notice should be submitted to TDA.
7. **What efforts are made by construction contractors to create entry-level positions for Section 3 residents, women and minorities?**
Construction contractors are required to develop on-the-job training programs, or participate in training programs, especially those funded by the Department of Labor, to create positions for Section 3 residents, women and minorities and to meet employment needs.
8. **Are any efforts made by the Contractor to publicize their Equal Employment Opportunity (EEO) policy?**
Yes, the construction contractor is responsible for notifying unions and sources of training programs of their equal employment opportunity policy. Unions should be requested to cooperate in the effort of equal opportunity. The policy should be included in any appropriate manuals, or collective bargaining agreements. The construction contractor is encouraged to publicize the equal employment opportunity policy in the company newspaper and annual report. The Contractor is also responsible to include the EEO policy in all media advertisement.
9. **Are any in-service training programs provided for staff to update the EEO policy?**
At least annually a review of the EEO policy and the affirmative action obligations are required of all personnel employees of a decision-making status. A record of the meeting including date, time, location, persons present, subject matter discussed, and disposition of the subject matter should be maintained.

10. What recruitment efforts are made for Section 3 residents, minorities and women?

The construction contractor must notify both orally and in writing, Section 3, minority and female recruitment sources one month prior to the date of acceptance for apprenticeship or other training programs.

11. Are any measures taken to encourage promotions for minorities and women?

Yes, an annual evaluation should be conducted for all minority and female personnel to encourage these employees to seek higher positions.

12. What efforts are taken to insure that personnel policies are in accordance with the EEO policy?

Personnel policies in regard to job practices, work assignments, etc. should be continually monitored to insure that the EEO policy is carried out.

13. Can women be excluded from utilizing any facilities available to men?

No, all facilities and company activities are non-segregated except for bathrooms or changing facilities to ensure privacy.

14. What efforts should be utilized to include minority and female contractors and suppliers?

Take affirmative steps to ensure that small, minority, and women owned businesses are included on all lists for contractors/service providers. Solicit these businesses when issuing RFPs and RFQs and soliciting construction bids. Divide project activities into small tasks to allow participation. Keep records of all offers to minority and female construction contractors.

15. If a construction contractor participates in a business related association that does not comply with equal opportunity affirmative action standards, does that show his/her failure to comply?

No, the construction contractor is responsible for its own compliance.

16. Can a construction contractor hire a subcontractor who has been debarred from government contracts pursuant to EEO?

No. The construction contractor must suspend, terminate or cancel its contract with any Subcontractor who is in violation of the EEO policy.

17. What effort has been taken by the construction contractor to monitor all employment to insure the company EEO policy is being carried out?

The construction contractor must designate a responsible individual to keep accurate records of all employees that includes specific information required by the government.

SECTION 3 POLICY

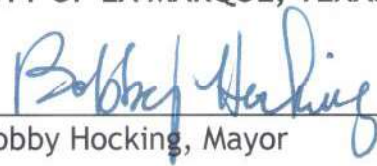
In accordance with 12 U.S.C. 1701u the City of La Marque agrees to implement the following steps, which, to *the greatest extent feasible*, will provide job training, employment and contracting opportunities for Section 3 residents and Section 3 businesses of the areas in which the program/project is being carried out.

- A. Introduce and pass a resolution adopting this plan as a policy to strive to attain goals for compliance to Section 3 regulations by increasing opportunities for employment and contracting for Section 3 residents and businesses.
- B. Assign duties related to implementation of this plan to the designated Civil Rights Officer.
- C. Notify Section 3 residents and business concerns of potential new employment and contracting opportunities as they are triggered by CDBG-DR grant awards through the use of: Public Hearings and related advertisements; public notices; bidding advertisements and bid documents; notification to local business organizations such as the Chamber(s) of Commerce or the Urban League; local advertising media including public signage; project area committees and citizen advisory boards; local HUD offices; regional planning agencies; and all other appropriate referral sources. Include Section 3 clauses in all covered solicitations and contracts.
- D. Maintain a list of those businesses that have identified themselves as Section 3 businesses for utilization in CDBG-DR funded procurements, notify those businesses of pending contractual opportunities, and make this list available for general Grant Recipient procurement needs.
- E. Maintain a list of those persons who have identified themselves as Section 3 residents and contact those persons when hiring/training opportunities are available through either the Grant Recipient or contractors.
- F. Require that all Prime contractors and subcontractors with contracts over \$100,000 commit to this plan as part of their contract work. Monitor the contractors' performance with respect to meeting Section 3 requirements and require that they submit reports as may be required by HUD or GLO to the Grant Recipient.
- G. Submit reports as required by HUD or GLO regarding contracting with Section 3 businesses and/or employment as they occur; and submit reports within 20 days of the federal fiscal year end (by October 20) which identify and quantify Section 3 businesses and employees.
- H. Maintain records, including copies of correspondence, memoranda, etc., which document all actions taken to comply with Section 3 regulations.

As officers and representatives of City of La Marque, we the undersigned have read and fully agree to this plan and become a party to the full implementation of this program.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque the
8th day of July, 2019.

CITY OF LA MARQUE, TEXAS


Bobby Hocking, Mayor

BID PROPOSAL
WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
BASE BID

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
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SECTION A - GENERAL

1.	Mobilization/Payment/ Performance Bonds/Permits & Fees	LS	1	\$ _____	\$ _____
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SUBTOTAL SECTION A - GENERAL \$ _____

SECTION B - DEMOLITION AND PAVEMENT REPAIR

2.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for full depth saw-cut, removal and replacement of existing concrete driveway, curb and gutter including disposal offsite as indicated on plans and according to specifications, complete in place.	SY	315	\$ _____	\$ _____
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3.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for full depth saw-cut, removal and replacement of existing asphalt pavement, curb and gutter, including disposal offsite as indicated on plans and according to specifications, complete in place.	SY	600	\$ _____	\$ _____
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4.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal and disposal offsite of existing 12" RCP, including backfill and compaction to grades as indicated on plans and according to specifications, complete in place.	LF	83	\$ _____	\$ _____
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5.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal and disposal offsite of existing 18" RCP, including backfill and compaction to grades as indicated on plans and according to specifications, complete in place.	LF	109	\$ _____	\$ _____
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6.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal and disposal offsite of existing 24" RCP, including backfill and compaction to grades as indicated on plans and according to specifications, complete in place.	LF	700	\$ _____	\$ _____
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7.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal and disposal offsite of existing 30" RCP, including backfill and compaction to grades as indicated on plans and according to specifications, complete in place.	LF	720	\$ _____	\$ _____
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8.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal of existing 36" RCP, including backfill and compaction to grades as indicated on plans and according to specifications, complete in place.	LF	155	\$ _____	\$ _____
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9.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal of existing 48" RCP, including backfill and compaction to grades as indicated on plans and according to specifications, complete in place.	LF	174	\$ _____	\$ _____
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Bid Sheet Must Be Initialed By Same
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BID PROPOSAL
WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
BASE BID

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
10.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal of existing 36" CMP, including backfill and compaction to grades as indicated on plans and according to specifications, complete in place.	LF	420	\$ _____	\$ _____
11.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal of existing inlets including disposal offsite as indicated on plans and according to specifications, complete in place.	EA	16	\$ _____	\$ _____
12.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal of existing manholes including disposal offsite as indicated on plans and according to specifications, complete in place.	EA	6	\$ _____	\$ _____
13.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to construct 6", 3,500 PSI reinforced concrete pavement for driveway as indicated on plans and according to specifications, complete in place.	SY	315	\$ _____	\$ _____
14.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to construct 6" concrete curb and gutter as indicated on plans and according to specifications, complete in place.	LF	165	\$ _____	\$ _____
15.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for pavement striping as indicated on plans and according to specifications, complete in place.	LS	1	\$ _____	\$ _____

SUBTOTAL SECTION B - DEMOLITION AND PAVEMENT REPAIR \$ _____

SECTION C - WATER LINE

16.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for 6" Water Line Offset, All Depths including fittings and appurtenances as indicated on plans and according to specifications, complete in place.	EA	1	\$ _____	\$ _____
17.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to construct 2" Water Line Offset, All Depths including fittings and appurtenances as indicated on plans and according to specifications, complete in place.	EA	3	\$ _____	\$ _____

SUBTOTAL SECTION C - WATER LINE \$ _____

SECTION D - STORM DRAINAGE SYSTEM

18.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 24" RCP, Storm Sewer, ASTM C-76, Class III, All Cuts as indicated on plans and according to specifications, complete in place.	LF	787	\$ _____	\$ _____
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BID PROPOSAL
WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
BASE BID

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
19.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 30" RCP, Storm Sewer, ASTM C-76, Class III, All Cuts as indicated on plans and according to specifications, complete in place.	LF	718	\$ _____	\$ _____
20.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 36" RCP, Storm Sewer, ASTM C-76, Class III, All Cuts as indicated on plans and according to specifications, complete in place.	LF	958	\$ _____	\$ _____
21.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 42" RCP, Storm Sewer, ASTM C-76, Class III, All Cuts as indicated on plans and according to specifications, complete in place.	LF	870	\$ _____	\$ _____
22.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 48" RCP, Storm Sewer, ASTM C-76, Class III, All Cuts as indicated on plans and according to specifications, complete in place.	LF	1973	\$ _____	\$ _____
23.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to instal Type "A" Inlet as indicated on plans and according to specifications, complete in place.	EA	6	\$ _____	\$ _____
24.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install Type "B-B" Inlet as indicated on plans and according to specifications, complete in place.	EA	16	\$ _____	\$ _____
25.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install Type "C" Manhole (24"-42"), as indicated on plans and according to specifications, complete in place.	EA	10	\$ _____	\$ _____
26.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install Type "C" Manhole (24"-42") w/ Inlet "A" Grate Top as indicated on plans and according to specifications, complete in place.	EA	3	\$ _____	\$ _____
27.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install Type "C" Manhole (48"-72") w/ Inlet "A" Grate Top as indicated on plans and according to specifications, complete in place.	EA	2	\$ _____	\$ _____
28.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install Type "E" Inlet as indicated on plans and according to specifications, complete in place.	EA	2	\$ _____	\$ _____
29.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install Type "C" Manhole (48"-72") as indicated on plans and according to specifications, complete in place.	EA	6	\$ _____	\$ _____

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BID PROPOSAL
WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
BASE BID

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
30.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 7' x 4' Junction Box for Sanitary Conflict with Grate Inlet Top as indicated on plans and according to specifications, complete in place.	EA	1	\$ _____	\$ _____
31.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install Modified Type "E" Inlet on 8' x 5' Junction Box for Sanitary Conflict as indicated on plans and according to specifications, complete in place.	EA	2	\$ _____	\$ _____
32.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 6' X 14' Junction Box as indicated on plans and according to specifications, complete in place.	EA	1	\$ _____	\$ _____
33.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for Connection to Existing Manhole as indicated on plans and according to specifications, complete in place.	EA	1	\$ _____	\$ _____
34.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for OSHA Trench Safety System, All Depths as indicated on plans and according to specifications, complete in place.	LF	5306	\$ _____	\$ _____
SUBTOTAL SECTION D - STORM DRAINAGE SYSTEM					\$ _____

SECTION E - SANITARY SEWER SYSTEM

35.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 8" Sanitary Sewer Line Crossing Modification at Proposed Junction Box (Conflict Structure) as indicated on plans and according to specifications, complete in place.	EA	3	\$ _____	\$ _____
36.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 10" Sanitary Sewer Line Crossing Modification at Proposed Junction Box (Conflict Structure) as indicated on plans and according to specifications, complete in place.	EA	1	\$ _____	\$ _____
SUBTOTAL SECTION E - SANITARY SEWER SYSTEM					\$ _____

SECTION F - MISCELLANEOUS ITEMS

37.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform Ditch Regrading as indicated on plans and according to specifications, complete in place.	LF	111	\$ _____	\$ _____
38.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform Storm Sewer Clean Up as indicated on plans and according to specifications, complete in place.	LF	690	\$ _____	\$ _____

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WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
BASE BID

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
39.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform cleaning of Storm Sewer Inlets and Manholes, as indicated on plans and according to specifications, complete in place.	EA	12	\$ _____	\$ _____
40.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to provide Power Pole Temporary Shoring as indicated on plans and according to specifications, complete in place.	EA	1	\$ _____	\$ _____
41.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to perform Power Pole relocation as indicated on plans and according to specifications, complete in place.	EA	3	\$ _____	\$ _____
42.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to Remove and Replace Street Sign as indicated on plans and according to specifications, complete in place.	EA	3	\$ _____	\$ _____
43.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to Remove and Replace of Existing Wooden Bollards as indicated on plans and according to specifications, complete in place.	EA	8	\$ _____	\$ _____
44.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install and Implement Traffic Control Plan, as indicated on plans and according to specifications, complete in place.	MONTH	8	\$ _____	\$ _____

SUBTOTAL SECTION F - MISCELLANEOUS ITEMS \$ _____

SECTION G - STORMWATER POLLUTION PREVENTION

45.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for turf establishment by hydromulch seeding. Includes watering, fertilizing, mowing and maintenance, until a full stand of grass has been established and all governing agencies have inspected and accepted (in writing).	AC	0.50	\$ _____	\$ _____
46.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install Reinforced Filter Fabric Fence around the construction site (to be installed prior to any construction activity and properly maintained throughout construction) as indicated on plans and according to specifications, complete in place. Includes removal.	LF	50	\$ _____	\$ _____
47.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to furnish and install storm inlet protection barriers, includes removal, as indicated on plans and according to specifications, complete in place.	EA	28	\$ _____	\$ _____

SUBTOTAL SECTION G - STORMWATER POLLUTION PREVENTION \$ _____

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BID PROPOSAL
WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287

BASE BID

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
<u>SECTION H - EXTRA ITEMS</u>					
48.	Extra Cement Stabilized Sand, complete in place. (Minimum).	TON	100	\$_____	\$_____
49.	Extra 24" RCP, storm sewer, ASTM C-76, Class III, complete in place. (Minimum).	LF	100	\$_____	\$_____
50.	Extra 30" RCP, storm sewer, ASTM C-76, Class III, complete in place. (Minimum).	LF	100	\$_____	\$_____
51.	Extra 36" RCP, storm sewer, ASTM C-76, Class III, complete in place. (Minimum).	LF	100	\$_____	\$_____
52.	Extra 42" RCP, storm sewer, ASTM C-76, Class III, complete in place. (Minimum).	LF	100	\$_____	\$_____
53.	Extra 48" RCP, storm sewer, ASTM C-76, Class III, complete in place. (Minimum).	LF	100	\$_____	\$_____
54.	Extra Type "A" inlet, complete in place. (Minimum).	EA	5	\$_____	\$_____
55.	Extra Type "B-B" inlet, complete in place. (Minimum).	EA	5	\$_____	\$_____
56.	Extra Type "C" Manhole (24"-42") complete in place. (Minimum).	EA	5	\$_____	\$_____
57.	Extra Type "C" Manhole (48"-72") complete in place. (Minimum).	EA	5	\$_____	\$_____
58.	Extra Type "E" inlet, complete in place. (Minimum).	EA	5	\$_____	\$_____
59.	Extra 8" sanitary sewer line, complete in place. (Minimum).	LF	50	\$_____	\$_____
60.	Extra 10" sanitary sewer line, complete in place. (Minimum).	LF	50	\$_____	\$_____
61.	Extra cleaning of Storm Sewer Inlets and Manholes, complete in place. (Minimum).	EA	10	\$_____	\$_____
62.	Extra Removal and Replacement of Street Sign, Complete in place. (Minimum).	EA	3	\$_____	\$_____
63.	Extra Ditch Regrading, complete in place. (Minimum).	LF	500	\$_____	\$_____
64.	Extra full depth saw-cut and removal of existing concrete pavement, complete in place. (Minimum).	LF	100	\$_____	\$_____
65.	Extra 6", 3,500 psi Concrete pavement with #3 bars at 18" O/C each way, according to details, complete in place. (Minimum).	SY	50	\$_____	\$_____

SUBTOTAL SECTION H - EXTRA ITEMS \$_____

TOTAL BASE BID \$_____

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BID PROPOSAL
WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
ALTERNATE 1 - WATER EASEMENT

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
<u>SECTION I - MISCELLANEOUS ITEMS</u>					
A1.1	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for Ditch Regrading, Complete in place as indicated on plans and according to specifications, complete in place.	LF	357	\$ _____	\$ _____
A1.2	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for Storm Sewer Clean Up, Complete in place as indicated on plans and according to specifications, complete in place.	LF	1031	\$ _____	\$ _____
A1.3	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for Storm Sewer Inlets and Manholes Clean Up, Complete in place as indicated on plans and according to specifications, complete in place.	EA	11	\$ _____	\$ _____
SUBTOTAL SECTION I - MISCELLANEOUS ITEMS					\$ _____
TOTAL ALTERNATE 1 BID					\$ _____

BID PROPOSAL
WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
ALTERNATE 2 - FANNIN DRIVE

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
<u>SECTION J - DEMOLITION AND PAVEMENT REPAIR</u>					
A2.1	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for full depth saw-cut and removal and replacement of existing driveway including disposal offsite as indicated on plans and according to specifications, complete in place. Replace with 6", 3,500 PSI reinforced concrete.	SY	71	\$ _____	\$ _____
A2.2	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal of existing 12" RCP including disposal offsite as indicated on plans and according to specifications, complete in place.	LF	36	\$ _____	\$ _____
A2.3	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for removal of existing 15" RCP including disposal offsite as indicated on plans and according to specifications, complete in place.	LF	18	\$ _____	\$ _____
SUBTOTAL SECTION J - DEMOLITION AND PAVEMENT REPAIR					\$ _____
<u>SECTION K - STORM DRAINAGE SYSTEM</u>					
A2.5	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for 18" RCP Culvert, ASTM C-76, Class III, All Cuts (Under Driveways), Complete in place as indicated on plans and according to specifications, complete in place.	LF	54	\$ _____	\$ _____
SUBTOTAL SECTION K - STORM DRAINAGE SYSTEM					\$ _____
<u>SECTION L - SANITARY SEWER SYSTEM</u>					
A2.6	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for 8" Sanitary Sewer Line Crossing Modification at Proposed Junction Box (Conflict Structure), Complete in place as indicated on plans and according to specifications, complete in place.	EA	3	\$ _____	\$ _____
SUBTOTAL SECTION L - SANITARY SEWER SYSTEM					\$ _____
<u>SECTION M - MISCELLANEOUS ITEMS</u>					
A2.7	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for Ditch Regrading, Complete in place as indicated on plans and according to specifications, complete in place.	LF	1232	\$ _____	\$ _____
SUBTOTAL SECTION M - MISCELLANEOUS ITEMS					\$ _____

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WESTLAWN AND HIGHLAND SUBDIVISION DRAINAGE IMPROVEMENTS
LA MARQUE, TEXAS
ADICO PROJECT NO. 19100-12
CDBG-DR HURRICANE HARVEY
GLO CONTRACT NO. 20-065-105-C287
ALTERNATE 2 - FANNIN DRIVE

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
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SECTION N - STORMWATER POLLUTION PREVENTION

A2.8	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for turf establishment by hydromulch seeding. Includes watering, fertilizing, mowing and maintenance, until a full stand of grass has been established and all governing agencies have inspected and accepted (in writing).	AC	0.50	\$ _____	\$ _____
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SUBTOTAL SECTION N - STORMWATER POLLUTION PREVENTION \$ _____

TOTAL ALTERNATE 2 BID \$ _____

ACTIVITY	End Date	Calendar
		Days
Bid Phase:		
City Council Authorization For Bidding	January 23, 2023	9
1 st Advertisement	February 1, 2023	7
2 nd Advertisement	February 8, 2023	12
Pre-Bid	February 20, 2023	21
Bid Date – Receiving Sealed Proposals	March 13, 2023	14
Recommendation to City Council	March 27, 2023	14
City Council Approval	April 10, 2023	

Authority to Use Grant Funds

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

To: (name & address of Grant Recipient & name & title of Chief Executive Officer)

Mayor Keith Bell
City of La Marque
1111 Bayou Road
La Marque, TX 77568

Copy To: (name & address of SubRecipient)

We received your Request for Release of Funds and Certification, form HUD-7015.15 on

12/20/2022

Your Request was for HUD/State Identification Number

B-17-DM-48-0001/20-065-105-C287

All objections, if received, have been considered. And the minimum waiting period has transpired.
You are hereby authorized to use funds provided to you under the above HUD/State Identification Number.
File this form for proper record keeping, audit, and inspection purposes.

Project Name: Westlawn Flood Control and Drainage Project

Project Location: Cedar Drive, Melody Drive, Crockett Street La Marque, TX, Galveston County

Project Description: Reconstructing and rehabilitating the existing drainage system.

CDBG-DR Funds: \$1,447,527

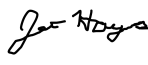
Typed Name of Authorizing Officer

Jet Hays

Title of Authorizing Officer

Senior Deputy Director

Signature of Authorizing Officer

X 

Date (mm/dd/yyyy)

1/5/2023

CITY OF LA MARQUE 20-065-105-C287

PERFORMANCE STATEMENT

Hurricane Harvey overwhelmed the drainage system of the City of La Marque (Subrecipient). Heavy rainfall caused flooding of homes and streets. Undersized culverts throughout the city prohibited stormwater from draining effectively. This inundated the drainage system and threatened public health, safety, and welfare. Subrecipient will conduct drainage Infrastructure improvements to facilitate proper stormwater conveyance and reduce the impact of future flooding.

Subrecipient shall perform the Activities identified herein for the target area specified in its approved Texas Community Development Block Grant Disaster Recovery Supplemental Grant Application to aid areas most impacted by Hurricane Harvey. The persons to benefit from the Activities described herein must receive the prescribed service or benefit, and all eligibility requirements must be met to fulfill contractual obligations.

The grant total is \$1,447,527.00. Subrecipient will be required to maintain a detailed Budget breakdown in the official system of record of the GLO's Community Development and Revitalization division (GLO-CDR).

Flood and Drainage Facilities

Subrecipient shall replace storm sewer culverts, regrade roadside ditches, install outfall ditches with associated pavement repair, and complete associated appurtenances. Construction shall take place at the following locations.

Flood and Drainage Facilities	Location Approximate Lat/Long	Proposed HUD Performance Measures	Census Tract	Block Group
Site 1 Cedar Dr.	600 LF West of Westward Ave. to Westward Ave. 29.368308, -94.988595	600 LF	7228 7229	2 1,2
Site 2 Westward Ave. (West side)	Cedar Dr. to Interstate I45 29.365812, -94.987478	2,057 LF	7228 7229	2 1,2
Site 3 Westward Ave. (East side)	275 LF North of Fannin St. to 375 LF South of Fannin St. 29.365794, -94.987507	650 LF	7228 7229	2 1,2
Site 4 Melody Dr. (North)	Westward Ave. to Merry Ln. 29.367295, -94.988247	354 LF	7228 7229	2 1,2
Site 5 Melody Dr. (South)	Westward Ave. to Merry Ln. 29.364428, -94.988113	501 LF	7228 7229	2 1,2

Site 6 Easement (East & South) off Westward Ave.	140 LF South of Fannin to 1,212 LF East 29.364641, -94.985216	1,212 LF	7228 7229	2 1,2
Site 7 Easement (South & East) off Magnolia Dr.	End of Site 6 South 240 LF, then 740 LF East to Austin Ave. 29.363653, -94.983052	1,102 LF	7228 7229	2 1,2
Site 8 Easement (South) off Houston Dr.	116 LF East Bonham St. South to Lamar Drive 29.366679, -94.983693	553 LF	7228 7229	2 1,2
Site 9 Lamar Dr./ Fannin St.	End of Site 8 Southeast to 130 LF West on Fannin St. 29.365534, -94.983382	390 LF	7228 7229	2 1,2
Site 10 Easement (South) off Fannin	End of Site 9 to 198 LF South 29.364791, -94.983578	198 LF	7228 7229	2 1,2
Site 11	Curb Inlet at Milam, 300 LF south of Magnolia Dr. 29.363281, -94.982995	One (1) Public Facility	7228 7229	2 1,2
Site 12	Curb Inlet northside of Magnolia Dr. at Travis Ct. 29.364486, -94.981969	One (1) Public Facility	7228 7229	2 1,2
Site 13	Curb Inlet eastside of W. Houston Dr., 480 LF south of Fannin St. 29.363667, -94.986791	One (1) Public Facility	7228 7229	2 1,2
Site 14	Curb Inlet northside of Fannin St. at Houston Drive 29.365133, -94.986926	One (1) Public Facility	7228 7229	2 1,2
Site 15	Curb Inlet south side of Lamar Dr. at Bonham St. 29.366254, -94.984414	One (1) Public Facility	7228 7229	2 1,2
Site 16	Curb Inlet east side Bonham St., approx. 100 LF south of Lamar Drive. 29.366042, -94.984646	One (1) Public Facility	7228 7229	2 1,2
These Activities shall benefit four thousand (4,000) persons. Of these persons, two thousand six hundred forty-five (2,645), or sixty-six and thirteen hundredths percent (66.13%), are of low to moderate income.				

BUDGET

HUD Activity Type	Grant Award	Other Funds	Total
Rehabilitation/Reconstruction of Public Improvements	\$1,447,527.00	\$0.00	\$1,447,527.00
TOTAL	\$1,447,527.00	\$0.00	\$1,447,527.00

MILESTONES

	Not-To-Exceed Draw Percentages					
Milestones	Construction Funds	Engineering Funds	Grant Administration Funds	Special Environmental Funds	Environmental Funds	Acquisition Funds
Project Kick-Off Meeting and Start-up Documentation			15%			
Engineering Contract Executed		30%				
Environmental Contract Executed			30%			
100% Design Approval		60%				
Special Environmental Report Approval				100%		
Authority to Use Grant Funds			50%		100%	
Acquisition Start						100%
Bid Advertisement		70%	60%			
Construction Notice to Proceed	85%	85%	85%			
As-Built Plans/ COCC/FWCR	100%	100%	95%			
Grant Completion Report Approval			100%			

Request for Release of Funds and Certification

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

OMB No. 2506-0087
(exp. 08/31/2023)

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s) Texas Community Development Block Grant Disaster Recovery	2. HUD/State Identification Number Federal Award No. B-17-DM-48-0001 GLO Contract No. 20-065-105-C287	3. Recipient Identification Number (optional)
4. OMB Catalog Number(s) CFDA No. 14.228	5. Name and address of responsible entity Mayor Keith Bell, City of La Marque, 1111 Bayou Road, La Marque, TX 77568	
6. For information about this request, contact (name & phone number) Keith Bell, 409-877-2645		
8. HUD or State Agency and office unit to receive request Texas General Land Office Community Development and Revitalization P.O. Box 12873, Austin, Texas 78711-2873	7. Name and address of recipient (if different than responsible entity) N/A	
The recipient(s) of assistance under the program(s) listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following		
9. Program Activity(ies)/Project Name(s) Westlawn Flood Control and Drainage Project	10. Location (Street address, city, county, State) Cedar Drive, Melody Drive, Crockett Street La Marque, TX, Galveston County	

11. Program Activity/Project Description

The City of La Marque proposes to reconstruct and rehabilitate their existing drainage system with the grant from the Texas General Land Office in the amount of \$1,447,527.00 and shall contribute \$0.00 in match funds.

The environmental notice was posted at La Marque City Hall on 11/22/2022. The local comment period ended 12/14/2022. This RROF was signed on 12/15/2022 and submitted to the state. The state comment period is anticipated to end 12/30/2022 or 15 days after receipt of this request, whichever is later, with the issuance of the AUGF anticipated on 12/31/2022 or next business day after the end of the objection period.

Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. The responsible entity has assumed responsibility for and complied with and will continue to comply with Section 106 of the National Historic Preservation Act, and its implementing regulations 36 CFR 800, including consultation with the State Historic Preservation Officer, Indian tribes and Native Hawaiian organizations, and the public.
4. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal did ☐ did not ☒ require the preparation and dissemination of an environmental impact statement.
5. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
6. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
7. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

8. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
9. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying office of the responsible entity

Signature of Certifying Officer of the Responsible Entity

Title of Certifying Officer
Keith Bell, Mayor

Date signed
12/15/2022

X

Address of Certifying Officer

1111 Bayou Road, La Marque, TX 77568

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient

Title of Authorized Officer

Date signed

X

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. The responsible entity has assumed responsibility for and complied with and will continue to comply with Section 106 of the National Historic Preservation Act, and its implementing regulations 36 CFR 800, including consultation with the State Historic Preservation Officer, Indian tribes and Native Hawaiian organizations, and the public.
4. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal did ☐ did not ☒ require the preparation and dissemination of an environmental impact statement.
5. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
6. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
7. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

8. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
9. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

Signature of Certifying Officer of the Responsible Entity

X 

Title of Certifying Officer

Mayor

Date signed

9/8/2022

Address of Certifying Officer

1111 Bayou Rd, La Marque, TX 77568

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient

X

Title of Authorized Officer

Date signed

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

City of La Marque Boards and Commissions Handbook

Purpose and Scope

The purpose of this policy is to establish uniform procedures for all advisory boards and commissions of the City. Board and commission members are selected by the City Council and serve at the pleasure of the Council and will not be granted special privileges because of their appointment.

This policy applies to citizens appointed to boards appointed by the Mayor and La Marque City Council. This policy does not apply to the appointments of a Councilmember made by the Mayor, nor to appointments made by the City Council to external boards. An external board is defined as a board outside of the City of La Marque organization, including but not limited to, Houston-Galveston Area Council (H-GAC), Galveston County Mayor and Council Association (GCMCA), Texas Municipal Retirement System (TMRS), or various Galveston County Advisory committees.

Eligibility

Applicant qualifications include the following:

Must be a resident of the City for at least one (1) year and remain a resident for the duration of their term ***Planning and Zoning Commissioners shall not be subject to this requirement. However, they shall comply with Section 71-24 of the City Code (requiring that all Commissioners "be residents and real property taxpayers of the City of La Marque and none of whom shall hold any other position in the city government")*

Must be a qualified voter

May not apply to serve on a board with their immediate family members

Regular full-time City employees are not eligible unless required by State statute

No persons within the second degree by affinity or within the third degree by consanguinity to a council member are eligible to become a member of a board or commission

In the event that State statute requires certain qualifications, those qualifications shall be required

All qualified candidates applying for the first time or reappointment must complete an application form (Exhibit A) ~~and a signed consent for felony background history authorization form (Exhibit B)~~ to the City Clerk's office prior to the advertised deadline. The City Clerk will

review all applications for eligibility, then distribute to the Council for review and appointment.

Members shall be appointed for terms of two (2) years and may be removed at any time by the City Council. Terms of office will be staggered so approximately one-half the membership at any time has experience. In the event a vacancy occurs prior to the expiration of a full term, the City Council may appoint a new member to complete the unexpired term. Any board member or commission member may be re-appointed by the City Council upon completion of an application.

A member of a board or commission ceasing to reside in the City of La Marque during his or her term of office shall immediately forfeit his or her position.

Application Process

Application forms shall be made available online at www.cityoflamarque.org and at City Hall. The application shall solicit information about the applicant's background, including current and past occupations and involvement in and knowledge of issues related to the subject of the board to which they are applying. In addition to the completed application, applicants are required to provide: Applicants may apply for more than one board; however, no person shall serve concurrently on more than one board.

Incumbents who are eligible and wish to seek another term must reapply in the same manner as other applicants.

Applications are considered current for two years from the submittal date, after which the application will be removed from consideration. To be considered in the next recruitment period, the applicant is required to submit a new application.

To encourage citizen involvement, no person shall serve concurrently on more than one City of La Marque board. Service as a City of La Marque board member is considered an office, and should a board member become a candidate for any other city public office; then the candidate will not resign until elected.

In addition to these eligibility criteria, the City Council may set specific skills and experience desired for each board.

NOTE: Information provided is public and subject to the Texas Public Information Act (Government Code Chapter 552)

FELONY BACKGROUND

As a representative of the City of La Marque and due to the nature of the business and associations performed by each Board and Commission member, a felony background verification will be conducted on all new applicants, effective with the adoption of this policy.

Any member already appointed to a board or commission as of the adoption of this policy is given a “nonconforming” status, and felony background verification will not be conducted when applying for re-appointment.

However, Any person who is appointed or current member who is re-appointed for a new two-year term after the adoption of the policy will be required to notify the City Clerk within ten (10) days of any charge for a felony or crime of moral turpitude during their term. A member failing to notify the City of such charges will be automatically terminated. A member who is charged and makes the required notification will may be subject to suspension from the Board pending final judgment by City Council.

TERM OF OFFICE

Board members serve for a staggered term of two years, apart from the Economic Development Corporation Board of Directors, who serve a consecutive six-year term. Terms expire on December 31 of the year. If appointments are not made prior to the expiration of the member’s term, the board member will continue to serve until appointments are made.

Citizens are appointed to serve on a board at the pleasure of the City Council. The City Council retains the right to replace any appointed member at any time and for any reason. Board members are appointed for a limited purpose and time, and once the assigned term of office is completed, they are excused from this appointment unless the City Council selects them for another term of service in accordance with the adopted policy for board service.

Mid-Term Appointments

Occasionally a board member may be unable to finish his or her term or will be removed by the City Council prior to the term ending. In such cases, the vacant position must be filled by a mid-term appointee who will serve out the remainder of the term.

New Members

Upon completion of the selection process, all new members should make every effort to become as familiar as possible with all aspects of their particular board or commission. To aid in the process, new members will be furnished copies of pertinent telephone numbers of other members and applicable information and regulations that govern that board.

All new members shall be required to attend specialized training on the Open Meetings Act, Public Information Act, and any State statutes pertinent to their position on the board within (30) days of their appointment. Such training shall be coordinated by, and expenses borne by the City.

~~All Members of boards or commissions must be administered an Oath of Office upon induction. The members must sign the oath, and it must be notarized and kept by the City Clerk's office until such a time deemed appropriate by the City's records retention schedule. Those persons authorized to administer the statement and the oaths are the City Clerk and any Notary Public.~~

General Duties

All boards and commissions shall act in an advisory capacity to the City Council with the exception of the:

Board of Adjustment whose decision is final as set out in Section 17.03 of the Code of Ordinances of the City of La Marque
Planning and Zoning Commission, in particular issues

Boards and commissions shall advise the Council on issues peculiar to their particular interests. No member of a board or commission shall become involved in the daily operations of the departments of the City or in personnel matters.

Specific duties of all boards and commissions are outlined in the Code of Ordinances as follows:

Board of Adjustment	Sec. 71-25
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Building Standards	Sec. 14-24
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Cemetery	Ch. 2 Article IX
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Charter Review
Article XV

Charter

City Council

Charter Article II

Civil Service

Ch. 2 Article VIII

Economic Development
Keep La Marque Beautiful
Parks
Planning & Zoning

Ord. 695
Sec. 33-44
Ch.2 Article V
Sec. 71-24

Attendance

It is imperative that members maintain regular attendance. The following procedure has been established to assist in maintaining the record.

Members who cannot attend the meeting should contact the chairman or appropriate staff member concerning his or her absence prior to the meeting.

Four (4) absences from the meetings in any twelve-month period shall cause the removal of the member as a regular member, and the member shall become an alternate; further, the first alternate on the committee shall automatically replace the committee member removed for absences.

The Council is most appreciative of the dedication and contribution of those who are willing to donate their time to community service. Any decision reached by any of these boards has an impact on the entire community. Therefore, if a quorum is not present because of habitual absenteeism by certain members, the integrity of the board is affected.

Quorum

A quorum is established by a majority (50% +1) of members of the full board. To preserve the Open Meetings Act, and prevent unintended violations, all communications relating to the board and board-related business should be handled through the staff liaison.

Role of Staff Liaison

The role of the liaison is to act as a communication conduit between the City Council and the board or commission. The liaison shall take no part in the board or commission discussions unless requested.

A staff member (usually an administrative assistant) is assigned to each respective board to perform support services, provide technical data, prepare agendas, post notices of meetings, prepare minutes of the meetings, and other related functions. The staff member is an ex-officio member of the board but is not entitled to vote or preside over meetings.

Conduct of Meetings

The Chair shall preside over the meetings, and in their absence, the Vice-Chair shall preside. The Chair shall call the meeting to order.

The Chair may address the posted items on the agenda in any order they choose as long as every item is addressed.

A motion may be made by any member other than the presiding officer. A second to the motion is required before a vote can be taken. Any motion dies from a lack of a second.

Robert's Rule of Order shall be used as a guideline to conduct meetings.

All meetings will be held in compliance with the Open Meetings Act and shall be open to the public.

Record of Meetings

A record of all meetings is to be kept. Pertinent items to be included are as follows:

AGENDA - The agenda will serve as the order of business and provide the form for the posting of notice of meetings. The official posting of the agenda must be at least 72 hours in advance of the meeting in a place(s) readily accessible to the public. Two postings are recommended: (1) bulletin board at 1109-B Bayou Road; (2) on the City's official website. Copies of the agenda, along with supporting data, shall be provided to each member at least 72 hours in advance of the meeting date.

Some boards meet periodically or on an as-needed basis; however, others meet on a specified schedule. In the event a regularly scheduled meeting is canceled, a notice should be posted stating that the meeting has been canceled and giving the reason for such cancellation and, if known, the date of the next meeting.

MINUTES OF MEETINGS - The staff member will be responsible for keeping an accurate record of all meetings. The minutes shall include a record of attendance, summary of the discussion, recommendations and/or voting record, indicating by name members voting "for" or "against" all items of business, unless the vote was unanimous. Minutes are permanent record and should be retained as such.

RECORD OF ATTENDANCE - Minutes of each meeting shall accurately reflect the names of those members in attendance.

If a member is late, the minutes shall indicate the position on the agenda upon arrival.

Limitation of Liability

The Board shall have no power to contract in the name of the City of La Marque, Texas, or its own name. Subject to the City Charter and Code of the City of La Marque, Texas, no undertaking, contract, action, or inaction by the Board or its members, singly or collectively, or by anyone employed by or acting on its behalf, shall render the City of La Marque, Texas liable to respond in damages, or make indemnity or compensation of any character from any source.

Code of Conduct

All boards and commission members are, at all times, representatives of the City of La Marque and should conduct themselves to the highest moral capacity.

All boards and commission members are representatives of the city and are bound by the guidelines set forth in the City's Social Media Policy.

Any Board Member or Commissioner faced with a conflict of interest as described in Article XI of the City of La Marque Charter or as described in Texas Local Government Code §§ 171 and 176 shall complete and file a "Conflict of Interest Affidavit" form with the Board and shall abstain from discussing or voting on any matter with which the Board Member has a conflict.

Any member, including the presiding officer, who fails to observe decorous and orderly behavior during a meeting or who disturbs a meeting of a board or

commission with such disorderly conduct is subject to being expelled from such meeting upon motion passed by two-thirds (2/3) vote of the board or commission present at this meeting.

DRAFT

TEXAS ALLIANCE OF BLACK SCHOOL EDUCATORS
38TH ANNUAL STATE CONFERENCE

February 15-19, 2023
Horseshoe Bay Resort
Horseshoe Bay, TX

**LEADERSHIP,
LITERACY &
LEVERAGING:
BRIDGES TO MOVING
FORWARD TO A
BETTER TOMORROW**

CONFERENCE ACTIVITIES

**LEADERSHIP DEVELOPMENT &
CAREER ADVANCEMENT INSTITUTES**

Principals | Aspiring Principals | Athletic Directors & Coaches |
Superintendents | Aspiring Superintendents

CONCURRENT SESSIONS FEATURING

Best Practices | Teachers of the Year | Demonstration Districts |
Demonstration Schools | Curriculum & Instruction

SPECIAL INTERESTS SYMPOSIUMS

Legislative Symposium | School Board Symposium |
Faith Based & Community Symposium |
Youth & Parent Symposium

AND MORE!

Men & Women's Leadership & Mentoring Banquets | Job Fair |
Exhibitor Fair | Ed Camp | Research Institute | Moments with Mentors |
Ecumenical Service | Educator Awards |
First Timers' Orientation & Networking



/TEXASALLIANCEOFBLACKSCHOOLEducators



@TABSE_TEXAS



@TABSEIG

Register Today at www.TABSE.net





Conference Information

WE INVITE YOU TO JOIN US

WHO SHOULD ATTEND: TABSE members, supporters, superintendents, principals, school board members, education human resource professionals, deans, professors, education department heads, administrative/educational support staff, teachers, parents, curriculum specialists, students, clergy, employers, job seekers and any individual or organization concerned about the education of our state's children

February 15-19, 2023
Horseshoe Bay Resort
Horseshoe Bay, TX

SCHEDULE AT A GLANCE

WEDNESDAY, FEBRUARY 15

- Dr. Elaine Bailey Innovator's STEAM Golf Tournament & Dinner
- Registration Desk Opens
- Exhibitor Fair Setup
- On-Boarding for Volunteers
- Hotel-Sponsored Welcome Reception

THURSDAY, FEBRUARY 16

- Morning Inspiration
- Exhibitor Fair Ribbon Cutting
- First Timer's Orientation & Networking
- Concurrent Workshops
- General Session: President's Address
- TABSE Job Fair
- Greek & Affiliate Night
- Leadership & Career Institutes

FRIDAY, FEBRUARY 17

- Morning Inspiration
- Youth & Parent Symposium
- General Session: Keynote Speaker
- Concurrent Workshops
- Leadership & Career Institutes
- General Session: Founders' Luncheon
- Thomas Randle Demonstration Districts
- Moments with Mentors
- Dr. Jay Cummings Demonstration Schools

- James A. Johnson Research Institute Higher Education Institute
- Dining with Divas & Men on a Mission Leadership & Mentoring Banquet
- Commission Activity Suites

SATURDAY, FEBRUARY 18

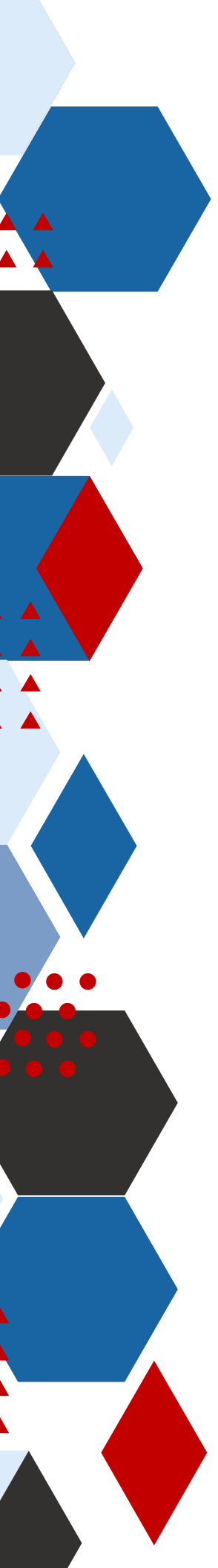
- Morning Inspiration
- Delegate Assembly Breakfast
- Concurrent Workshops
- Leadership & Career Institutes
- Governance in Education Symposium
- Excellence in Education: Teachers of the Year
- Thomas Randle Demonstration Districts
- President's Reception
- TABSE Inauguration Dinner
- TABSE Educators Awards: Gala & After Party

SUNDAY, FEBRUARY 19

- Ecumenical Service

2023 CONFERENCE

- Attend Professional Development and Central Office Strands and Workshops for ALL educators Pre-K-16
- Network with more than 500 educators and campus and district leaders from across Texas
- Featuring Educational and Retail Exhibitors, Job Fair, Youth Symposium, and School Governance Sessions



HOTEL ACCOMMODATIONS

Horseshoe Bay Resort

200 Hi Cir N, Horseshoe Bay, TX 78657

Phone: (877) 611-0112

<https://www.hsbresort.com>

Room Rate: \$211/night inclusive of Resort Fee of \$15 Plus tax

Self Parking: Free (Included with Resort Fee)

Hotel Registration: A registration link will be emailed to you after you register for the Conference

NOTE: Hotel reservations are only available at the conference rate with completed registration. (Deadline - January 23, 2023)

RESORT FEE AMENITIES

- Complimentary Unlimited Wi-Fi Internet Access in Guest Rooms
- Tennis Courts and Racquet Usage
- Self- Local and Long Distance Telephone Calls
- Golf Bag Storage for groups with less than 50 attendees
- Lobby Daily Newspapers
- Access to Golf Practice Facilities
- Self-Service Laundry Facilities
- Access to Hotel, Paseo, and Yacht Club Pools
- One-Time Bicycle Rental for Two
- Transport Service to Resort Amenities
- In-Room Coffee and Tea
- 24-hour Usage of Fitness Center
- Access to Select Horseshoe Bay Resort Private Facilities Including Yacht Club Beaches on Lake LBJ

HOTEL POLICIES

- An advance deposit equal to one night's accommodation plus Applicable tax per room guarantees your reservation. The Deposit will be applied to the last night of the confirmed Reservation and early departure will result in forfeiture of The deposit. Deposits are refundable upon notice at least 3 Days prior to scheduled arrival.
- You may cancel your reservation without penalty 3 days before scheduled arrival. Cancellations within 3 days of arrival or no show will result in a penalty equivalent to one-night room and tax. Upon arrival, you will reconfirm the number of nights of your stay. If you subsequently depart before that date, your advance deposit will be applied as an early departure fee. Exceptions may apply- Please see the rate rules.

CONFERENCE REGISTRATION

The easiest and most efficient way to register for this year's conference is by visiting www.TABSE.net. Your regular full registration gives you access to general conference events including: Vendor Fair, Concurrent Workshops, Principal's Institute, Athletic Directors and Head Coaches Institute, Research Institute, Job Fair, Delegate Assembly, Awards Gala, Founder's Luncheon, and the Affiliate Greek Night Party.

TABSE Membership is not included in the conference registration fees. Become a member today! Join TABSE by visiting:
<https://www.tabse.net/membership-applications/>

Early Bird Registration
November 1, 2022 through December 31, 2022

Registrants will receive a deduction of \$75!

Late Registration
January 1, 2023 through February 15-18, 2023
All registrations will be assessed an additional \$75.

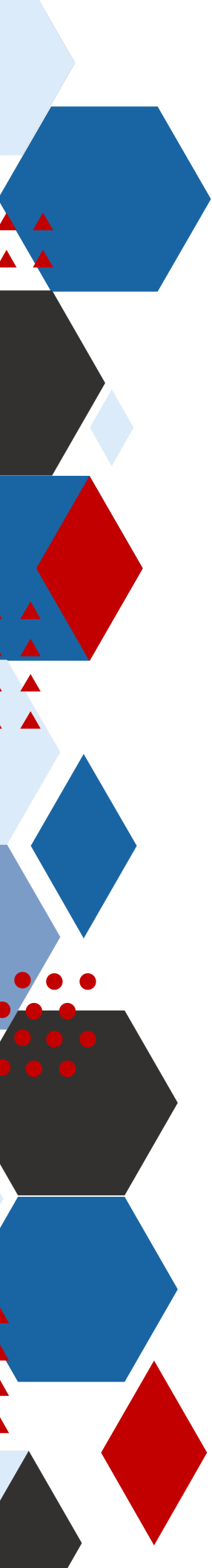
Included in Registration: Your regular full registration gives you access to general conference events including General Sessions, Vendor Fair, Concurrent Workshops, Principal's Institute, Research Institute, Job Fair, Delegate Assembly (TABSE Members Only), Welcome Reception, Awards Gala, Founder's Luncheon, and the Affiliate Greek Night Party.

Conference Rates

- Member (\$400.00)
- Non-Member Regular Registration (\$475.00)
- Retirees (\$350.00)
- College Students (\$250.00) - *Must be a full-time student*
- Groups Up to 5 (\$1,750.00)
- Groups Up to 10 (\$3,250.00)

Conference Add Ons

- Vendor Fair Exhibitors +\$700.00
- Institute: Superintendent's & Aspiring Superintendents +\$250.00
- Dining with Divas Leadership & Mentoring Event +\$80.00
- Men on a Mission Leadership & Mentoring Event +\$80.00
- Institute: Aspiring Athletic Directors & Head Coaches - Fri & Sat Only - Founders Luncheon Included +\$80.00
- Founder's Luncheon - Friday, February 17, 2023 @11am +\$65.00
- TABSE Educators Awards: Gala TABSE Inauguration Dinner (swearing in new officers, TEPI graduation) & After Party (Saturday, February 18, 2023 @ 5:45pm +\$85.00
- TABSE Job Fair - Institutional Districts (Complimentary) - Thursday, February 16, 2023 @ 4:00 pm - 6 pm +\$150.00



VENDOR INFORMATION

It gives us great pleasure to invite you to join us during our 38th Annual State Conference in Horseshoe Bay, Texas February 15-19, 2023, at Horseshoe Bay Resort. The conference theme is "Leadership, Literacy & Leveraging: Bridges To Moving Forward To A Better Tomorrow."

The TABSE State Conference will welcome educators from pre-kindergarten through Post Graduate levels, along with parents and education supporters from all parts of the state of Texas. Educators will convene to attend workshops and training meetings designed to provide techniques successful in educating the students which our schools service. As a vendor, conference participants will have contact and exposure with your representative and product, allowing you to promote and attract business from 500 to 700 conference attendees.

Conference registration for vendors is available by visiting <https://tabse.regfox.com/conference-registration> (click add-on) for vendor costs and conference specifics. We encourage businesses to register early to ensure a vendor location as spots tend to sell quickly. This year, we will limit the quantity of the following types of vendors so please apply soon if your business is classified as one of these:

- Clothing and Apparel
- Jewelry and Greek Paraphernalia

We hope that we can count on you for your support this year as a vendor and look forward to showcasing your business during our conference.

Please contact Montrail Davis at 469-644-3335 for additional information. Our Texas Alliance of Black School Educators State Conference promises to be informative and beneficial to educators of all backgrounds and subject areas.

JOB FAIR

The Texas Alliance of Black School Educators (TABSE) is pleased to share information regarding our upcoming job fair.

The job fair will take place during our 38th Annual State Conference in Horseshoe Bay, Texas at the Horseshoe Bay Resort on February 16, 2023 from 4 PM - 6 PM.

This is a unique opportunity for your organization to engage quality minority applicants who are seeking both teaching and administrative positions in education.

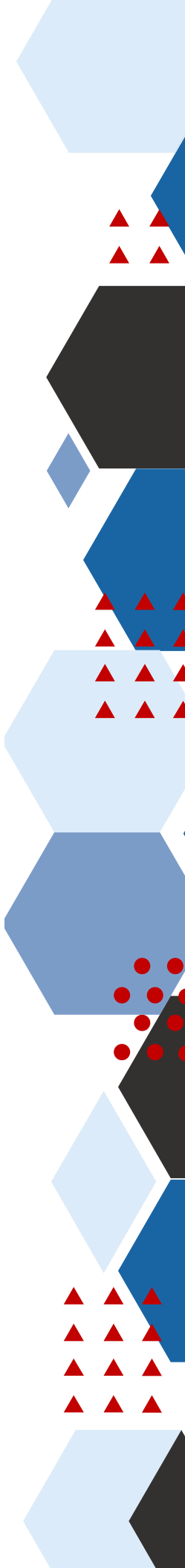
The time frame is non-traditional, but it is conducive to allowing more applicants to participate and to share their skills with you.

The employer registration fee is \$150.

- Fee includes a 6' table, two chairs and refreshments.
- Payment by purchase order or credit card is accepted.

Please use this link below to register for the job fair. The option for the job fair can be found when you initiate the registration process.

LINK: <https://tabse.net/annual-state-conference/>



SPONSORSHIP OPPORTUNITIES

The annual Texas Alliance of Black School Educators Conference is our marquee event in which local affiliates from across the state of Texas gather annually for the TABSE State Conference to attend professional development sessions and educational workshops. The event attracts more the 600 educators and leaders from more than 60 districts from across the state and beyond.

Right now, educational leaders from throughout the state are planning the 2023 Texas Alliance of Black School Educators' (TABSE) 38th Annual Conference which will be held at the Horseshoe Bay Resort located at 200 Hi Cir N, Horseshoe Bay, TX 78657 February 15-19, 2023. This year's conference theme is Leadership, Literacy, and Leveraging: Bridges to Moving Forward to a Better Tomorrow. The TASBE Conference will provide excellent learning opportunities designed to meet the needs of every educator.

Many of our attendees are your current and potential clients. We have numerous events with academic leaders, such as principals, superintendents, academic specialists, teachers and central office administrators who participate. TABSE offers numerous opportunities to showcase your products/services and increase market share.

For more information on how your company can become engaged with TASBE's Partnership Network, please contact Phyllis Williams at ExecutiveDirector@TABSE.net or (214) 699-6192.



SPONSORSHIP LEVELS



	Platinum \$25,000+	Diamond \$15,000	Gold \$10,000	Silver \$7,500	Bronze \$5,000	Zinc \$3,500
Marketing & Branding						
Headliner on all Conference Signage	✓					
Featured on all Conference Signage	✓	✓	✓	✓	✓	✓
Signature Sponsor Listing (SSL)	✓	✓	✓			
Pre-Conference Activities						
SSL Opening General Session	✓	✓				
SSL Single Conference Event					✓	
SSL President's Reception	✓	✓	✓	✓		
SSL Educator Awards & Gala	✓					
SSL Founder's Luncheon	✓					
SSL Superintendent Leadership Forum	✓					
SSL Dining with Divas Event	✓	✓				
SSL Men on a Mission Event	✓	✓				
SSL TABSE Student Scholarship Awards	✓	✓				
Priority Full-Page Ad in Digital Souvenir Book	✓					
Full-Page Ad in Digital Souvenir Book		✓	✓	✓		
Quarter-Page Ad in Digital Souvenir Book					✓	
Business Card Ad in Digital Souvenir Book						✓
Listed Partner for TABSE Texas Educational Policy Institute	✓	✓	✓			
Logo Placed on Mobile App/TABSE Homepage	✓	✓	✓	✓	✓	✓
Additional Exposure						
Special Recognition During State Conference	✓	✓	✓			
Engagement						
Priority Exhibit Booth Placement	✓	✓	✓			
Exhibit Booth Placement				✓	✓	
Superintendents' Think Tank Session Presentation Opportunity	✓					
Superintendents & Aspiring Superintendents Institute Presentation Opportunity	✓	✓	✓	✓		
Superintendents & Aspiring Superintendents Institute Participation Opportunity					✓	
General						
Complimentary Conference Registrations	✓ (6)	✓ (5)	✓ (4)	✓ (3)	✓ (2)	✓ (1)
Association Mailing Labels, One Set	✓	✓	✓			

CALL FOR PROPOSALS

Submissions Accepted:
August 1, 2022 - September 7, 2022

TABSE 38th Annual
State Conference

**Leadership, Literacy &
Leveraging:
Bridges to Moving
Forward to a Better
Tomorrow**

**HORSESHOE BAY RESORT
HORSESHOE BAY, TX**

FEB. 15-19, 2023

[Submit Today](#)

<https://tinyurl.com/TABSE2023CFP>



The Texas Alliance of Black School Educators (TABSE) is an affiliate of the National Alliance of Black School Educators (NABSE) that is committed to promoting and facilitating the education of all students, especially those of African descent. In addition, TABSE seeks to establish a coalition of educators directly involved in the educational process of African-American students and create a forum for the exchange of ideas and strategies to improve opportunities for people of African descent.

Local affiliates from across the state of Texas gather annually for the TABSE State Conference to attend professional development sessions and educational workshops. The event attracts more than 600 educators and leaders from more than 60 districts from across the state and beyond.

Accepted presenters are required to register for the conference at a discounted rate. The cost for registration is \$175. The deadline to submit the registration is December 15.

No refunds for cancellations.

Email questions to TABSEproposals@gmail.com.

****Note: Sales Promotions are not permitted.***