

HEWITT TEXAS

CITY COUNCIL MEETING AGENDA

December 7, 2015

5:30 PM AND 7:00 PM

CITY HALL, 105 TAMPICO DRIVE

HEWITT, TX 76643

MAYOR AND CITY COUNCIL

Ed Passalugo – Mayor, Ward 3

Travis Bailey – Mayor Pro Tem, Ward 1

Wilbert Wachtendorf – Council Member, Ward 1

Bill Fuller – Council Member, Ward 2

James Vidrine – Council Member, Ward 2

Ronnie McNeil – Council Member, Ward 3

Alex Snider – Council Member At-Large

CITY STAFF

Adam Miles, City Manager

Charlie Buenger, City Attorney

Miles Whitney, City Engineer

Jim Barton Assistant City Manager

Lydia Lopez, City Secretary

Jim Devlin, Police Chief

Lance Bracco, Fire Chief

James Black, Public Works Director

Lee Garcia, Finance Director

Waynette Ditto, Library Director

Tuck Saunders, Assistant Police Chief

Katie Allgood, Special Projects Coordinator

HEWITT TEXAS

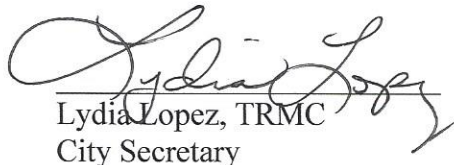
NOTICE OF MEETING OF THE GOVERNING BODY

Notice is hereby given that a **Workshop** meeting of the governing body of the City of Hewitt will be held on the **7th day of December, 2015 at 5:30 PM** in **Hewitt City Hall, 105 Tampico Drive**, Hewitt, Texas, at which time the following subjects will be discussed:

1. Call meeting to order.
2. City Manager's update on municipal business:
 - a. Report from City Engineer including review and discussion of Capital Improvement Projects
 - b. Briefing and discussion concerning upcoming Christmas Parade and Tree Lighting – December 12, 2015.
 - c. Proposed senior housing development.
 - d. Briefing and discussion concerning Public Safety operations.
 - Special Presentation concerning Police Department (6:00 PM).
3. Review regular meeting agenda items.
4. Convene Executive Session pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following:
 - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
5. Close Executive Session.
6. Adjourn.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the City of Hewitt, Texas was posted on the Public Notice Board located in front of City Hall at 4:00 AM/PM on December 4, 2015.

CITY OF HEWITT


Lydia Lopez, TRMC
City Secretary

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print or Braille, are requested to contact the Hewitt City Secretary at (254) 666-6171 at least 24 hours prior to the meeting, so that appropriate arrangements can be made.

HEWITT TEXAS

NOTICE OF MEETING OF THE GOVERNING BODY

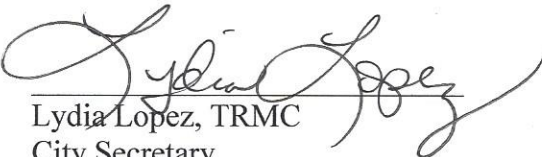
Notice is hereby given that a **Regular** meeting of the governing body of the City of Hewitt will be held on the **7th day of December, 2015 at 7:00 PM in the City Council Room at Hewitt City Hall, 105 Tampico Drive, Hewitt, Texas**, at which time the following subjects will be discussed:

1. Call meeting to order.
2. Pledge of Allegiance to the U.S. Flag
3. Consider approval of minutes of the City Council Workshop/Regular Meeting of November 16, 2015.
4. Hear visitors on matters pertaining to city business. *Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda.*
5. Consider reappointment(s) to the Library Board of Directors and the Parks and Beautification Committee.
6. Consider and act on a resolution appointing municipal court judge.
7. Public hearing and action on an ordinance rezoning of a 3.627 acre tract of land, legally known as the Carlos O'Campo Grant described in a deed to Charles Farrar, recorded in MCC No. 2006020953, of the records of McLennan County, Texas, from R-2 (Duplex District) to C-2 (General Commercial District).
8. Public hearing and action on a Five Year Master Park Plan.
9. Consider and act on a resolution authorizing application for a Local Park Grant Program from the Texas Parks & Wildlife for the purpose of constructing a walking trail in both Warren and Glaze Park.
10. Consider and act on a resolution amending the City of Hewitt's Investment Policy.
11. Consider and act on renewal of an Agreement with Valley View Consulting L.L.C. for a period of two years ending December 31, 2017.
12. Authorize the City Manager to negotiate and execute a professional services agreement with Walker Partners for survey and easement document preparation for FM 2113 Lift Station Demolition and Gravity Extension.
13. Consider award of bid for Fieldstone drainage project to H&B Contractors Inc., in the total amount of \$49,315.
14. Authorize the city manager to negotiate a contract with Jaycom to install an IPEdge (Toshiba) phone system in the City Hall & Library building in the amount of \$9,574.
15. Consider award of bid for information technology network and security cabling at the City Hall & Library building to Extraco Technology in the amount of \$52,550.
16. Consider award of contract for professional services to provide an access control system for City Hall & Library building to Southwest Telecom in the amount of \$59,536.

17. Authorize the City Manager to implement customer choice wastewater rate structure.
18. Consider and act upon adoption of an ordinance authorizing the issuance and sale of city of Hewitt, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving an official statement; providing an effective date; and enacting other provisions relating to the subject.
19. Adjourn.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the City of Hewitt, Texas was posted on the Public Notice Board located in front of City Hall at 4:00 AM/PM on December 4, 2015.

CITY OF HEWITT


Lydia Lopez, TRMC
City Secretary



COUNCIL WORKSHOP AGENDA ITEM #2.b



CITY ENGINEER'S REPORT

December 4, 2015

2010 IH-35 Utility Improvements:

The pump supplier has begun to examine the potential causes for the failure. Once I receive a detailed update I will pass the information on.

Commerce Park Plant Project and Related Projects:

Elevated Storage Tank:

Contractor has been working on punch list items.

Plant Contract:

Contractor has pour the floor slab for the proposed building. They have also been trying to work on the site piping, however weather conditions have slowed them.

Piping:

The contractor is substantially complete, however due to weather condition during the Thanksgiving holiday a blowout occurred and they have been trying to make the required repairs.

2014 Bond Projects:

Old Temple Road Street Improvements:

The contractor is on site working. At this time everything is going smoothly. At this time they have begun pouring the ribbon curb.

Panther Way Street Improvements:

The major portions of this project have been completed. The only thing that is lacking is their work on the items that were discussed at the projects final walk through that was held on September 2nd.

Warren Park Improvements:

I have sent all items to the electrical engineers and have been answering questions that they have had. The civil portion of the design is 90% complete.

First Street Mill and Overlay / Chapman Rd.

Work continues on the design of this project. At this time we are looking at the existing utility layouts to work out any conflicts with the proposed improvements.

City Hall / Library:

Oral update may be given at the meeting.

HEWITT TEXAS II

CITY ENGINEER'S REPORT

December 4, 2015

By:



Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 3

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider approval of minutes of the City Council Workshop/Regular Meeting of November 16, 2015.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached is a draft copy of the meeting minutes. Please review and advise if any corrections are needed.

ATTACHMENTS:

Draft minutes



**MINUTES OF A CITY COUNCIL
WORKSHOP/MEETING
HEWITT CITY HALL – 105 TAMPICO DRIVE
November 16, 2015 - 5:30/6:00/7:00 PM**

Members present: Mayor Ed Passalugo (presiding), Mayor Pro Tem Travis Bailey, Council Members Wilbert “Walky” Wachtendorf, James Vidrine, Bill Fuller, and Alex Snider

Member absent: Council Member Ronnie McNiel

Staff present: City Attorney Charlie Buenger, City Engineer Miles Whitney, City Manager Adam Miles, Assistant City Manager James Barton, Fire Chief Lance Bracco, Police Chief Jim Devlin, Assistant Police Chief Tuck Saunders, Public Works Director James Black, Library Director Waynette Ditto, Special Projects Coordinator Katie Allgood, and City Secretary Lydia Lopez

Staff absent: Finance Director Lee Garcia

Workshop – 5:30 PM

1. Mayor Ed Passalugo called the meeting to order at 5:30 PM.
2. City Manager’s update on municipal business:
 - a. Report from City Engineer including review and discussion of Capital Improvement Projects
 - b. Briefing and discussion concerning Creekside Amphitheater.
 - c. Briefing and discussion concerning upcoming Christmas Parade and Tree Lighting – December 12, 2015.
 - d. Briefing and discussion concerning furniture, security, and phone system for the new City Hall/Library
 - e. Briefing and discussion concerning Public Safety operations.
 - o Special Presentation concerning Fire Department was held (6:00 PM).
3. The regular meeting agenda items were reviewed.
4. Convene Executive Session pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following: **(NOT HELD)**
 - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
5. Close Executive Session. **(NOT HELD)**
6. Adjourn. *A motion was made by Council Member Bill Fuller and seconded by Council Member Alex Snider to adjourn the Workshop at 6:54 PM.*

REGULAR MEETING – 7:00 PM

1. **CALL TO ORDER.** Mayor Passalugo called the meeting to order at 7:00 PM.
2. **PLEDGE OF ALLEGIANCE TO THE U.S. FLAG** – Mayor Passalugo led the Pledge of Allegiance.
3. **CONSIDER APPROVAL OF MINUTES OF THE CITY COUNCIL WORKSHOP AND SPECIAL JOINT WORKSHOP - CITY COUNCIL AND PLANNING & ZONING COMMISSION/REGULAR MEETING OF OCTOBER 19, 2015.** *A motion was made by Council Member James Vidrine and seconded by Mayor Pro Tem Travis Bailey to approve the minutes as submitted but allow for corrections; all six in favor, motion passed.*
4. **HEAR VISITORS ON MATTERS PERTAINING TO CITY BUSINESS.** *Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda.*
Patsy Kilgore, 731 Cheyenne Trail, appeared to express concern with water/wastewater rates.
5. **PUBLIC HEARING AND ACTION ON AN ORDINANCE REZONING 9.36 ACRES OF LAND FROM THE 21.408 ACRES, LEGALLY KNOWN AS THE CARLOS O'CAMPO GRANT DESCRIBED IN A DEED TO RAY E. AND CYNTHIA D. MCCUNE JR., RECORDED IN MCC NO. 2015029248, OF THE RECORDS OF MCLENNAN COUNTY, TEXAS, FROM R-1 (SINGLE FAMILY DISTRICT) TO C-O (OUTDOOR COMMERCIAL DISTRICT).** Mayor opened the public hearing for those wishing to speak in favor. Brad Harrell, 2200 Augustine, Waco, TX, representing Mr. McCune appeared in favor. Mayor opened the public hearing for those wishing to speak in opposition. No one appeared. The public hearing was closed. *A motion was made by Council Member Alex Snider and seconded by Mayor Pro Tem Travis Bailey to approved ordinance rezoning, all six in favor, motion passed.*
6. **CONSIDERATION AND ACTION ON A RESOLUTION APPROVING FINANCING TERMS WITH BRANCH BANKING & TRUST COMPANY (BT&T) AT 1.65% FOR 4 YEARS FOR APPROVED CAPITAL EQUIPMENT.** *A motion was made by Council Member Alex Snider and seconded by Mayor Pro Tem Travis Bailey to approve; all six in favor, motion passed.*
7. **ADJOURN.** *Motion was made by Mayor Pro Tem Travis Bailey and seconded by Council Member Alex Snider to adjourn the meeting at 7:19 PM, all six in favor, motion passed.*

Approved: December 7, 2015

Lydia Lopez, City Secretary

Ed Passalugo, Mayor



ITEM #4 – HEARING OF VISITORS

PROCEDURES FOR CITIZEN PARTICIPATION AT MEETINGS

1. Citizens are encouraged to discuss matters of concern with the staff and individual council members prior to placing items on the agenda. This will allow the matter to be properly investigated before it is presented to the entire council and will often expedite a resolution.

NO CITIZEN OR STAFF MEMBER MAY SPEAK OR OTHERWISE INTERRUPT ANY MEETING UNTIL RECOGNIZED BY THE PRESIDING OFFICER.

2. To maintain decorum at public hearings, the mayor will ask citizens in attendance if they wish to speak for or against the item on the agenda. If so, they will be given an opportunity to speak at the proper time and when recognized by the chair. If more than five citizens wish to address the council on any single agenda item, those citizens are advised to select a spokesperson to present their case.

Only under the agenda item “Hear Visitors” are citizens permitted to speak regarding matters that pertain to city business or address an item on the agenda. **The council is prohibited by law from discussing or acting on any item that has not been posted on the agenda.**

3. Individual citizens that discuss items not listed on the agenda shall be limited to **five minutes**. If five or more citizens wish to discuss a single item or topic that is not listed on the agenda, then the total presentation will be limited to a maximum of twenty-five minutes. City council members shall **not** enter into discussion on any subject that has not been properly placed on the agenda; however, council members may ask questions for clarification purposes.
4. As a general rule, citizens may not participate or address the council or staff during the workshop session.



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 5

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider reappointments to the Library Board of Directors and the Parks & Beautification Committee.

STAFF RECOMMENDATION/ITEM SUMMARY:

Gayle H. Shipp, Shirlene Lands, and Sally Goldman have terms that expire this month on the Library Board of Directors. All have agreed to serve another term. These members are in good standing and staff recommends approval of this item.

Brandon Fuller, Kevin Summers, and Fred Bridger have terms that expire this month. All have agreed to serve another term. These members are in good standing and staff recommends approval of this item.

ATTACHMENTS:

None

CITY OF HEWITT: COUNCIL, BOARDS, AND COMMISSIONS

City Hall 666-6171 (Fax 666-6014); Community Services 666-2447; Utility Billing 666-3151 (after hrs emergency 666-6272); Police Adm. 666-1661; Drug Tips 666-3333; Animal Control 666-6272; Library 666-2442; Park Reservations 666-6173; Municipal Court 666-1208; Chamber of Commerce 666-1200. City of Hewitt web site: www.cityofhewitt.com; Email: citysecretary@cityofhewitt.com

<u>City Council</u> <u>2 Yr Term - May</u>	<u>Board of Adjustment</u> <u>2 Yr Term - April</u>	<u>Planning & Zoning</u> <u>Commission</u> <u>3 Yr Term - June</u>	<u>Parks & Beautification</u> <u>Committee</u> <u>2 Yr Term - December</u>	<u>Library Board of</u> <u>Directors</u> <u>2 Yr Term - December</u>
1st & 3rd Mon 7 pm	3rd Thurs 7 pm	1st Tues. 7 pm	2nd Thurs 7 pm	Quarterly as needed
Mayor Pro Tem Travis Bailey Ward 1 (05-2017) 412 Oklahoma Avenue 666-1492	Chairman (04-2016) Jim Winton 1136 Heatherwood 857-9436	(06-2016) Kurt Krakowian 804 Pebble Creek Cr. 855-1139	(12-2016) Ray Manzo 1127 S. Haven 315-6561	(12-2016) Eric Ames 249 Fieldcrest Dr. 710-1576
Wilbert (Walky) Wachtendorf Ward 1 (05-2016) 328 Travis 666-3759	(04-2016) Bradley T. Turner 600 Yukon Pass 723-4912	(06-2016) Bobby Wolske 109 Devonshire 366-4743	(12-2015) Brandon Fuller 504 Aspen Incline Dr. (817) 648-6378	(12-2015) Gayle H. Shipp 704 Cheyenne Trail 495-1044
Bill Fuller Ward 2 (05-2016) 218 Chelsea/PO Box 568 666-3304	(04-2017) Douglas Bergen 264 Earle Rd. 666-0855	(06-2016) Walter H. Peterson 500 Moss Hill Rd. 757-5128	(12-2015) Kevin Summers 208 Russell 349-2533	Secretary (12-2016) Mary Anna Roch 708 Regina 666-0886
James Vidrine Ward 2 (05-2017) 504 Rowan Oak 666-2115	(04-2017) Charles Howard 155 Ellis Farm Rd. 732-4746	(06-2017) Jonathan Denton Dulus 332 Bowie Ln. 855-4013	(12-2015) Fred Bridger 613 Durango Circle 749-8810	(12-2016) Lydia Dashner 520 Angel Fire Dr. 666-9623
Mayor Ed Passalugo Ward 3 (05-2017) 137 E. Chapman Rd. 420-1926	(04-2017) R. Don Vardeman 432 S First St. 666-2670	(06-2017) Charlie Turner 209 Laredo 666-0087	(12-2016) Lloyd Coffman 807 Attaway 855-3655	Vice President (12-2016) Jerry Waltman 1205 Steamboat Drive 666-9459
Ronnie McNiel Ward 3 (05-2016) 960 Lands End Cove 717-2752	Alternate (04-2016) L. Bruce Dollens 1217 Darbyton 644-9437	(06-2017) Michael Lee Hix 336 Bowie Lane 723-5071	(12-2016) Robert Smith 412 Texas Avenue 420-2599	Treasurer (12-2015) Shirlene Lands 217 W. Warren P. O. Box 133 666-3490
Alex Snider At Large (05-2017) 1017 Wind Hill (281) 734-7622	Alternate (04-2016) VACANCY	(06-2017) John J. Baker 317 Bonham Drive 235-0464	(12-2016) Ruth D. Coffman 807 Attaway 855-6883	President (12-2015) Sally Goldman 132 Texas 666-2436

Updated: 07/21/2015



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 6

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider appointment of Municipal Court Judge.

STAFF RECOMMENDATION/ITEM SUMMARY:

Per the City Charter the Municipal Court Judge must be appointed each year. Dan Francis has agreed to serve if reappointed. Dan has been our Judge for several years; he does an excellent job and has a great working relationship with our Court personnel. Staff recommends approval of his appointment.

ATTACHMENTS:

None



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 7

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Public hearing and action on an ordinance rezoning of a 3.627 acre tract of land, legally known as the Carlos O'Campo Grant described in a deed to Charles Farrar, recorded in MCC No. 2006020953, of the records of McLennan County, Texas, from R-2 (Duplex District) to C-2 (General Commercial District).

STAFF RECOMMENDATION/ITEM SUMMARY:

Mr. Charles Farrar submitted a request to rezone property located at the northwest corner of Hewitt Drive and Ritchie Road. This is a vacant tract of land immediately South of the Post Office tract. Mr. Farrar is requesting the rezoning change from R-2 (Duplex District) to C-2 (General Commercial District). The Planning and Zoning Commission met on Tuesday, December 1, 2015 to consider the request. After a public hearing and deliberation, the P&Z Commission voted 5 to 0 in favor of the rezoning request. A map of the property and copy of the minutes is included in the backup material.

ATTACHMENTS:

P&Z Draft Minutes and supporting documentation
Draft ordinance



**Minutes of the Planning and Zoning Commission
December 1, 2015 – 7:00 PM**

Members present: Walter Peterson, John Baker, Michael Hix, Kurt Krakowian, Jonathan Dulus

Members absent: Charlie Turner, Bobby Wolske

Staff present: Adam Miles, City Manager, Miles Whitney, City Engineer and Eva Marie Greenup, Zoning Secretary

Item #1. **Call Planning and Zoning Meeting to order.** *Walter Peterson called the meeting to order at 7:00 PM.*

Item #2. Minutes. *A motion was made by John Baker to accept but allow for corrections and seconded by Michael Nix. No corrections noted; all five in favor; motion passed. Minutes dated November 3, 2015 stand approved.*

Item #3. Consider and take appropriate action concerning the preliminary plat for Sunflower Ridge Addition, on 24.439 acres of land described in a deed to the Big Creek Construction, LTD., recorded under McLennan County Clerk's document 2015014878 of the official public records of McLennan County, Texas. *No public attendance, a motion was made by John Baker to accept and seconded by Michael Nix; all five in favor; motion passed.*

Item #4. Consider and take appropriate action concerning the final plat for Sunflower Ridge Addition, on 24.439 acres of land described in a deed to the Big Creek Construction, LTD., recorded under McLennan County Clerk's document 2015014878 of the official public records of McLennan County, Texas. *No public attendance, a motion was made by Kurt Krakowian to accept and seconded by John Baker; all five in favor; motion passed.*

Item #5. Consider and take appropriate action concerning the request for a rezoning change on 3.627 acres of land, legally known as the Carlos O'Campo Grant described in a deed to Charles Farrar, recorded in MCC No. 2006020953, of the records of McLennan County, Texas, from R-2 (Duplex District) to C-2 (General Commercial District). The Planning and Zoning Commission recommendation will be forwarded to the Hewitt City Council for final consideration and action at their regular meeting scheduled for Monday, December 7, 2015 at 7:00 PM at Hewitt City Hall. *Randy Reid with The Reid Company represented Mr. Farrar. Walter Peterson opened the hearing and asked for those speaking in favor or opposition. James Vidrine, 504 Rowan Oak, appeared in favor. None appeared in opposition. The public hearing was closed. A motion was made by Kurt Krakowian and seconded by John Baker. Five in favor; motion passed. Planning and Zoning recommendation*

will go before Hewitt City Council for final consideration and action at their regular meeting scheduled for Monday, December 7, 2015 at 7:00 PM at Hewitt City Hall.

Page 2 of 2

Hewitt Planning and Zoning Commission Minutes – December 1, 2015

Item #6. Consider and take appropriate action concerning the final plat for Lots 9 through 12, Block 3, Collier Addition, Part Three to the City of Hewitt McLennan County, Texas, being a subdivision of part of that called 6.012 acres of land described in a deed to Robnett Enterprises, Inc. as recorded in County Clerk's File Number 2015026778 of the official public records of McLennan County, Texas. *No public attendance. A motion was made by John Baker to approve and seconded by Michael Nix. Five in favor, motion passed.*

Item #7. **Ajourn.** *Motion was made by John Baker and seconded by Michael Nix to adjourn meeting at 7:13 PM, all five in favor, motion passed.*

Chair

Approved

Eva Marie Greenup, Zoning Secretary

ORDINANCE NO. 2015-12-7-1

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS AMENDING ORDINANCE NO. 11-15-99 AND ALL AMENDMENTS THERETO, KNOWN AS THE ZONING ORDINANCE OF THE CITY OF HEWITT, TEXAS, CHANGING THE ZONING CLASSIFICATIONS OF THE HEREIN DESCRIBED PROPERTY FROM R-2 (DUPLEX DISTRICT) TO C-2 (GENERAL COMMERCIAL DISTRICT) PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with the Code of Ordinances of the City of Hewitt, a request was submitted by Charles Farrar to rezone 3.627 acre tract of land, legally known as the Carlos O'Campo Grant described in a deed to Charles Farrar, recorded in MCC No. 2006020953, of the records of McLennan County, Texas, from **R-2 (Duplex District)** to **C-2 (General Commercial District)**.

WHEREAS, public notice was given and property owners within 200' were notified of the rezoning request as required by state law, and

WHEREAS, a public hearing in relation thereto at which parties in interest and citizens had an opportunity to be heard was held by the City Council of the City of Hewitt on December 7, 2015, after due notice in the manner provided by law; and

WHEREAS, a public hearing of the Planning and Zoning Commission at which parties in interest and citizens had an opportunity to be heard was held on Tuesday, December 1, 2015, after due notice in the manner provided by law; and

WHEREAS, a site plan of the proposed development was presented and discussed, and

WHEREAS, the said Commission has made a report to the City Council of the City of Hewitt, Texas, recommending approval of this rezoning request by a unanimous vote; and

WHEREAS, the City Council of the City of Hewitt, Texas deems that this rezoning is in accordance with the Comprehensive Land Use Plan and is in the public interest;

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

SECTION ONE. All that certain tract or parcel of land in McLennan County, Texas, being 3.627 acre tract of land, legally known as the Carlos O'Campo Grant described in a deed to Charles Farrar, recorded in MCC No. 2006020953, of the records of McLennan County, Texas, from R-2 (Duplex District) to C-2 (General Commercial District).

SECTION TWO. A proposed map of area is shown in Exhibit "A".

SECTION THREE. All ordinances, statutes, restrictions and regulations applicable to this property shall be complied with as well as all zoning restrictions and regulations that are applicable to this property.

SECTION FOUR. That all provisions of the ordinances of the City of Hewitt in conflict with the provisions of this Ordinance be, and the same are hereby, repealed, and all other provisions of the ordinances of the City of Hewitt not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION FIVE. Should any section, paragraph, sentence, clause, or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

SECTION SIX. Any person, firm, corporation, agent or employee thereof who violates any of the provisions of this Ordinance shall be guilty of a misdemeanor and upon conviction thereof shall be fined not to exceed Two Thousand and No/100 Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION SEVEN. The caption of this Ordinance shall be published within ten (10) days of its passage in a newspaper of general circulation in the City of Hewitt.

SECTION EIGHT. This Ordinance shall become effective ten (10) days after the date of its passage and upon its publication as required by law.

PASSED AND APPROVED this the 7th day of December, 2015 at a Regular Meeting of the City Council of the City of Hewitt, Texas.

CITY OF HEWITT

BY: _____
Ed Passalugo, Mayor

ATTEST:

Lydia Lopez, City Secretary



VICINITY MAP
Not to Scale

STATE OF TEXAS
COUNTY OF MCLENNAN

BEING all that tract of land in the City of Woodway, McLennan County, Texas, part of the Carlos O'Campo Grant, Abstract No. 32, and being all of that called 3.627 acres of land described in a deed to Charles D. Farrar, recorded as Instrument No. 2006020953 of the Official Public Records of McLennan County, Texas, and being further described as follows:

BEGINNING at a 1/2 inch steel rod in concrete found for the most Northerly corner of said 3.627 acre tract, and for the Southeast corner of that called 4.13 acre tract of land described in a deed to Hamilton Contracting Inc., recorded as Instrument No. 9725768 of said Official Public Records, on the West line of Hewitt Drive (FM 1695);

THENCE South 12 degrees 41 minutes 40 seconds West, 494.38 feet to a brass cap TxDOT monument found for the most Easterly Southeast corner of said 3.627 acre tract, at a cutback line at the intersection of Hewitt Drive and Ritchie Road;

THENCE South 55 degrees 36 minutes 59 seconds West, 145.16 feet along said cutback line to a concrete TxDOT monument found for the most Southerly Southeast corner of said 3.627 acre tract, on the North line of Ritchie Road;

THENCE North 77 degrees 16 minutes 03 seconds West, 111.06 feet along the South line of said 3.627 acre tract and the North line of said Ritchie Road to a 5/8 inch steel rod found at the beginning of a curve to the left;

THENCE Southwesterly, 664.79 feet along said curve to the left having a radius of 873.00 feet and a central angle of 43 degrees 37 minutes 50 seconds (Chord bears South 80 degrees 48 minutes 30 seconds West, 648.84 feet) to a TxDOT monument with an aluminum cap found for the West corner of said 3.627 acre tract, on the North line of said Ritchie Road, and on the Southeast line of Lot 24, Block 1 of the Ellis Farms Addition to the City of Hewitt, Texas, according to the plat of said addition recorded as Instrument No. 2011008831 of said Official Public Records;

THENCE North 59 degrees 01 minutes 13 seconds East, 416.35 feet along the Northwest line of said 3.627 acres and the Southeast line of said Block 1 of the Ellis Farms, Addition to a 1/2 inch steel rod found for the East corner of said Block 1, and the South corner of Lot 11, Block 1 of the Park Place Addition Part 1 to the City of Hewitt, Texas according to the plat of said addition recorded in Vol. 82, Page 668 of said Official Public Records;

THENCE North 59 degrees 11 minutes 04 seconds East, 704.38 feet along the Northwest line of said 3.627 acre tract to the Point of Beginning, containing 3.626 acres of land.

Bearings based on Grid North, State Plane Coordinate System, NAD83, Texas Central Zone.

STATE OF TEXAS
COUNTY OF MCLENNAN

Approved this _____ day of _____, 2015, by the city manager of the City of Hewitt, Texas.

City Manager

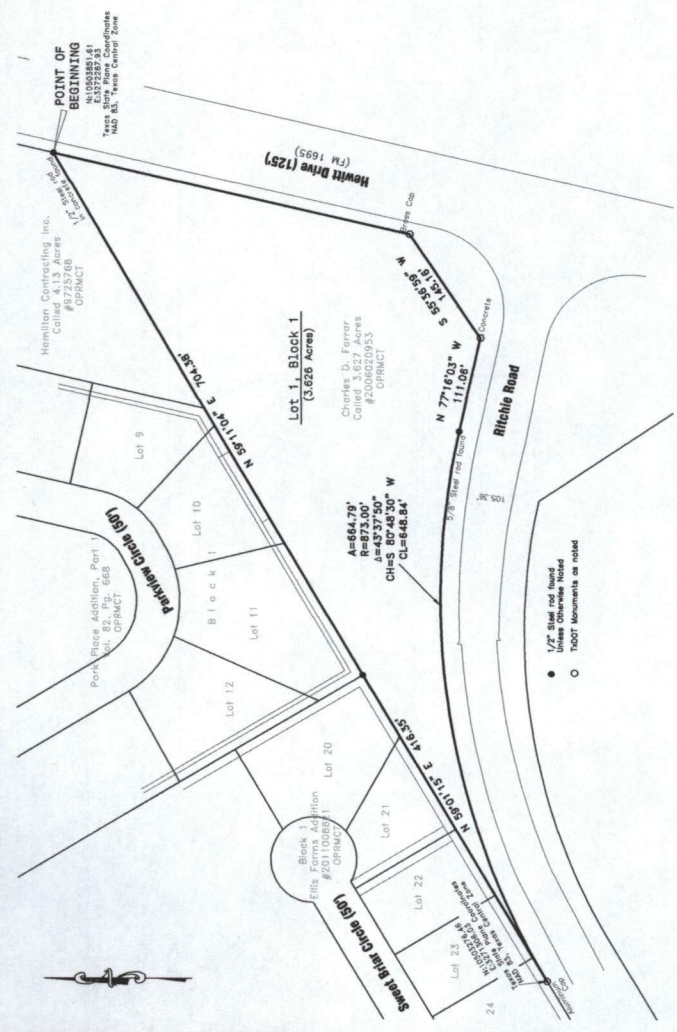
Zoning Secretary

FINAL PLAT
FARRAR ADDITION
LOT 1, BLOCK 1

to the City of Woodway, McLennan County, Texas
(Being a subdivision of all of that called 3.627 acres of land, part of the Carlos O'Campo Grant, A-32, McLennan County, Texas, described in a deed to Charles D. Farrar, recorded as Document No. 2006020953 of the Official Public Records of McLennan County, Texas.)

FINAL PLAT
FARRAR ADDITION
LOT 1, BLOCK 1
PART OF THE CITY OF HEWITT, TEXAS
MCLENNAN COUNTY, TEXAS

Drawn By: J. Henson
Checked By: J. Henson
Reviewed By: J. Henson
Property Address: Ritchie Road @ Hewitt Dr.
Hewitt, Texas
The Best Company



OWNERS STATEMENT
STATE OF TEXAS
COUNTY OF MCLENNAN

Charles D. Farrar, wishing to subdivide same into lots and block do hereby adopt the plat attached hereto and titled "FINAL PLAT FARRAR ADDITION, LOT 1, BLOCK 1, to the City of Woodway, McLennan County, Texas, (being a subdivision of all of that called 3.627 acres of land, part of the Carlos O'Campo Grant, A-32, McLennan County, Texas, described in a deed to Charles D. Farrar, recorded as Document No. 2006020953 of the Official Public Records of McLennan County, Texas) as our legal subdivision of same and do hereby dedicate all rights of way and easements shown hereon to the use of the public forever. Any private improvements placed in said rights of way or easements shall be placed at no risk or obligation to the Public and City of Hewitt, Trustee of the Public to hold these easements and the City shall have no responsibility to repair or replace such improvements if they are damaged or destroyed in the utilization of these rights of way or easements. The sale of the lot shown on this plat shall be made therewith subject to restrictions and the conditions recorded in McLennan County, Texas Real Property Records pertaining to such subdivision.

Charles D. Farrar
PO Box 789
Elm Mott, Texas 76640

STATE OF TEXAS
COUNTY OF MCLENNAN

Before me, the undersigned authority, Notary Public in and for the State of Texas, on this day personally appeared, Charles D. Farrar, known to me to be the person whose name is subscribed to the foregoing instrument and he acknowledged to me that he executed the same for the purposes and considerations therein expressed and in the capacities therein stated.

Given under my hand and seal of office this the _____ day of _____, 2015.

Notary Public in and for the State of Texas
My Commission Expires _____

NOTES:

- Electricity provided by ONCOR.
- Water supplied by City of Hewitt, CCN# 10038.
- Sewage disposal provided by the City of Hewitt.
- No part of the subject tract lies within the special flood hazard area (SFHA) as scaled from F.I.R.M. Panel 48309C0390C, dated September 26, 2008.
- Current Zoning: R-2, Duplex District
- Proposed Land Use: C-2, General Commercial District
- No structures located on subject property.
- Fire hydrant is located on subject property.

KNOW ALL MEN BY THESE PRESENTS:

That I, Julianne Henson, do hereby certify that I made an actual and accurate survey of the platted land and that the corner monuments shown on the foregoing plat were properly placed under my personal supervision, in accordance with the Subdivision Regulations of the City of Hewitt, Texas.

PRELIMINARY. THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.

Julianne Henson
R.P.L.S. No. 6566
November 9, 2015



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 8

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Public hearing and action on a Five Year Master Park Plan.

STAFF RECOMMENDATION/ITEM SUMMARY:

Hewitt's Five Year Master Park Plan is designed to guide future decisions concerning the ongoing development of Hewitt's Park System. The updated plan includes an inventory of Hewitt's existing Park System and provides an overview of planned improvements over the next few years. It is an outline of future plans that will aide in budgeting and funding. The plan is based on many factors and will change over time. Maps of each of Hewitt's three Parks are included with proposed improvements shown. Full descriptions of the improvements are included in the narrative.

In addition to regular Park & Beautification Committee meetings, the revision process has included a Special Town Hall meeting for citizen participation and input. This Special meeting and Public Hearing was held on October 20, 2015 wherein city staff provided an overview of the plan and members of the community were asked to provide feedback and input. Comments were received and incorporated into the plan as appropriate. The Parks and Beautification Committee met on Monday, November 30, 2015 to consider the revised plan. The Committee voted 5 to 0 in favor of the plan and recommended approval to the City Council. A full copy of the proposed Five Year Park Plan is attached for reference and consideration.

ATTACHMENTS:

Five Year Park Plan

City of Hewitt

Five-Year Park Plan

November 2015



Table of Contents

Section 1. Community Description.....	3
A. Regional Scene.....	3
B. Population.....	3
C. Income.....	5
D. Education.....	6
Section 2. Administrative Structure.....	7
Section 3. Inventory of Recreational Facilities.....	7
A. Overview.....	7
B. City Parks & Facilities.....	8
I. Hewitt Park.....	9
II. Warren Park.....	11
III. Glaze Park.....	14
Section 4. Needs Assessment & Project Identification.....	15
A. Overview.....	15
B. Standards-based Assessment.....	15
C. Proposed Developments.....	16
D. Costs.....	19
E. Future Plans.....	19
Section 5. Funding.....	21
Appendix.....	22
Appendix "A"	Hewitt Park
Appendix "B"	Warren Park
Appendix "C"	Glaze Park
Appendix "D"	Cost Estimates

Section 1. Community Description

A. Regional Scene

The city of Hewitt is located in the central part of Texas in McLennan County. The city is approximately 100 miles from the Dallas-Fort Worth metroplex to the north and from the Austin metropolitan area to the south. Hewitt residents can easily make day trips to these major Texas hubs of industry, culture, and business.

Hewitt shares a border with the larger city of Waco and lies 30 miles north of the Temple/Belton/Killeen area. Hewitt's easternmost border is I-35. Other nearby regional highways include U.S. Highway 84, U.S. Highway 77, and Highway 6. Waco Regional Airport, which is approximately 15 miles to the north, also provides another convenient travel option for residents.

Nearby communities include Bellmead, West, Robinson, McGregor, Woodway, Beverly Hills, and Waco. The surrounding counties are Bosque, Hill, Limestone, Falls, Bell, and Coryell. Lake Waco is within a ten minute drive of Hewitt.

The majority of Hewitt lies within the Midway Independent School District. Midway is a large 6A district and provides significant recreational and sports opportunities for students of the district.

B. Population

This park plan strives to accommodate the growing number of residents and the expected increased demand for parks and their services.

In the 1970s, Hewitt was one of the fastest growing communities in the United States, with an increase from 569 to 2,185 in a five-year span. Though those years of population upsurge have ended, Hewitt continues to grow considerably. According to the population projections prepared by Dunkin, Sefko & Associates, Inc. in 2003, Hewitt can expect an estimated population increase of 32% from 2010 to 2025. Table 1.1 presents Hewitt's recent population numbers along with projections for the future.

Table 1.1 Population¹

<i>Year</i>	<i>Population</i>
2005	12,987
2010	13,549
2013	14,054
2015	14,900
2020	16,500
2025	18,000

To thoroughly serve a community, parks must meet the needs of a variety of residents, including a diversity of ages and ethnic groups. In 2010, the median age of Hewitt residents was 36.0 years. This is an increase from the median age in 2000, which was 33.4 years. Overall, Hewitt's population has slightly aged over the past decade, with the most growth in the *Older labor force* and *Elderly* age groups. Each age group experienced growth, though. An increase in the number of elderly people and the steady high percentage of youths inspire many of this plan's proposals.

Table 1.2 Age Group Composition & Distribution

<i>Age group</i>	<i>Number</i>	<i>Percent</i>
Young (0-14)	3,036	22.4
High school (15-19)	912	6.7
College, new family (20-24)	679	5.0
Prime labor force (25-44)	3,808	28.1
Older labor force (45-64)	3,709	27.3
Elderly (65 & over)	1,405	10.2

Source: U.S. Census Bureau, Profile of General Populated and Housing Characteristics: 2010

¹ Population of 2005 from Hewitt's website. Population of 2010 and 2013 from the U.S. Census Bureau. Future estimates from City of Hewitt's *Comprehensive Plan 2022* (pg 3-2, table 3-2, scenario A).

Hewitt has also increased its diversity in the last decade, as the *White* population group has decreased in percentage while most of the minority groups have grown in both percentage and number from 2000 to 2010, including a 69.2 percent increase among the Asian population and an 87.9 percent increase among the Hispanic population.²

Table 1.3 Race & Ethnic Distribution

<i>Race/ethnicity</i>	<i>Number</i>	<i>Percent</i>
White	10,928	80.7
Black	1,145	8.5
Asian	440	3.2
American Indian	49	0.4
Other races	650	4.9
Hispanic origin	1,934	14.3

Source: U.S. Census Bureau, Profile of General Populated and Housing Characteristics: 2010

C. Income

Hewitt's median household income is \$69,504; its average household income is \$77,247. Only 6.2% of the population falls below the poverty threshold, which the U.S. Census Bureau established as \$23,400 for a family of four in 2012. Typical of many suburban cities, Hewitt maintains a much lower poverty rate than its larger-city neighbor, Waco, which has a poverty rate of 30.1%. Texas's overall rate is 17.4%.

Table 1.4 Household Income

<i>Income level</i>	<i>Number of households</i>	<i>Percent</i>
Less than \$10,000	55	1.1
\$10,000 to \$14,999	163	3.4
\$15,000 to \$24,999	263	5.4
\$25,000 to \$34,999	352	7.3
\$35,000 to \$49,999	645	13.3

² Age group and race and ethnic distributions from 2000 found in City of Hewitt's *Comprehensive Plan 2022* (pg 1-16, table 1-7 & pg 1-15, table 1-6)

\$50,000 to \$74,999	1,171	24.2
\$75,000 to \$99,999	896	18.5
\$100,000 to \$149,999	994	20.5
\$150,000 to \$199,999	195	4.0
\$200,000 or more	105	2.2
Total households	4,839	

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates

D. Education

Hewitt is a part of the Midway Independent School District, along with Woodway and Speegleville and sections of Waco, McGregor, Lorena, and Crawford. Within Hewitt, Midway has four campuses – Midway Middle School, Hewitt Elementary School, Castleman Creek Elementary School, and Spring Valley Elementary School.

Nearby higher education institutions include Baylor University, McLennan Community College, and Texas State Technical College.

Among the residents who are 25 years and older, 92.8% have a high school degree and 32.1% have a bachelor's degree or higher.

Table 1.5 shows data on the education levels of residents who are 25 years and older (classified by the highest level achieved).

Table 1.5 Educational Attainment

<i>Education level</i>	<i>Percent</i>
Less than 9 th grade	2.4
9 th to 12 th grade, no diploma	4.8
High school graduate (includes equivalency)	24.6
Some college, no degree	24.7
Associate degree	11.3
Bachelor's degree	22.9
Graduate or professional degree	9.2
Total number of residents 25 years & older	8,954

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates

Section 2. Administrative Structure

Hewitt was incorporated on June 25, 1960. After massive growth in the 1970s, the city was eligible to become a more independent “home rule” city. On April 3, 1982, the citizens of Hewitt passed its home rule charter, which developed the city’s current governmental structure.

Hewitt has a council-manager government. It consists of seven elected council members who establish policies, create ordinances, approve the annual budget, and set tax rates. The City Council appoints the city manager, who is responsible for supervising city employees and programs, enforcing city ordinances and regulations, preparing and administering the budget, and advising the council on its decisions. Key city staff members are assigned to long term park planning as well as ongoing operations and maintenance.

The City Council appoints seven members to the Parks and Beautification Committee. This advisory committee meets monthly on the third Thursday of each month. The Board discusses the park system and provides input and direction concerning park improvements and operations.

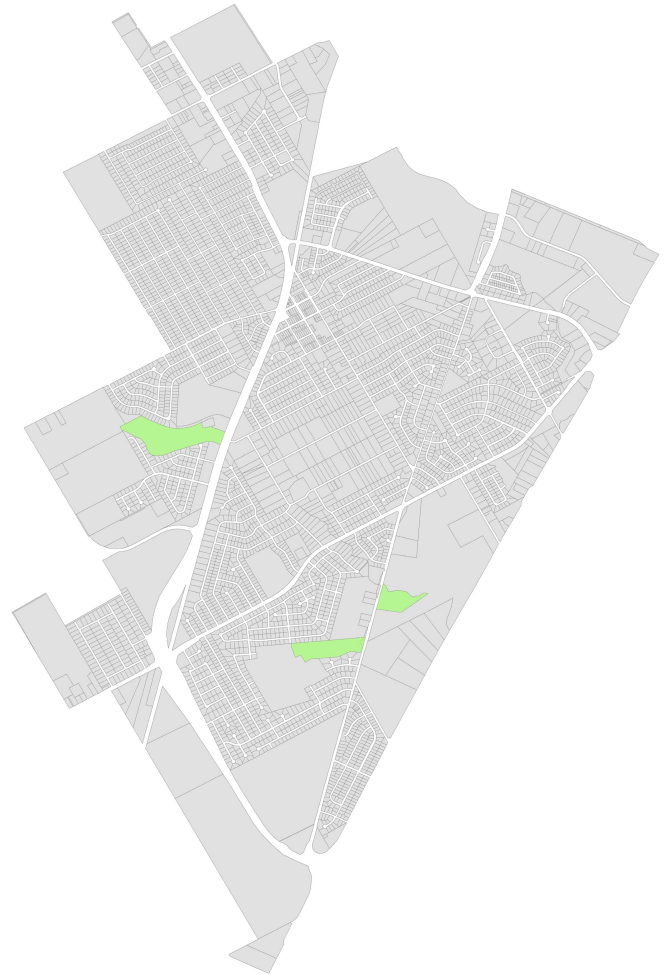
Section 3. Inventory of Recreational Facilities

A. Overview

A park system is composed of many different components, the combination of which provide facilities and landscapes for outdoor recreation. In the past, the parks in Hewitt fell in two generalized park categories - *neighborhood park* and *community park* – according to standards based on the National Recreation and Park Association’s (NRPA) guidelines.

Typically, A *neighborhood park* is a five- to fifteen-acre site that provides recreational space for the neighborhood that surrounds it. It serves an area within a one-half mile

Map 3.1 City parks in Hewitt



radius with both active and passive recreational opportunities. Facilities typically include playgrounds, picnic areas, shelters, play courts, unlighted play fields, restrooms, trails, natural open space, and parking. Until recent land acquisitions, **Warren Park** was considered a neighborhood park.

A *community park* is typically a 25 plus acre site that provides active recreational activities for all ages for several surrounding neighborhoods. It has a service radius of up to two miles. Facilities usually include tennis courts, shelters, separate or multi-purpose sport fields, play apparatus, picnic areas, trails, recreation centers, open space, and restrooms. Because of the recreational opportunities provided, community parks also serve as neighborhood parks. Currently, both **Hewitt Park** and **Warren Park** are considered Community Parks.

Other park classifications include *large/regional park* and *mini-park*. The nearby city of Waco provides several regional parks to the citizens of Hewitt, such as Cameron Park. A mini-park is typically a small area generally used as a children's playground or as a passive or aesthetic area. Although undeveloped, **Glaze Park** will likely be considered a neighborhood park or mini-park once improvements are constructed.

B. City Parks & Facilities

There are three distinct Parks within Hewitt's City Limits: Hewitt Park, Warren Park and Glaze Park. The following table is a brief summary of the existing parks.

Park	Size (Acres)	Description
Hewitt	32	Considered more developed than the other parks and most heavily utilized. Located at 801 S. Hewitt Dr.
Warren	36	Older Park with recent improvements and significant potential for development and utilization. Located at 450 S. Old Temple Rd.
Glaze	15.57	Consists of floodplain land which limits opportunities for future development. Located at 499 S. Old Temple Rd.
Total	83.57	

I. Hewitt Park (32 acres)
801 S. Hewitt Drive

Hewitt Park is located off Hewitt Drive, towards the middle or center of the city. The park lies adjacent to Castleman Creek Elementary School with close access to multiple residential neighborhoods. Hewitt Drive provides the Easternmost boundary of the park. Castleman Creek meanders through the center of the park.

The park features an 18-hole disc golf course, a lit concrete walking trail, an outdoor exercise equipment station, horseshoe pits, soccer fields, sand volleyball, a basketball court, playgrounds, picnic tables, open green space, and a pavilion available for reservation. **Hewitt Park** serves the purpose of a community park.



The park is well utilized by a variety of active and passive users. Hewitt Park also hosts many community events throughout the year. Planning for special events are led by the Hewitt Public Library, Greater Hewitt Chamber of Commerce, and the City.



*Playground & pavilion at
Hewitt Park*

An inventory of current park equipment and facilities was recorded and reviewed with regard to location, acreage, and quantity. The Inventory shown below is the result of a survey at each park that was conducted in October of 2015.

Table 3.1 Inventory of park facilities & features in Hewitt Park

General facilities	Disc golf course
1 "Hewitt Park" stone sign	18 t-box pads
1 entrance gate	18 poles with signs
1 covered pavilion with restrooms	18 rectangle stone benches
15 poles with warning & directional signs	18 disc golf baskets
5 poles with handicap signs	1 4x4 map of course
2 14x14-foot pavilions	Playgrounds
3 drinking fountains	1 tire swing
1 dog drinking fountain	1 helicopter play set
21 trash cans	2 10-foot umbrella shelters
2 dog waste trash cans	1 20-foot umbrella shelter
4 small BBQ pits	4 adult swings
1 large BBQ pit	4 toddler swings
8 concrete tables and benches	2 infant swings
11 light poles	4 climbing sets
7 stationary benches	3 slides
6 portable benches	
15 aluminum picnic tables	
1 20-foot flagpole	Sport facilities
1 message board	1 basketball court
1 sprinkler system for trees	3 basketball goals
General facilities (cont.)	Sport facilities (cont.)
1 sprinkler system for grass around playground	2 volleyball nets
2 portable restrooms	2 set of bleachers
Other activities	1 set of regulation size soccer goals
4 horseshoe pits	1 set of peewee size soccer goals
2 exercise equipment sites	1 baseball backstop

**II. Warren Park (36 acres)
450 S. Old Temple Road**



Playground & pavilion at Warren Park

Warren Park is located on Old Temple Road in the Southeastern area of the city and within close proximity to I-35. The land immediately surrounding the park is undeveloped, however Midway I.S.D. recently acquired land for a future elementary school immediately adjacent to and South of Warren Park. Land to the North, across Castleman Creek, is planned to be developed for single family residential use. Land across Old Temple Road to the West is single family residential. Castleman Creek provides the northern boundary of the park with Old Temple Road being the West boundary of the park.



The park features the Creekside Amphitheater, a recently constructed outdoor venue designed for a variety of performances and special events. The Amphitheater has been designed for musical concerts, weddings, special movie nights, and outdoor performances. Additional amenities include a practice soccer field, practice baseball field, a recently constructed playground, horseshoe pits, picnic tables, open green space, and a pavilion available for reservation.



Warren Park was originally a 10 acre parcel of land donated by the Warren family of Hewitt. In 2010, the City acquired an additional 14 acres of land at this site for the primary purpose of constructing a future elevated water storage tank. Adding to this in October of 2015 the City acquired an additional 12 acres of land, dubbed the “McCune” tract, which has now been included in the total area of the park. Currently, Warren Park with 36 acres of area is Hewitt’s largest park. There is also the potential for an additional small park land donation adjacent to Warren Park. The new acquisition and possible future donation is one of the primary factors in updating this plan. Due to this recent land acquisition **Warren Park** serves the purpose of a community park.

The park is seeing increased utilization as new improvements have come online. Furthermore, many people are finding Warren Park to be an alternative to the busier Hewitt Park. The recent construction of the Creekside Amphitheater is expected to draw crowds for special outdoor musical concerts and events as well as smaller events like private weddings.

Warren Park also hosts many community events throughout the year. Planning for special events are led by the Hewitt Public Library, Greater Hewitt Chamber, of Commerce and the City.

An inventory of current park equipment and facilities was recorded and reviewed with regard to location, acreage, and quantity. The Inventory shown below is the result of a survey at each park that was conducted in October of 2015.

Table 3.2 Inventory of park facilities & features in Warren Park

General facilities	1 sprinkler system for trees
1 entrance gate	1 sprinkler system for grass
1 covered pavilion with restrooms	2 horse shoe pits
7 poles with warning signs	
1 handicap sign	Sports facilities
6 stationary picnic tables	1 baseball backstop
1 Warren Park Stone Sign	
1 dumpster	
1 large pavilion	
1 large amphitheater	Playgrounds
8 aluminum picnic tables	1 Interactive Playground
7 benches	1 set of swings
40 rock bench seats	
5 small BBQ pits	
1 large BBQ pit	1 set of toddler swings
1 message board	
11 trash cans	

III. Glaze Park (15.57 acres) 499 S. Old Temple Road

Glaze Park is located 0.2 miles from Warren Park, to the south across the street at 499 S. Old Temple Road. It consists of city-owned, undeveloped floodplain surrounding a small branch of Castleman Creek. Glaze Park does not have any developed park amenities.



Section 4. Needs Assessment & Project Identification

A. Overview

Needs assessment is a critical component of park and recreation planning. The City considers a variety of sources for park project identification and needs assessment.

As Hewitt's Park system has matured and developed the City has provided increased resources for planning and improvement. City staff works to maintain and operate the park facilities and have historically relied upon observation, citizen comments, the Parks and Beautification Committee, as well as the City Council to establish objectives and provide direction concerning future development.

All meetings of the Parks and Beautification Committee and City Council are open to the public. Periodically, the city receives public comments in the form of phone calls, e-mails, letters, as well as pavilion rental surveys.

In addition to this and in preparation for this park plan update a public hearing to receive comments identifying needs and recommendations concerning parks improvements was held on October 20, 2015. City staff provided an overview of Hewitt's Park System and opened the floor to comments and suggestions from citizens in attendance.

The analysis of facilities needed to meet the city's objectives and the needs identified by the public allow the city to prioritize the most critical needs. The standard methodologies for evaluation include the following types of assessment:

Standards-based assessment uses nationally or locally developed criteria for determining the level of service based on demand studies and/or judgment of the city's Parks & Beautification Committee.

Demand-based assessment uses anticipated growth data, user participation rates, and public input.

Resource-based assessment focuses on the community's unique physical and natural features and their usefulness in providing recreational opportunities.

Commonly, all three methods are used to present the most complete picture of the needs for recreational lands and facilities. Hewitt's Parks & Beautification Committee and City Council reflected on these types of assessments when considering Hewitt's recreational needs and forming the park plan.

B. Standards-based Assessment

To define the needs of a community, standards must be applied within the context of the city's population and demand. The standard for park acreage per 1,000 residents ranges from under four acres to over 50 acres, depending on the specific characteristics of a city. Hewitt currently has 83.57 acres for its 14,900 residents,

which is 5.61 acres per 1,000 residents. Removing the undeveloped Glaze Park from the acreage leaves a total of 68 acres, or 4.6 acres per 1,000 residents.

Though this level of service appears lower than the standards for park acreage, any analysis must consider Hewitt's residents' access to many parks in the surrounding communities such as Waco, which maintains over 1,200 acres of parkland.³ This does not mean, though, that Hewitt can ignore the need for excellent and accessible local parks. More to this point, Hewitt has been proactive in acquiring additional land for park uses in the past few years.

C. Proposed Developments

Hewitt Park is the most developed of the City's Park system. The focus at Hewitt Park is to continue maintenance and to provide minor upgrades of existing facilities. The City works continually to enhance park features and amenities. Specific projects to be completed by the end of 2015 include improvement of the main practice field as well as upgrade of the spectator bleachers to increase seating capacity and comply with ADA accessibility standards. Additionally, an additional outdoor basketball court is being constructed. Immediate plans also call for increasing parking capacity.

On a different note, staff is considering expanding the existing shade structures over the playground at Hewitt Park. Staff will develop alternatives for future consideration. Also, Hewitt's Park Plan includes the goal of planting a minimum of ten (10) hardwood trees per year throughout the Park System.

Warren Park has significant potential for improvement, with the majority of its property currently undeveloped. Some of the land will be used for a water tower and related appurtenances; this structure and its enclosure will require a reserve of approximately two acres. The remainder of the land offers space for recreation-related development. The City is in discussion with Midway I.S.D. concerning use of a 4 acre portion of school owned land adjacent to the southernmost boundary of Warren Park. Although not currently dedicated parkland the M.I.S.D. land is included on the long term plan for park improvements.

At Warren Park the construction of the Creekside Amphitheater and recent land acquisition has provided an opportunity to consider new possibilities. In the next few months there are plans to upgrade the capacity of the electric service at the park as well as water and wastewater lines. Along with this the city plans to increase parking areas and add a four station food truck court in the near future. This project will include conservation friendly landscaping with hardwood trees, grass, shrubs, flowering plants, and ornamentals.

³ <http://www.waco-texas.com/cms-parksandrecreation/page.aspx?id=38>

Short range plans also call for relocation of the practice soccer/football and baseball backstop to a flatter more open area of the park in the newly acquired 12 acre “McCune” tract. This will also include the addition of parking areas. The primary purpose of the field relocation is to make space for the planned Amphitheater parking lot and food truck court. This project will include conservation friendly landscaping with hardwood trees, grass, shrubs, flowering plants, and ornamentals.

The plan includes construction of a picnic pavilion, constructed in a size and manner similar to the existing picnic pavilion, to be dubbed the “G’ma Mac” pavilion in recognition of the donation of land by the McCune family. Once again, an access road and parking area would be developed in conjunction with this future development. This pavilion would be located near the proposed relocated football field area.

Additionally, short range plans include the construction of a five foot wide ADA accessible concrete walking path meandering along the new perimeter of the park. This is one of the most utilized features of Hewitt Park and most requested features at Warren Park. Current plans show the pathway to consist of two main sections (close to 1/2 mile in distance) which could be combined to make a one mile loop.

The pathway would take advantage of the 4 acre M.I.S.D. land and provide for a connection to the future school site. Plans call for the pathway to be lit with energy efficient lighting (ex. LED lighting system). An exercise station and rest stops are included as well as waste receptacles and appropriate distance markers. A water fountain featuring a pet watering station is incorporated in the plan as well. The plan does include construction of a new picnic pavilion at or near the 4 acre “M.I.S.D.” parcel.

Likewise, the road network improvements will be developed and an additional entrance / exit onto Old Temple Road will be included at some point in the near future as funding becomes available.

Mid-range plans call for the addition of the “Creekside Cottage”. This is a small building complementing the Creekside Amphitheater which will be designed for multiple uses, but primarily will serve as a changing room for wedding parties. Additionally, the small facility will be used during intermission for bands and city staff during other events. Construction will require extension of city utilities and electricity to the site as well as parking. This project will include conservation friendly landscaping with hardwood trees, grass, shrubs, flowering plants, and ornamentals.

Hewitt’s Park plan also includes installation of outdoor warning sirens at Hewitt Park and Warren Park. The sirens would be incorporated into Hewitt’s existing outdoor alert system and would provide advance notice of impending inclement weather or other emergency conditions for park patrons.

At **Glaze Park** the intermittent flooding and shape of the property limits development potential. However, there are opportunities for development of certain amenities.

In the short term, the plan includes development of a five foot wide ADA accessible concrete pathway which would provide both a place for exercise and connection with Warren Park. The plan shows this pathway to be approximately 3/4 mile in distance. Plans call for the pathway to be lit with energy efficient lighting.

Mid-range plans include development of a small playground for children near, and connecting to, Raylee Circle. This would primarily be used by residents of the Stone Ridge Addition. The playground would be developed in a manner consistent with other parks, although on a smaller scale. This would include water line extension for landscape irrigation, a water fountain, and a pet watering station. The playground would include shade structures, benches, and waste receptacles as well as conservation friendly landscaping with hardwood trees, grass, shrubs, flowering plants, and ornamentals.

A map of the parks and proposed developments can be found in Appendix “A”, Appendix “B”, & Appendix “C” respectfully.

D. Cost

As each park is developed project budgets are reviewed, refined, and updated. Obviously, estimates and actual costs will vary. The purpose of providing cost estimates is to provide a framework for future funding decisions. Estimated costs are updated on a continual basis; these estimates are based on information available in November 2015. A detail of estimated expenditures is included in Appendix “D”.

E. Future Plans

Long Range Plans are always difficult to determine and change over time as community leaders and citizens consider and determine new ideas and demand changes. This plan focuses on planned improvements in the next five years, but it is important to document and consider improvements beyond that time. While these are preliminary concepts, it is always important to consider long term implications of park development and plan accordingly.

As previously stated, **Hewitt Park** is considered the most developed park in Hewitt’s park system. Because of this, and the desire to maintain the existing open green space, the focus over the next few years will be to enhance and improve existing facilities and amenities. Examples of improvements that have been made include an upgrade of the path lighting system, replacing older bleachers, or adding rock veneer to the main picnic pavilion. Where practical additional parking spaces may be developed. But this plan does not contemplate large scale improvements or additional significant projects.

As has been already stated, **Warren Park** offers the most potential for future development. When looking long term, there is significant opportunity for unique amenities that can establish Warren Park as one of the premiere parks in McLennan County. One long term aggressive project that will be considered is the development of an event center or corporate retreat facility of some type. Other ideas include development of a Splash Pad or interactive water feature as well as a potential “Dog Park” for canine residents of the community.

Due to existing conditions, **Warren Park** contains a natural area bordering a portion of Castleman Creek in a wooded area towards the back of the park. One long range plan is for this area to be developed with an interpretative nature trail that goes through the woods and passes within view of a small waterfall. There is also the potential for construction of a fishing pier taking advantage of a small water reservoir in this immediate area.

Additionally, this park plan includes the long term idea of development of a community or demonstration garden at **Warren Park** located near the natural area at or near the recently acquired 12 acre tract with an optional site on or near the

“M.I.S.D.” tract. Groups of residents and community volunteers would be expected to maintain the garden, and it is anticipated the Hewitt Public Library or Parks Staff would oversee this effort. Development of the garden would require significant professional resources to design and implement the project. This project will include conservation friendly landscaping with hardwood trees, grass, shrubs, flowering plants, and ornamentals.

At **Glaze Park** the Long Term plan includes installation of outdoor exercise equipment and “cross fit” style obstacle course. There is also a plan for installation of a community or demonstration garden at Glaze Park. Additionally, at some point the City will need to add appropriate identification signage similar to the stone signs at the entrance of the other two parks.

Section 5. Funding

The city council has made significant financial commitments to Park improvements in recent years. This is in the form of annual maintenance & operations budget as well as long term capital funding.

Since 2012, the City has allocated an average of \$31,875 for park improvements annually in the general fund, with over \$47,000 being spent on improvements in 2014. This is a marked increase over previous years and shows the level of commitment by the City to plan and fund future improvements in the Park System.

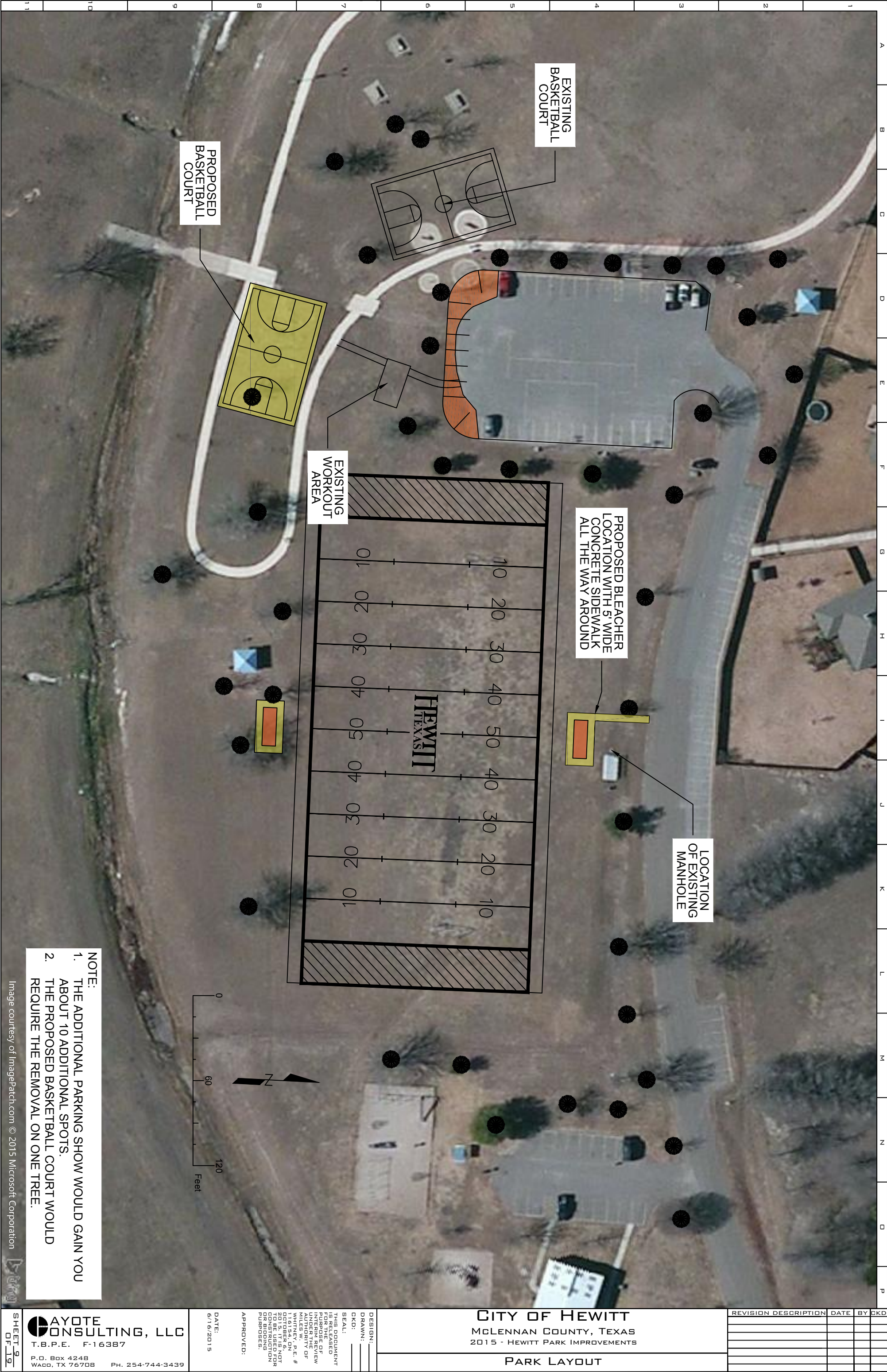
Additionally, the City Council has committed long term capital funding in the form of Certificates of Obligation for major improvements. The following table is a summary of actual expenditures since 2012.

	2012	2013	2014	2015
Actual	850	197,943	29,522	168,046
Expenditures				

The City Council continues to allocate Bond Funding for Parks Improvements. While the City has established funding for some long term projects, the City constantly reviews available funding sources and has identified two potential sources of competitive grant funding for park improvements.

The first is the Recreational Trails Grant offered by the Texas Parks and Wildlife (TPWD). The second is the Small Community Local Park Grant Program also offered by the TPWD. Application for these grants would be made in accordance with the annual schedule as published by TPWD.

Additional sources of revenue include possible donations and assistance by local charities. Some planned improvements will require commitment by local groups for maintenance and care. For example, the demonstration or community garden would primarily be maintained by community volunteers like a Master Gardener's Club.



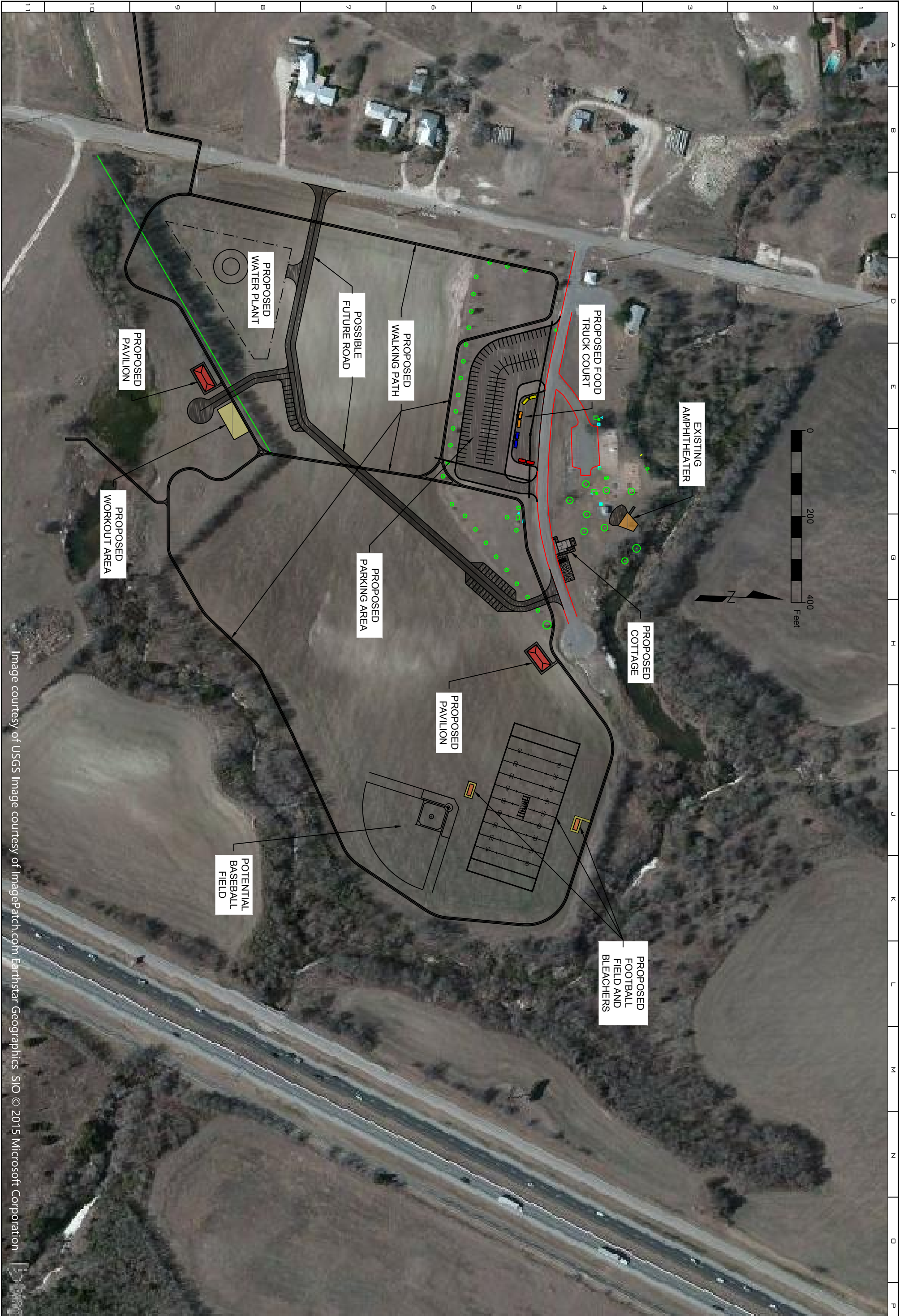


Image courtesy of USGS Image courtesy of ImagePatch.com Earthstar Geographics SIO © 2015 Microsoft Corporation

SHEET - OF -	 DAYOTE CONSULTING, LLC T.B.P.E. F-16387 P.O. Box 4248 WACO, TX 76708 PH. 254-744-3439	DATE:	APPROVED:	THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF MILES 2015. IT IS NOT TO BE USED FOR CONSTRUCTION OR BIDDING PURPOSES.	DESIGN: JMW	CITY OF HEWITT MCLENNAN COUNTY, TEXAS 2015 - WARREN PARK IMPROVEMENTS	REVISION DESCRIPTION	DATE	BY	CHKD	
		CKD: JMW			DRAWN: JMW						
		SEAL:									
					PROPOSED WARREN PARK LAYOUT						

Appendix "D"

		Project Estimate		
Hewitt Park	Add Shade Structures to Playground	\$45,000.00		
		TOTAL	\$45,000.00	
Warren Park	Upgrade Electric Service	\$100,000.00		
	Water and wastewater utility extention	\$28,000.00		
	100 lot parking improvements	\$47,000.00		
	2 - 20 lot parking improvement	\$9,800.00		
	Irrigation system	\$4,000.00		
	Food truck court	\$18,000.00		
	Landscaping	\$28,000.00		
	Relocate practice fields	\$75,000.00		
	Practice Field Bleachers	\$20,000.00		
	Road network improvements (Phase I)	\$25,000.00		
	Old Temple Road second ingress / egress (Phase II)	\$25,000.00		
	5 foot wide - Multi-Use Path	\$177,000.00		
	Pathway lighting	\$32,000.00		
	Benches	\$2,000.00		
	Waste receptacles	\$2,000.00		
	Water fountains	\$2,000.00		
	Creekside Cottage	\$80,000.00		
	Cottage parking	\$4,000.00		
	McCune Pavilion	\$100,000.00		
	"MISD" Pavilion	\$100,000.00		

Appendix "D"

	2 - outdoor warning sirens	\$50,000.00		
	Engineering	\$55,000.00		
	Contingencies	\$99,000.00		
		TOTAL	\$1,082,800.00	
Glaze Park	5 foot wide - Multi-Use Path	\$86,000.00		
	Small Playground	\$18,000.00		
	Water utility extension	\$7,500.00		
	Water fountains	\$2,500.00		
	Waste receptacles	\$2,000.00		
	Landscaping	\$15,000.00		
		TOTAL	\$131,000.00	



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 9

SUBMITTED BY: Jim Barton, Assistant City Manager

ITEM DESCRIPTION:

Consider and act on a resolution authorizing application for a Local Park Grant Program from the Texas Parks & Wildlife for the purpose of constructing a walking trail in both Warren and Glaze Park.

STAFF RECOMMENDATION/ITEM SUMMARY:

Here is where...you need to fill in the details

ATTACHMENTS:

Supporting documentation



**Local Park Grant Program
Resolution Authorizing Application**

A resolution of the city of Hewitt as hereinafter referred to as "Applicant," designating certain officials as being responsible for, acting for, and on behalf of the Applicant in dealing with the Texas Parks & Wildlife Department, hereinafter referred to as "Department," for the purpose of participating in the Local Park Grant Program, hereinafter referred to as the "Program"; certifying that the Applicant is eligible to receive program assistance; certifying that the Applicant matching share is readily available; and dedicating the proposed site for permanent (or for the term of the lease for leased property) public park and recreational uses.

WHEREAS, the Applicant is fully eligible to receive assistance under the Program; and

WHEREAS, the Applicant is desirous of authorizing an official to represent and act for the Applicant in dealing with the Department concerning the Program;

BE IT RESOLVED BY THE APPLICANT:

SECTION 1: That the Applicant hereby certifies that they are eligible to receive assistance under the Program, and that notice of the application has been posted according to local public hearing requirements.

SECTION 2: That the Applicant hereby certifies that the matching share for this application is readily available at this time.

SECTION 3: That the Applicant hereby authorizes and directs the City Manager to act for the Applicant in dealing with the Department for the purposes of the Program, and that James Barton is hereby officially designated as the representative in this regard.

SECTION 4: The Applicant hereby specifically authorizes the official to make application to the Department concerning the site to be known as Walking Trail in the Warren Park and Glaze Park of Hewitt or use as a park site and is hereby dedicated (or will be dedicated upon completion of the proposed acquisition) for public park and recreation purposes in perpetuity (or for the lease term, if legal control is through a lease). Projects with federal monies may have differing requirements.

Introduced, read and passed by the affirmative vote of the "Applicant" on this 7 day of December, 20 15.

Signature of Appropriate Official

Mayor Ed Passalugo

Typed Name and Title



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 10

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consider and action on resolution amending City of Hewitt's Investment Policy.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City's Investment Policy requires Council to review and approve the policy and investment strategies annually, approving any changes or modifications at a regularly scheduled meeting. Changes made this year include:

- 1) Changed the continuing education requirement for Investment Officers from 10 hours to 8 hours (page 7). The first year as an Investment Advisor still requires 10 hours of continuing education.
- 2) Deleted Rice Financial Products from the list of authorized broker/dealers (page 15).

Staff recommends adopting the following amended Investment Policy for 2015.

ATTACHMENTS:

Investment Policy 12-7-2015

**INVESTMENT POLICY
CITY OF HEWITT
Approved by City Council
December 7, 2015**

I. POLICY

It is the policy of the City of Hewitt (the “City”) that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to achieve reasonable interest earnings based on market conditions.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to City funds. The City’s investment portfolio shall be designed and managed in a manner intended to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of:

- * **Safety** and preservation of principal
- * Maintenance of sufficient **liquidity** to meet operating needs
- * **Diversification** to minimize market risks
- * **Public trust** from prudent investment activities
- * Achievement of **reasonable interest earnings**

II. PURPOSE

The purpose of this Investment Policy is to establish guidelines and policies controlling the investment of the City’s funds. The Policy is designed to comply with Chapter 2256 of the Texas Government Code, the Public Funds Investment Act, (the “Act”), which requires the City to adopt a written Investment Policy regarding the investment of its funds and funds under its control. This Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City’s funds. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

All participants in the City’s investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the City’s ability to govern effectively.

III. SCOPE

This Policy shall govern the investment of all financial assets of the City. All funds accounted for in the City's Comprehensive Annual Financial Report (CAFR) are to be governed by this Policy and include:

- General Fund
- Capital Projects Funds
- Enterprise Funds
- Debt Service Funds, including reserves and sinking funds
- Any new fund created by the City, unless specifically exempted from this Policy by law.

This Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

IV. INVESTMENT OBJECTIVES AND STRATEGIES

The City shall manage and invest its cash with five primary objectives, listed in order of priority: **safety, liquidity, diversification, public trust, and yield.** The safety of the principal invested will represent the primary objective.

The City shall maintain a comprehensive cash management program, which includes timely collection of account receivables, timely payments to vendors in accordance with invoice and available discount terms, and prudent investment of all assets.

Attention to cash management principles will assure that cash is available when needed and all funds will be invested to obtain the best use of City assets to obtain a reasonable market rate of earnings.

The City shall maintain a "buy and hold" portfolio strategy. Maturity dates are to be matched with cash flow requirements and investments purchased with the intent to be held until maturity. Investments shall not be sold or redeemed prior to maturity with the following exceptions:

- An investment with declining credit may be sold or redeemed early to minimize loss of principal, or
- Liquidity needs of the portfolio require that the investment be sold or redeemed.

Safety [PFIA 2256.005(b)(2)]

Safety of principal is the foremost objective of the City's investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital throughout the portfolio. Safety will be attained through mitigating credit and interest rate risk.

- Credit Risk – The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by purchasing high credit quality securities and diversifying the investment portfolio by market sector and maturity so that potential losses on individual issuers will be minimized.
- Interest Rate Risk – The City will minimize the realized risk that the market value of investments in the portfolio will fall due to changes in general interest rates, by analyzing cash flow and investing within the parameters of that cash flow and diversifying by market sector and maturity.

Liquidity [PFIA 2256.005(b)(2)]

The investment portfolio shall remain sufficiently liquid to meet all anticipated operating requirements by structuring the portfolio maturities with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in cash equivalent alternatives such as financial institution deposits, money market mutual funds, and local government investment pools that offer same-day liquidity.

Diversification

The portfolio will be diversified by investment types and maturity to avoid market risks and issuer default, as appropriate.

Public Trust

All participants in the City's investment process shall act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction which might impair public confidence in the City's ability to govern effectively.

Yield (Optimization of Interest Earnings) [PFIA 2256.005(b)(3)]

The investment portfolio shall be designed with the objective of attaining a reasonable market yield at all times, taking into account the investment risk constraints and liquidity needs of the City. Return on investment is of lesser importance compared to the safety and liquidity objectives described above.

Investment Strategies by Fund Type:

1. General, Enterprise, or Operating-type Funds

Suitability – Any investment eligible in the Investment Policy is suitable for General, Enterprise, or Operating-type funds.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund’s portfolio to less than 270 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Liquidity – General, Enterprise, or Operating-type Funds require the greatest short-term liquidity of any of the fund-types. Demand deposit accounts, short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification – Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

2. Capital Projects Funds

Suitability – Any investment eligible in the Investment Policy is suitable for Capital Projects Funds.

Safety of Principal – All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Projects Funds to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or three years.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Liquidity – Most capital projects programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Demand deposit accounts, short term investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification – Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then current market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield – Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy's risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds.

3. Debt Service Funds

Suitability – Any investment eligible in the Investment Policy is suitable for Debt Service Funds.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Marketability – Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Liquidity – Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Demand deposit accounts, short term investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification – Market conditions influence the attractiveness of fully extending maturity to the next “unfunded” payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

4. Debt Service Reserve Funds

Suitability – Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment’s market risk if the City’s debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing’s documentation will influence the attractiveness of market risk and influence maturity extension.

Marketability – Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City’s debt holders. The funds are “returned” to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then current market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Diversification – Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield – Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy’s risk constraints.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority [PFIA 2256.005(f)]

Investment Officer(s)

In accordance with the Act, the City Council designates the City Manager and the Finance Director as the City’s Investment Officers. An Investment Officer is authorized to execute investment transactions and transfer funds between City accounts on behalf of the City. No person may engage in an investment transaction or the management of City funds except as provided under the terms of this Policy. The investment authority granted to an Investment Officer is effective until rescinded by the City Council.

The City Council shall provide periodic training in investments for the Investment Officer(s) through courses and seminars offered by professional organizations, associations, and other independent sources approved by Council. Training will be in accordance with the provisions of the Act and is in order to insure the quality and capability of investment management in compliance with the Act.

Investment Officer(s) shall attend ten (10) hours of investment training within twelve (12) months of attaining the position and shall receive eight (8) hours of investment training not less than once in a two-year period that begins on the first day of the City’s fiscal year and consists of the two consecutive fiscal years after that date. The Government Finance Officers’ Association of Texas (GFOAT), Government Treasurers’ Organization of Texas (GTOT), Texas Municipal League (TML), University of North Texas (UNT), Texas Association of Regional Councils, American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA) are approved independent training sources.

Internal Controls

The Investment Officer is responsible for establishing and maintaining internal controls to protect the assets of the City from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, within the scope of the annual audit, the City shall establish a process for annual independent review by an external auditor to assure compliance with this Policy and supporting procedures. At a minimum, the internal controls shall address the following points:

- Control of collusion.
- Separation of transactions authority from accounting and record keeping.
- Custodial safekeeping.
- Delegation of authority to subordinate staff members.
- Written reporting and confirmation for all investments and wire transfers.

Prudence (PFIA 2256.006)

The standard of prudence as defined by the Act and to be applied by the Investment Officer at all times shall be the “prudent person” rule. This rule states that:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

In determining whether an Investment Officer has exercised prudence in the performance of their duty, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the City’s control, over which the Officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written approved Investment Policy of the City.

The Investment Officer, if acting in accordance with written procedures and exercising due diligence, shall not be held personally liable for any specific investment’s credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest [PFIA 2256.005(i)]

The Investment Officer(s), and employees involved in the investment process, shall refrain from any personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions.

Investment Officer(s) shall disclose any personal or business relationship involving material interests in financial institutions with which the City conducts business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officer(s) shall refrain from undertaking personal investment transactions with the same individual or firm with which business is conducted on behalf of the City.

Any Investment Officer(s) of the City who has a personal business relationship with an organization, or is related with the second degree by affinity or consanguinity to an individual, seeking to sell an investment to the City shall file a statement disclosing that relationship, in accordance with the Act, with the Texas Ethics Commission and the City Council.

VI. SUITABLE AND AUTHORIZED INVESTMENTS

City funds may be invested only in the instruments described below, all of which are authorized and further defined by the Act. Investment of City funds in any instrument or security not authorized for investment under the Act is prohibited. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

1. Obligations of the United States of America, its agencies and instrumentalities, excluding those prohibited by the PFIA.
2. Certificates of Deposit and other evidences of deposit at a financial institution that, i) has its main office or a branch office in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, ii) is secured by obligations in a manner and amount provided by law for deposits of the City, or iii) is executed through a depository institution that has its main office or a branch office in Texas that participates in the Certificate of Deposit Account Registry Service (CDARS), or similar program, and meets the requirements of the PFIA.

In addition to the above provisions, the City may invest in certificates of deposit through an Authorized Broker/Dealer that has its main office or a branch office in this State. The Broker/Dealer or the depository institution must arrange for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City. The full amount of the principal and accrued interest of each of the certificates of deposit must be insured by the United States or an instrumentality of the United States.

The City may appoint the depository institution, or broker/dealer as custodian for the City with respect to the certificates of deposit issued for the account of the City with that entity.

3. Fully collateralized flex direct repurchase agreements executed in compliance with the Act, under the terms of an executed Master Repurchase Agreement, and secured in accordance with this Policy. All repurchase agreement transactions will be on a delivery versus payment basis.
4. AAA-rated, SEC registered money market mutual funds which strive to maintain a net asset value of \$1.00 per share.

5. AAA-rated, Texas local government investment pools, which meet all the requirements of the Act. Participation in any pool must be authorized by resolution of the City Council.

Un-Authorized Investments [PFIA 2256.009(b)(1-4)]

Mortgage backed securities including interest-only or principal-only collateralized mortgage obligations (CMO), inverse floating interest rate CMO or CMO with a maturity date of over 10 years are strictly prohibited for investment by the City.

Credit Rating and Effect of Loss of Required Rating [PFIA 2256.021]

No less than quarterly, the Investment Officer will obtain the current credit rating for each held investment from a reliable source to ensure that the investment has maintained the required minimum rating. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

VII. INVESTMENT PARAMETERS

Maximum Maturities and Maximum WAM [PFIA 2256.005(b)(4)(B)]

The longer the maturity of investments, the greater the price volatility and market risk. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities which match cash flow needs to limit risks caused by changes in interest rates.

The City shall attempt to match its investments with anticipated cash flow requirements. The City's fund-type investment strategies will determine appropriate maximum maturity and weighted average maturity. Certificates of deposit and repurchase agreements may be collateralized using longer dated investments in accordance with this Policy.

Dollar-weighted average maturity will be calculated using the stated final maturity dates of each security. [PFIA 2256.005(b)(4)(C)]

VIII. AUTHORIZED BANKS AND DEALERS

The process of obtaining and contracting with a primary depository to serve the banking service needs of the City will be governed by Chapter 105 of the Local Government Code: Depositories for Government Funds and Chapter 2257, the Public Funds Collateral Act, Texas Government Code.

At least every five (5) years a primary depository shall be selected for banking services through the City's procurement process, which shall include a formal request for application (RFA). The

selection of a depository will be determined through a competitive process and evaluation of applications will include the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with State law.
- The ability to provide required banking services.
- Creditworthiness and financial stability of the depository.
- The ability to provide cost effective services as defined by the City based on the lowest net banking service cost, consistent with the ability to provide the required levels of service.

The City may utilize other financial institutions as depositories for deposits and the purchase of certificates of deposit under the terms of a written depository/collateral agreement as defined by this Policy.

Collateral Policy (PFCA 2257.023)

Collateral Pledged to the City by Depositories

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all financial institution deposits in a depository above the FDIC insurance coverage. In order to anticipate and provide for market price fluctuations and provide a required level of security for all funds, with the exception of deposits secured with irrevocable letters of credit from a U.S. Government Agency at 100% of principal and accrued interest, the depository will provide and maintain collateral whose market value equals or exceeds 102% of the total value of principal and accrued interest on City deposits less an amount insured by the FDIC.

Any financial institution designated as a depository by the City will provide collateral in accordance with this Policy and applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as a depository will be required to sign a Depository/Collateral Agreement with the City. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

The written agreement will specify the acceptable collateral, require independent safekeeping of the collateral, require City approval before substitution or release of investment securities, provide for original safekeeping receipts, and complete monthly reporting of collateral including the valuation of securities.

A clearly marked evidence of pledge must be supplied to the City and retained by the Investment Officer(s). A monthly collateral report provided by the custodian shall be reviewed by the Investment Officer(s) to assure that the market value of the pledged securities is adequate.

Collateral may be held only by an independent institution including a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the City.

A Repurchase Agreement, as authorized by the Act, has a defined termination date, is secured by a combination of cash and obligations as described by Section 2256.009(a)(1) and requires the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's account, and deposited at the time the investment is made with the City or with a third party selected and approved by the City. Securities (termed as collateral) are bought (i.e. owned) under a Repurchase Agreement and will be maintained at a margin of 102% and delivered versus payment. The collateral terms and conditions will be controlled by a written repurchase agreement.

Authorized Collateral For Depositories and Repurchase Agreements

The City shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities, including mortgage backed securities which pass the high-risk mortgage obligation test, and irrevocable letters of credit.
- Direct obligations of any U.S. state or its subdivisions rated at least A by at least one nationally recognized rating agency.

All collateral shall be subject to inspection and audit by the Investment Officer(s) and the City's independent auditors.

Authorized Brokers/Dealers (PFIA 2256.025)

The City Council shall, at least annually, review, revise, and adopt a list of qualified broker/dealers (see Attachment A) authorized to engage in securities transactions with the City. To purchase securities, the City must have a list of no less than two broker/dealers.

Authorized brokerage firms may include primary dealers or regional broker/dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).

Delivery vs. Payment [PFIA 2256.005(b)(4)(E)]

Securities purchased by the City shall be settled into the City's depository on a **delivery versus payment** (DVP) basis. DVP assures that City funds will not be released until the purchased security has been received. Securities will be held by an independent third-party safekeeping agent as evidenced by safekeeping receipts.

PFIA Policy Certificates

All investment providers, including financial institutions, banks, broker/dealers, and local government investment pools, will be required to provide information regarding the firm and the individual representative as required by the City. Each investment provider will be required to sign a certification acknowledging that the organization has received and reviewed the City's current Investment Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's Policy. When material changes are made to the Policy, re-certification is required.

IX. PERFORMANCE BENCHMARK

The City's investment portfolio will be managed in accordance with the parameters specified within this Policy including the objective of a reasonable market yield commensurate with the investment risk constraints and the cash flow requirements of the City.

The weighted average yield to maturity (the standard for calculating portfolio rate of return) on the total portfolio will be calculated and reviewed on at least a quarterly basis. In accordance with the City's cash flow needs and based on the maximum weighted average maturity of the adopted Investment Strategy, the City's portfolio shall be designed with the objective of regularly meeting or exceeding the respective Strategy's average yield on the appropriate US Treasury-Bill for the same period. This benchmark is not just a measure of market performance but equally a measure of the risk in the portfolio.

XI. REPORTING (PFIA 2256.023)

The Investment Officers shall prepare for the City Council an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in detail and summary information. This reporting shall be made in accordance with the Act.

The quarterly investment report shall include a summary statement of investment activity during the period. This summary will be prepared in a manner that will allow the City Council to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will include the following at a minimum:

- A listing of individual investments held at the end of the reporting period.
- Unrealized gains or losses at the end of the period (the difference between market and book value).
- Average weighted yield to maturity of portfolio.
- Fully accrued interest for the reporting period and total earnings for the period
- The percentage of the total portfolio by type of investment.
- Statement of compliance of the City's investment portfolio with State law and the investment strategy and Policy approved by the City Council.

Market values will be obtained from reputable and independent sources.

In conjunction with the annual audit, an independent auditor will perform a formal annual review of the quarterly reports with the results reported to the City Council by that auditor [*PFIA 2256.023(d)*].

XII. INVESTMENT POLICY ADOPTION [*PFIA 2256.005(e)*]

The City's Investment Policy shall be reviewed and adopted at least annually by resolution of the City Council. It is the City's intent to comply with State laws and regulations. The City's Investment Policy may be revised by Council consistent with changing laws, regulations, or the needs of the City. The City Council shall review and approve the Policy and investment strategies annually, approving any changes or modifications, at a legally scheduled meeting.

Adopted by Hewitt City Council:

Attachment A

**City of Hewitt, Texas
Authorized Broker/Dealer List**

Coastal Securities

Tony Sekaly
920 Memorial City Way, 11th Floor
Houston, TX 77024
800-681-4121

Duncan Williams, Inc.

Stephen Capoferi
11458 W. Travelers Way Circle
Houston, TX 77065-4982
866-394-0236

Raymond James & Associates, Inc.

Polly Moore
2801 Via Fortuna, Ste. 650
Austin, TX 78746-7907
512-306-2503

Wells Fargo Brokerage Services, L.L.C.

Chuck Landry
1445 Ross Avenue
Suite 210
Dallas, TX 75202
800-937-0998
214-777-4018

Note: The firm name is authorized. Contact data informational only.

Adopted by Hewitt City Council:

Ed Passalugo, Mayor

Date

Lydia Lopez, City Secretary

Date



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 11

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consider and act on renewal of an Agreement with Valley View Consulting, L.L.C. for a period of two years ending December 31, 2017.

STAFF RECOMMENDATION/ITEM SUMMARY:

On January 4th, 2010, City Council approved an Agreement with Valley View Consulting, L.L.C., to act as independent investment advisors to the city and to perform profession services with respect to Investable Funds. Staff recommends continuing the agreement to perform investment services to the City.

ATTACHMENTS:

Agreement between City of Hewitt and Valley View Consulting, LLC

**AGREEMENT
BY AND BETWEEN
THE CITY OF HEWITT, TEXAS
AND
VALLEY VIEW CONSULTING, L.L.C.**

It is understood and agreed that the City of Hewitt (the *Investor*) will have from time to time money available for investment (*Investable Funds*) and Valley View Consulting, L.L.C. (*Advisor*) has been requested to provide professional services to the Investor with respect to the Investable Funds. This agreement (the *Agreement*) constitutes the understanding of the parties with regard to the subject matter hereof.

1. This Agreement shall apply to any and all Investable Funds of the Investor from time to time during the period in which this Agreement shall be effective.
2. The Advisor agrees to provide its professional services to direct and coordinate all programs of investing as may be considered and authorized by the Investor.
3. The Advisor agrees to perform the following duties:
 - a. Assist the Investor in developing cash flow projections,
 - b. Suggest appropriate investment strategies to achieve the Investor's objectives,
 - c. Advise the Investor on market conditions, general information and economic data,
 - d. Analyze risk/return relationships between various investment alternatives,
 - e. Attend occasional meetings as requested by the Investor,
 - f. Assist in the selection, purchase, and sale of investments. The Advisor shall not have discretionary investment authority over the Investable Funds and the Investor shall make all decisions regarding purchase and sale of investments. All funds shall be invested consistent with the Texas Public Funds Investment Act, Chapter 2256 Government Code and the Investor's investment policies. The eligible investments are listed in the Investor's Investment Policy,
 - g. Advise on the investment of bond funds as to provide the best possible rate of return to the Investor in a manner which is consistent with the proceedings of the Investor authorizing the investment of the bond funds or applicable federal rules and regulations,
 - h. Assist the Investor in creating investment reports in compliance with State legislation and the Investor's Investment Policy,
 - i. Assist the Investor in creating monthly portfolio accounting reports, and
 - j. Assist the Investor in selecting a primary depository services financial institution.

4. The Investor agrees to:

- a. Compensate the Advisor for any and all services rendered and expenses incurred as set forth in Appendix A attached hereto,
- b. Provide the Advisor with the schedule of estimated cash flow requirements related to the Investable Funds, and will promptly notify the Advisor as to any changes in such estimated cash flow projections,
- c. Allow the Advisor to rely upon all information regarding schedules, investment policies and strategies, restrictions, or other information regarding the Investable Funds as provided to it by the Investor and that the Advisor shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information,
- d. Recognize that there is no assurance that recommended investments will be available or that such will be able to be purchased or sold at the price recommended by the Advisor, and
- e. Not require the Advisor to place any order on behalf of the Investor that is inconsistent with any recommendation given by the Advisor or the policies and regulations pertaining to the Investor.

5. In providing the investment services in this Agreement, it is agreed that the Advisor shall have no liability or responsibility for any loss or penalty resulting from any investment made or not made in accordance with the provisions of this Agreement, except that the Advisor shall be liable for its own gross negligence or willful misconduct; nor shall the Advisor be responsible for any loss incurred by reason of any act or omission of any broker, selected with reasonable care by the Advisor and approved by the Investor, or of the Investor's custodian. Furthermore, the Advisor shall not be liable for any investment made which causes the interest on the Investor's obligations to become included in the gross income of the owners thereof.

6. The fee due to the Advisor in providing services pursuant to this Agreement shall be calculated in accordance with Appendix A attached hereto, and shall become due and payable as specified. Any and all expenses for which the Advisor is entitled to reimbursement in accordance with Appendix A attached hereto shall become due and payable at the end of each calendar quarter in which such expenses are incurred.

7. This Agreement shall remain in effect until December 31, 2017, with the option of the Investor to extend this Agreement in additional one or two year increments. Provided, however, the Investor or Advisor may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to the Advisor for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated, all investments and/or funds held by the Advisor shall be returned to the Investor as soon as practicable. In addition, the parties hereto agree that upon termination of this Agreement the

Advisor shall have no continuing obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

8. The Advisor reserves the right to offer and perform these and other services for various other clients. The Investor agrees that the Advisor may give advice and take action with respect to any of its other clients, which may differ from advice given to the Investor. The Investor agrees to coordinate with and avoid undue demands upon the Advisor to prevent conflicts with the performance of the Advisor towards its other clients.

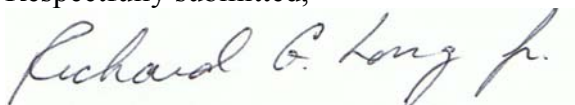
9. The Advisor shall not assign this Agreement without the express written consent of the Investor.

10. By initialing the appropriate line, Investor acknowledges that:

- 1) _____ Investor was provided a written copy of Form ADV Part 2 not less than 48 hours prior to entering into this written contract, or
- 2) _____ Investor received a written copy of Form ADV Part 2 at the time of entering into this contract and has the right to terminate this contract without penalty within five business days after entering into this contract.
- 3) X Investor is renewing an expiring contract and has received in the past, and offered annually, a written copy of Form ADV Part 2.

When accepted by the Investor, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Investor and Advisor for the purposes and the consideration herein specified.

Respectfully submitted,



Richard G. Long, Jr.
Manager, Valley View Consulting, L.L.C.

This agreement is hereby agreed to and executed on behalf of the City of Hewitt, Texas.

By _____
City of Hewitt

Date: _____

APPENDIX A

FEE SCHEDULE AND EXPENSE ITEMS

In consideration for the services rendered by Advisor in connection with the investment of the Investable Funds for the Investor, it is understood and agreed that its fee will be an annual fee equal to \$10,000.00. Said fee shall be prorated and due and payable at the end of each investment quarter.

Should the Investor issue debt, additional fees shall apply. Said annual fee shall not exceed 10 basis points (0.10%) of the total debt fund's average quarter end book value.

Should the selected bond proceeds investment strategy incorporate a flexible repurchase agreement or other structured investment, fees will be determined by any applicable I.R.S. guidelines and industry standards.

Should the Investor request assistance with monthly investment portfolio accounting additional fees shall apply. Said fee shall not exceed \$5,000.00 per year.

Should the Investor request assistance with selecting a primary bank depository services contract additional fees shall apply. Said fee shall not exceed \$5,000.00 per selection process.

Said fee includes all costs of services related to this Agreement, and all travel and business expenses related to attending regularly scheduled quarterly meetings. With pre-trip Investor approval, the Advisor may also request reimbursement for special meeting or event travel and business expenses. The obligation of the Advisor to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions.

Although none are anticipated, any other fees retained by Advisor in the performance of its duties shall be disclosed to the Investor.



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 12

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Authorize City Manager to negotiate and execute a professional services agreement with Walker Partners for survey and easement document preparation for FM 2113 Lift Station Demolition and Gravity Extension.

STAFF RECOMMENDATION/ITEM SUMMARY:

City staff is requesting authorization from the City Council to enter into a professional services agreement with Walker Partners to perform a survey and prepare easement documents related to the future Coventry lift station relocation. A copy of the agreement is included in the back-up material.

ATTACHMENTS:

Proposal – FM 2113 Lift State Demolition and Gravity Extension

PROPOSAL

To: City of Hewitt
Attn: Adam Miles
From: Kevin R. Hessel
Project Name: FM 2113 Lift Station Demolition and Gravity Extension
Project No.: 1-02810.00
Re: Professional Survey Services
Date: November 25, 2015
Xc: Miles Whitney

FM 2113 Lift Station Demolition and Gravity Extension

Walker Partners, LLC appreciates this opportunity to submit this Proposal to provide professional surveying services to City of Hewitt in connection with FM 2113 Lift Station Demolition and Gravity Extension Project. Based upon our initial meetings with Miles Whitney, we understand that City of Hewitt intends to design an approximate 8,500 linear foot 12" gravity sewer line from the existing waste water lift station on FM 2113 to the Bull Hide Creek Interceptor along the south side of the Barnes/Warren tract, as shown on the attached map.

The scope of services, schedule, and associated fees that Walker Partners proposes to provide for this Project are outlined below:

1.00 SCOPE OF SERVICES

1.01 SURVEYING SERVICES

A. Topographic Survey (Phase 12)

1. Perform an on-the-ground field survey, 50 feet wide along the proposed alignment, to obtain the topography (terrain data) and other visible and apparent surface features (manmade or natural), such as ditches, swales, channels, embankments, drainage structures, catch basins and inlets, manholes, above-grade utility appurtenances, pavements, significant trees (hardwoods greater than 8 inches in diameter), fences, building structures, water's edge, etc. For underground utilities, Walker Partners will coordinate with Texas 811. The approximate locations of underground utilities will be shown based upon utility locators' markings.
2. Establish vertical control along the alignment and place benchmarks based upon North American Vertical Datum of 1988 (NAVD88), unless otherwise specified by client.
3. Prepare a topographic map, from the topographic survey, depicting the physical features, as described above, and with elevation contours at a 1-foot interval. The 100-year floodplain, as identified by FEMA and as depicted on the Flood Insurance Rate Map (FIRM), will be graphically located and drafted on the topographic map.

FM 2113 Lift Station Demolition and Gravity Extension

B. Boundary Verification Survey (Phase 09)

1. Verify tract boundaries and location of existing easements along the proposed alignment. Please note, Walker Partners recommends a title company be contracted to prepare property reports to identify easements that may conflict with the proposed gravity line's alignment, estimated fee \$350 per tract. Currently the alignment crosses 4 privately held tracts.

C. Easements (Phase 16)

1. Prepare 8 metes and bounds descriptions and 4 exhibit drawings for temporary and permanent easement documents on 5 parcels (4 separate landowners). This includes placement of monuments, marking boundaries of the 4 permanent easement tracts.

2.00 Deliverables

Walker Partners deliverables shall consist of the following:

- Provide AutoCAD and DTM files of the topographic survey.
- Provide hard copies and PDF files of the metes and bounds descriptions and exhibit drawings of the temporary and permanent easement tracts.

3.00 SCHEDULE FOR SERVICES

Walker Partners acknowledges the importance to the City of Hewitt of the project schedule and agrees to put forth its best professional efforts to perform its services under this proposal in a manner consistent with that schedule. The Owner understands, however, that Walker Partners' performance must be governed by sound professional practices. If requested, Walker Partners will be pleased to develop a project schedule outlining each of the items included, previously described in the scope of services.

4.00 FEES

For the SURVEYING SERVICES outlined above, City of Hewitt agrees to pay Walker Partners a lump sum fee of **nineteen thousand, three hundred dollars (\$19,300.00)** to be invoiced monthly at a percentage of the work completed.

FM 2113 Lift Station Demolition and Gravity Extension

Below is an itemized breakdown of the proposed fees:

Phase No.	Description	Lump Sum Fee
09	Boundary Verification Survey	\$ 3,600.00
12	Topographic Survey	\$ 9,000.00
16	Easements	\$ 6,700.00
	TOTAL LUMP SUM FEE	\$19,300.00

4.00 EXCLUSIONS

The following items are excluded from this proposal. If there are questions about any other services not listed here, they shall be clarified prior to approval and acceptance of this proposal.

4.01 The proposed engineering services do not include the following:

- Rights of entry
- Abstract of title, easements, restrictions or other encumbrances.
- Subsurface utility engineering survey
- Tree survey
- Construction staking
- Flood Study or determination of 100-year base flood elevation

6.00 ACCEPTANCE OF PROPOSAL

If the Scope of Services, Schedule, and associated Surveying Fees outlined herein are acceptable to City of Hewitt, please sign below to authorize the work.

BY: _____
Signature

Printed Name

TITLE: _____ DATE SIGNED: _____

Please call me if you have questions or concerns regarding this proposal.



Date November 25, 2015

Kevin R. Hessel, RPLS
Survey Manager
Walker Partners, LLC





COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 13

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider award of bid for Fieldstone drainage project to H&B Contractors Inc., in the total amount of \$49,315.

STAFF RECOMMENDATION/ITEM SUMMARY:

Bids were received for drainage improvements between Fieldstone and Windhill Drive. This work is designed to improve the flow of stormwater runoff between houses in the 700 block of Fieldstone and reduce storm water backing up onto Fieldstone Drive. The City Engineer requested a bid from eight contractors; the city received two responses. After review of the bids staff recommends award of this project to H&B Contractors in the total amount of \$49,315.

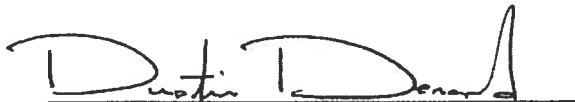
ATTACHMENTS:

Quote

Bid Schedule
2015- 729/733 Fieldstone Drive Channel Replacement

Channel Replacement Related Items					
Item No.	Description of Item with Unit Bid Price in written words	Unit	Approx. Quantity	Unit amount	Total Price
1	Removal of Existing Triangular Channel, Price to Include Labor and Materials	L.F.	284	\$45.00	\$12,780.00
2	Lowering of Existing Junction Box Lid, Price to Include Labor and Materials	L.S.	1	\$1,750.00	\$1,750.00
3	Construction of Proposed Trapezoidal Channel, Price to Include Labor and Materials	S.F.	2,220	\$13.00	\$28,860.00
4	Sod and Irrigation, Replacement or Repair of Damaged Yards, Price to Include Labor and Materials	L.S.	1	\$4,500.00	\$4,500.00
5	Construction of Energy Dissipator, Price to Include Labor and Materials	S.F.	57	\$25.00	\$1,425.00
Channel Replacement Related Items Bid Total =					\$49,315.00

Bid submitted by:


H&B Contractors, Inc.

Date: 12/3/2015

H&B Contractors' Quote

Barnett Contracting, Inc.
Bid Schedule

2015 - 729/733 Fieldstone Drive Channel Replacement

Channel Replacement Related Items					
Item No.	Description of Item with Unit Bid Price in Written Words	Unit	Approx. Quantity	Unit Amount	Total Price
1	Removal of Existing Trangular Channel; Price to Include Labor and Materials \$	L.F.	284	\$ 50 ^u	\$ 14,200 ^u
2	Lowering of Exsiting Junction Box Lid; Price to Include Labor and Materials \$	L.S.	1	\$ 2,000 ^u	\$ 2,000 ^u
3	Construction of Propsoed Trapezoidal Channel; Price to Include Labor and Materials \$	S.F.	2,220	\$ 10 ^u	\$ 22,200 ^u
4	Sod and Irrigation Replacement or Repair of Damaged Yards; Price to Include Labor and Materials \$	L.S.	1	\$ 14,275 ^u	\$ 14,275 ^u
5	Construction of Energy Dissipator; Price to Include Labor and Materials \$	S.F.	57	\$ 10 ^u	\$ 570 ^u
Channel Replacement Related Items Bid Total				=	\$ 53,245 ^u

Add 2.5% if we bond our work.



Mike Barnett



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 14

SUBMITTED BY: Jim Barton, Assistant City Manager

ITEM DESCRIPTION:

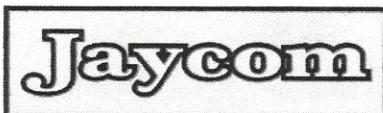
Authorize the city manager to negotiate a contract with Jaycom to install an IPEdge (Toshiba) phone system in the new City Hall & Library building in the amount of \$9574.

STAFF RECOMMENDATION/ITEM SUMMARY:

Jaycom has provided a quotation for services to furnish and install the phone system for the City Hall & Library project. This is an expansion of the same phone system in use at the Public Safety Facility. The total cost of their proposal is \$9,574. Staff recommends approval of this item.

ATTACHMENTS:

Cost Estimate/quotation



2940 FM 56
Valley Mills, TX 76689
254-675-3063

Sales Order

Date	Sales Order#
11/9/2015	635

Name / Address
City of Hewitt P O Box 610 Hewitt, TX 76643

Item	Description	Qty	Cost	Total
TOSH-IP5531-SDL-S...	Toshiba 20-button IP Speakerphone 9-Line	4	245.00	980.00T
TOSH-IP5522-SD	TOSHIBA 10-KEY IP SET NON BACKLIT 100MBS	16	175.00	2,800.00T
TOSH-LM5110	TOSHIBA 10-BUTTON LCD ADM	4	255.00	1,020.00T
TOSH-I-CP-USR-EC	IPEDGE USER OR ENDPOINT LICENSE	20	99.00	1,980.00T
TOSH-I-MSG-ADV	MESSAGING ADVANCED	20	22.50	450.00T
LAB-SYS	LABOR, SYSTEMS	16	89.00	1,424.00T
FIBR-MEDCON	FIBER TO RJ45 10/100 MEDIA CONVERTOR	2	145.00	290.00T
SW-16PT-10/100PO...	16 PORT 10/100 POE SWITCH	2	315.00	630.00T
*Add 20 phones in new City Hall/Library. Hook-up to existing system in PD.				

Call me with any questions, thanks!	Subtotal	\$9,574.00
	Sales Tax (0.0%)	\$0.00
	Total	\$9,574.00



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 15

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider award of bid for information technology network and security cabling at the City Hall & Library building to Extraco in the amount of \$52,550.

STAFF RECOMMENDATION/ITEM SUMMARY:

City staff worked with Extraco to develop a proposal for information technology cabling and wiring for the new City Hall & Library building. The proposal as submitted includes wiring and cabling for data drops as well as connectivity for audio systems, computers, televisions, and the security camera system. This proposal includes for material, supplies, and installation. The actual servers, audio equipment, security devices, surveillance cameras, and information system hardware will be considered at a future date. A copy of the proposal is included with the backup material.

ATTACHMENTS:

Proposal



Cabling Quote

CUSTOMER: City of Hewitt
DATE: 3-Dec-15
PHONE NUMBER:
FAX NUMBER:

Attn: Adam Miles

SALES PERSON: Patrick Johnson

Part	Description	Item #	Price:
CITY DATA CABLING: <i>Data Cabling for City Hall</i>			
	<i>66 CAT6 Data Drops</i>		
	<i>7ft 2 Post Floor Rack</i>		
	<i>Patch Cables for rack/computers</i>		
1	at a unit price of	\$13,800.00	\$13,800.00
CITY FIBER CABLING: <i>Fiber Cabling from PD to City Hall</i>			
	<i>12 Strand 50Mic OSP Fiber Cable</i>		
	<i>1U Rack Mount Fiber Enclosure</i>		
	<i>25 Pair Copper Osp Cable</i>		
	<i>24 Port Voice Grade Patch Panel</i>		
	<i>Fiber Patch Cables</i>		
	<i>Circa over voltage protectors with fuses</i>		
1	at a unit price of	\$7,500.00	\$7,500.00
LIBRARY DATA CABLING: <i>Data Cabling for Library</i>			
	<i>82 CAT6 Data Drops</i>		
	<i>7ft 2 Post Floor Rack</i>		
	<i>9 TV/Coax Drops</i>		
	<i>Patch Cables for rack/computers</i>		
	<i>Basic Intercom System</i>		
1	at a unit price of	\$17,800.00	\$17,800.00
LIBRARY FIBER CABLING: <i>Fiber Cabling from City to Library</i>			
	<i>6 Strand 62.5MM Armored Fiber Cable</i>		
	<i>1U Rack Mount Fiber Enclosure</i>		
	<i>25 Pair Copper Cable</i>		
	<i>Fiber Patch Cables</i>		
	<i>24 Port Voice Grade Patch Panel</i>		
1	at a unit price of	\$4,200.00	\$4,200.00
LIBRARY TV CABLING: <i>Cabling for 6 TV Locations at Library</i>			
1	at a unit price of	\$1,250.00	\$1,250.00
CAMERA CABLING: <i>Cabling for 33 Camera Locations at Library/City</i>			
1	at a unit price of	\$8,000.00	\$8,000.00
System Total with options:			\$52,550.00
Tax:			
System Total + Tax:			\$52,550.00

1704 North Valley Mills Dr - Waco, Texas 76710 - 254.761.2393



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 16

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider award of contract for professional services related to the design and installation of an access control system at the City Hall & Library building to Southwest Telecom in the amount of \$59,536.

STAFF RECOMMENDATION/ITEM SUMMARY:

Southwest Telecom has provided a quote for professional services related to the design and installation of an access control system at the City Hall & Library building. This is for the Bluewave door access security system which was also installed at the Public Safety facility. The total amount of this quote is \$59,536 and includes installation, wiring, labor, equipment, and setup of the system. Staff recommends approval of this item.

ATTACHMENTS:

Quote



Job Quote

PO BOX 185 Crawford Texas 76638

Phone (254) 848-4422 Fax (254) 848-4423

Name / Address

City of Hewitt
Accounts Payable
P.O. Box 610
Hewitt, Texas 76643

		Date	Quote #
		11/18/2015	1986
Description	Qty	Rate	Total
City of Hewitt City Hall & Library Access Control System Southwest Telecom will provide labor and materials for the cabling and installation of the Access Control systems for 27 doors as indicated on provided plans Materials Quoted - 3- Bb-10 Bluewave door license 28 NG1-E-DK-POE Bluewave Controller 29 - PRX-SG Bluewave Prox readers 23 - 8000C-630 HES 8000 door strike 6 - 2005M3 Smart Pac III 1 - CM-30EE exit switch 1 - Misc cable and hardware Labor and Materials	1	59,356.00	59,356.00
		Subtotal	\$59,356.00
		Sales Tax (0.0%)	\$0.00
		Total	\$59,356.00



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 17

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Authorize the city manager to implement customer choice wastewater rate structure.

STAFF RECOMMENDATION/ITEM SUMMARY:

Based on comments received from Citizens and the Mayor's Focus Group the city is considering offering residential utility customers a choice in how the wastewater portion of their utility bill is calculated. One of the main concerns expressed during the public meetings was how the sewer charge is calculated for residential customers. Because sewer lines are not typically metered there is no one "right way" to calculate fees for sewer service. Cities must develop a rate structure that takes unmetered sewage flow into account when determining how to charge for sewer service. Most cities tie sewer use to water consumption in some form or another. One of the key points of contention is the assumptions used in determining the actual formula cities use to charge for sewer service.

Hewitt's current system charges a base fee for sewer service up to 5,000 gallons of water consumption. As more water is used, the sewer fee increases up to the point where water consumption is 20,000 gallons. In this system, there is a maximum fee for sewer. The assumption being that any water usage over 20,000 gallons would primarily be used for outdoor watering and not going into the sewer system for treatment.

One of the proposed alternatives was to offer a "Winter Average". While the actual formula varies city to city, the idea is that water usage in the winter months (i.e. the average monthly water use for November, December, January, & February) is going to be lower than in summer months due to summer outdoor watering. The assumption being that outdoor watering in the winter is negligible and all of the water consumed at a house during the winter will flow into the sewer system, rather than on the lawn. In this way, cities use the "Winter Average" water consumption (the average number of gallons of water consumed monthly during the winter) to establish a baseline sewer flow amount which would be then used to establish the monthly fee. The "Winter Average" water consumption amount becomes the baseline sewer flow amount for billing purposes throughout the year. A customer's "Winter Average" would reset each winter based on water consumption at an individual residence. A "Winter Average" will be different for each individual customer based on their actual water usage.

Another proposed alternative is to simply de-couple water and wastewater completely and charge a “Flat Rate” for sewer that is no way related to water consumption. The City would simply charge a monthly fee for sewer that would be the same for all residential customers.

What is being considered is customers in Hewitt would choose how their fee for sewer service is calculated. The idea is that a customer would be able to choose one of the three rate structures (Current method or default method, Winter Average, or Flat Rate) that they deem to be the best alternate for them and their household. Like now, the rates themselves will change over time, but the method and manner of calculating the rate would be determined by the customer based on their own usage and their own informed analysis of their water consumption. Although customers would be able to make a change at any time, they would not be able to change the rate calculation method again for a minimum of twelve (12) months without a financial penalty.

In summary the concept is simple, offer consumers a choice. Give customers an opportunity to analyze their own usage and make an informed decision about how they want to have their fee for sewer calculated. If this item is approved, the City Manager would take steps to begin implementation of the sewer rate choice program.

The concept is not without a host of challenges and implementation should not be taken lightly. Implementation will involve changes to software, amendments to the Code of Ordinances, adoption of new fees and fee structures, as well as training for Utility Billing Staff and customer outreach. If approved, the target for implementation would be March 1, 2016. Included in the backup material is an analysis provided by Dan Jackson concerning the concept.

ATTACHMENTS:

Supporting documentation/analysis

Table 1

DRAFT

CITY OF HEWITT RESIDENTIAL WASTEWATER RATE PLAN COMPARISON				
	Current Plan	Effective FY 2016 Flat Rate	Winter Average	
Monthly Charge	\$ 26.50	\$ 35.75	\$ 18.00	
Volume Charge/1,000 Gal:				
5,001 20,000	4.50	na	na	
- Above	na	na	2.80	

Each of these rate plans are "revenue neutral"; they are forecast to each recover an approximately equivalent amount of revenue from residential ratepayers. However, the impact on individual ratepayers will vary based on each's usage level.

DRAFT



COUNCIL AGENDA ITEM FORM

MEETING DATE: December 7, 2015

AGENDA ITEM #: 17

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider and act upon adoption of an ordinance authorizing the issuance and sale of the City's Combination Tax and Limited Surplus Revenue Certificate of Obligation, Series 2016; Levying an annual Ad Valorem Tax for the payment of said Certificates; approving an official statement; providing an effective date; and enacting other provisions relating to the subject.

STAFF RECOMMENDATION/ITEM SUMMARY:

Here is where...you need to fill in the details

ATTACHMENTS:

Supporting documentation

ORDINANCE NO. 2015-12-7-1

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF HEWITT, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

**THE STATE OF TEXAS
COUNTY OF MCLENNAN
CITY OF HEWITT**

**§
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§**

WHEREAS, the City Council of the City of Hewitt, Texas, deems it advisable to issue Certificates of Obligation in the amount of \$6,200,000 for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Local Government Code and Subchapter B, Chapter 1502, Government Code; and

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in said City, said newspaper being a "newspaper" as defined in §2051.044, Texas Government Code; and

WHEREAS, the City received no petition from the qualified electors of the City protesting the issuance of such Certificates of Obligation; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Tex. Gov't Code Ann. ch. 551; Now, Therefore

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

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The certificates of the City of Hewitt, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of \$6,200,000 for paying all or a portion of the Issuer's contractual obligations to be incurred in connection with: (i) constructing, installing, acquiring and equipping additions, extensions and improvements for the Issuer's waterworks and sewer system; and (ii) legal, fiscal, engineering and other professional fees in connection with such projects (collectively, the "Projects").

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF HEWITT, TEXAS, COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2016," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated December 1, 2015, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and

numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said certificates shall mature and be payable serially on July 1 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF CERTIFICATE set forth in Section 4 of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rates</u>	<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
2017	\$215,000	%	2026	\$315,000	%
2018	225,000		2027	330,000	
2019	235,000		2028	345,000	
2020	245,000		2029	360,000	
2021	255,000		2030	380,000	
2022	265,000		2031	395,000	
2023	280,000		2032	410,000	
2024	290,000		2033	430,000	
2025	305,000		2034	450,000	
			2035	470,000	

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

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Appointment of Paying Agent/Registrar. The Issuer hereby appoints BOKF, NA dba Bank of Texas, Austin, Texas, to serve as paying agent and registrar for the Certificates (the "Paying Agent/Registrar"). The Mayor or City Manager is authorized and directed to execute and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar in substantially the form presented at this meeting.

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

Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

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

(d) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The Issuer covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(h) Book-Entry Only System. The Certificates issued in exchange for the Certificates initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof and the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsections (j) and (k) of this Section, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates. Notwithstanding anything to the contrary contained herein, while the Certificates are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Certificates Registered in the Name of Cede & Co. With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(k) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of

1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

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

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

(n) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the order of the initial purchaser of the Certificates or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to The Depository Trust Company ("DTC") on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

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

[Remainder of page intentionally left blank]

(a) Form of Certificate.

NO. R-

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL
AMOUNT
\$_____

CITY OF HEWITT, TEXAS
COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION
SERIES 2016

<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>CUSIP No.</u>
	December 1, 2015	July 1, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, the City of Hewitt, in McLennan County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from December 1, 2015 at the Interest Rate per annum specified above. Interest is payable on July 1, 2016, and semiannually on each January 1 and July 1 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

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

least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

THIS CERTIFICATE is one of a series of Certificates dated December 1, 2015, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$6,200,000 for paying all or a portion of the Issuer's contractual obligations to be incurred in connection with: (i) constructing, installing, acquiring and equipping additions, extensions and improvements for the Issuer's waterworks and sewer system; and (ii) legal, fiscal, engineering and other professional fees in connection with such projects .

ON JULY 1, 2025, or any date thereafter, the certificates maturing on and after July 1, 2026 may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

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

to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the Surplus Revenues of the Issuer's waterworks and

sewer system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the Issuer's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the Issuer's waterworks and sewer system, all as provided in the Certificate Ordinance.

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

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

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

(signature)
City Secretary

(signature)
Mayor

(SEAL)

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

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Registration
Certificate of the Comptroller of Public Accounts of the State of Texas)

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

Dated: _____.
Texas

Austin, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

BOKF, NA dba Bank of

(c) Form of Assignment.

ASSIGNMENT
Please print or type clearly

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

Transferee's Social Security or Taxpayer Identification
Number: _____

Transferee's name and address, including zip code: _____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

_____, attorney, to register the transfer of

the within Certificate on the books kept for registration thereof, with full power of substitution in the
premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an
eligible guarantor institution participating in a
securities transfer association recognized signature
guarantee program.

NOTICE: The signature above must correspond
with the name of the registered owner as it appears
upon the front of this Certificate in every particular,
without alteration or enlargement or any change
whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Certificate Insertions.

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

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

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

"THE CITY OF HEWITT, TEXAS, in McLennan County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on July 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
--------------	-------------------------------	-----------------------

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from December 1, 2015, at the respective Interest Rate per annum specified above. Interest is payable on July 1, 2016, and semiannually on each January 1 and July 1 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

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

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

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

while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by a pledge of revenues of the Issuer's waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues". The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to this Section, to the extent necessary to pay the principal and interest on the Certificates. If Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

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

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of

the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

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

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

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

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

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

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

issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Certificates are issued,

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

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

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

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

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

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the holders of the Certificates. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

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

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

(f) Designation as a Qualified Tax-Exempt Obligation. The Issuer hereby designates the Certificates as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during

the calendar year in which the Certificates are issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations that when aggregated with the Certificates, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Certificates are issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, hereof, in order that the Certificates will not be considered "private activity bonds" within the meaning of section 141 of the Code.

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

(a) The Certificates are hereby sold and shall be delivered to [_____] (the "Purchaser") for cash for the par value thereof and accrued interest thereon to date of delivery, plus a premium of \$[_____] , with \$[_____] to be deposited into the Construction Fund, \$[_____] to be used to pay costs of issuance and \$[_____] to be deposited into the Interest and Sinking Fund to pay principal on the Certificates. The Certificates shall initially be registered in the name of such purchaser or its designee. It is officially found, determined, and declared that the Certificate have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Bidding Instructions and Official Statement prepared and distributed in connection with the sale of the Certificates, and that the terms of this sale are the most advantageous reasonably obtainable. Said Official Notice of Sale and Bidding Instructions and Official Statement, and any addenda, supplement, or amendment thereto have been and are hereby approved by the governing body of the Issuer, and their use in the offer and sale of the Certificates is hereby approved. The Initial Certificate shall be registered in the name of the Purchaser or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated November 30, 2015, prior to the date hereof is hereby ratified and confirmed.

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

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

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2016 Certificate of Obligation Construction Fund" for use by the Issuer for payment of all lawful costs associated with the Projects as hereinbefore provided. Proceeds of the Certificates, shall be deposited into the Construction Fund, other than amounts paid at closing for issuance costs. Upon payment of all such Project costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

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

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

Section 13. COMPLIANCE WITH RULE 15c2-12.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in Exhibit A hereto. The Issuer will additionally provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in or after 2015. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Issuer will 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 statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix D or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the financial statements of the Issuer appended to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial information by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

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

1. Non-payment related defaults;
2. Modifications to rights of Certificateholders;
3. Certificate calls;
4. Release, substitution, or sale of property securing repayment of the Certificates;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

6. Appointment of a successor or additional trustee or the change of name of a trustee.

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

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;

6. Tender offers;

7. Defeasances;
8. Rating changes; and
9. Bankruptcy, insolvency, receivership or similar event of an obligated person.

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

(d) Limitations, Disclaimers, and Amendments.

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

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

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

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

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule

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

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

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

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under subsection (b) of this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Certificates a copy of

the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within six months from the date of the mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

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

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Certificates, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 16. EFFECTIVE DATE. In accordance with the provisions of V.T.C.A., Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 17. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

(Execution Page Follows)

DULY PASSED AND APPROVED by the City Council of the City of Hewitt, Texas, on the 7th day of December, 2015.

ED PASSALUGO, Mayor
City of Hewitt, Texas

(CITY SEAL)

LYDIA LOPEZ, City Secretary
City of Hewitt, Texas

APPROVED:

CHARLES BUENGER, City Attorney

EXHIBIT A

Annual Financial Statements and Operating Data

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

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

-- Tables 1 through 5B, inclusive 9, 11 through 15, inclusive, and 19 through 24, inclusive, of Appendix A

-- APPENDIX D (FINANCIAL INFORMATION FOR THE LAST COMPLETED FISCAL YEAR WHICH WILL BE UNAUDITED, UNLESS AN AUDIT IS PERFORMED IN WHICH EVENT THE AUDITED FINANCIAL STATEMENTS WILL BE MADE AVAILABLE)

Accounting Principles

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