



**Monday, September 21, 2020
City Council Combined Meeting**

This meeting will begin at 6:30 p.m.

This meeting will be closed to in person attendance by the public.

A temporary suspension of the Open Meetings Act to allow telephone or videoconference public meetings has been granted by Governor Greg Abbott. These actions are being taken to mitigate the spread of COVID-19 by avoiding meetings that bring people into a group setting and in accordance with Section 418.016 of the Texas Government Code.

**Citizens may join the Zoom Meeting by logging on at: <https://us02web.zoom.us/j/83468769933>
Or Telephone: (Toll Free) 1-877-853-5247
Webinar ID: 834 6876 9933**

**Members of the public who wish to submit their written comments on a listed agenda item must submit their comments by filling out the public meeting speaker form at:
<http://www.cityofsachse.com/328/Agendas-Minutes-Videos> or by visiting the Agendas & Minutes button on the homepage of the City's website.**

Comments must be received before 4:00 p.m. on Monday, September 21, 2020.

The City of Sachse reserves the right to reconvene, recess or realign the workshop meeting, regular meeting, called Executive Session or order of business at any time prior to adjournment.

As authorized by Section 551.071(2) of the Texas Government Code, these meetings may be convened into closed Executive Session at any time during the City Council workshop or regular meeting for the purpose of seeking confidential legal advice from the City Attorney on any workshop or regular meeting agenda item listed herein.

A. 6:30 PM WORKSHOP MEETING

1. Call to Order: The City Council of the City of Sachse will hold a Workshop Meeting on Tuesday, September 21, 2020 at 6:30 p.m. to consider the following items of business:
2. Discuss the prioritization of amenities for the 4.5 acre parkland adjacent to Ranch Park Village development.
3. Discussion of City Council meeting agenda items.
4. Adjournment.

B. 7:00 PM REGULAR MEETING

1. Call to Order: The City Council of the City of Sachse will hold a Regular Meeting on Tuesday, September 21, 2020 at 7:00 p.m. to consider the following items of business:
2. Invocation and Pledges of Allegiance.

C. Special Announcements

1. Mayor and City Council announcements regarding special events, current activities, and local achievements.

D. Citizen Input

1. Citizen Input: We request citizens wishing to use the chat function state their name, address, and question for the record. However, if your remarks pertain to a specific agenda item, please hold them until that item, at which time the Mayor may solicit your comments using the chat function. Time limit is 3 minutes per speaker. The City Council is prohibited by state law from discussing any item not posted on the agenda according to the Texas Open Meetings Act, but may take them under advisement. Issues raised may be referred to City Staff for research and possible future action.

E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

1. Approve the minutes of the September 8, 2020, combined meeting.
2. Approve an amendment to the Household Hazardous Waste Interlocal Agreement between Dallas County and the City of Sachse.
3. Approve the Consent Agenda Items as presented.

F. Regular Agenda Items

1. Receive an update regarding actions taken by the City as a result of the COVID-19 pandemic and any future measures that may be necessary including city operations and facilities, public safety, financial employee impact, and the CARES Act.
2. Consider a resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2020 Rate Review Mechanism filings.
3. Conduct a public hearing and consider an ordinance amending the boundary of Reinvestment Zone Number Two to include approximately 14.933 acres, pursuant to Chapter 311 of the Texas Tax Code.
4. Consider an ordinance amending Ordinance No. 2049, as amended by Ordinance No. 2196 and Ordinance No. 3897, by amending and reducing the boundaries of Tax Increment Financing Reinvestment Zone Number One ("PGBT Reinvestment Zone").
5. Consider a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1 at the Station and call for a public hearing to be held during the Regular City Council Meeting on Monday, October 19, 2020, regarding the levy of assessments against property in such Public Improvement District.
6. Consider a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the operation and maintenance of the Sachse Public Improvement District No. 1 at the Station and calling for a public hearing to be held during the Regular City Council Meeting on October 19, 2020, regarding the levy of operation and maintenance assessments against property in such Public Improvement District.
7. Consider an ordinance authorizing the issuance and sale of City of Sachse, Texas Limited Tax Note, Series 2020, levying an annual ad valorem tax and providing for the security for and payment of said note; engaging bond consultants, including engaging bond counsel on a contingency fee basis; providing an effective date; and enacting other provisions relating to the subject.
8. Receive a presentation from Texas Coalition for Affordable Power (TCAP) regarding a new procurement process for wholesale power purchases.
9. Consider a resolution authorizing the City Manager to execute a Project Specific Agreement (PSA) with Dallas County for "Type B" Road and Bridge Maintenance of Sachse Road.
10. Consider authorizing the City Manager to negotiate and enter into a contract in the amount not to exceed five-hundred sixty-nine thousand six-hundred fifty-six dollars and zero cents (\$569,656.00) with Reynolds Asphalt and Construction Co. for the Sachse Road Overlay project.
11. Consider approving and authorizing the City Manager to execute a contract for professional services between the City of Sachse and Birkhoff, Hendricks and Carter, LLP for a Water, Wastewater, and Roadway Impact Fee Study in the amount of sixty-five thousand three hundred eighty dollars and zero cents (\$65,380.00).

G. Regular Meeting Closing

1. Adjournment.

I, the undersigned authority, do hereby certify that this notice of meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.



Michelle Lewis Sirianni, City Secretary

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Lauren Rose, ADA Coordinator, via phone at 972.429.4770, via email at lrose@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	A. 6:30 PM WORKSHOP MEETING
Subject	2. Discuss the prioritization of amenities for the 4.5 acre parkland adjacent to Ranch Park Village development.
Access	Public
Type	Discussion

Public Content

BACKGROUND

On May 9, 2019, the Parks and Recreation Board recommended to City Council to approve the dedication of 4.5 acres of land in lieu of park development fees as part of the Ranch Park Village development. On March 2, 2020, the City Council approved the dedication of land to the City.

At the August 13, 2020, Municipal Development District meeting, the Board received a proposal from park design consultant, Kimley Horn and Associates. This proposal included the approximate costs to provide a design for the park to the City. The MDD Board made a recommendation to City Council to use MDD funds for a consultant to provide a conceptual plan and design of the 4.5 acres of parkland adjacent to the Ranch Park Village development. The budget was adopted by City Council on September 7, 2020.

At the September 10, 2020, Parks and Recreation Board meeting, the Board discussed amenities they would like to see included in the park design by Kimley Horn and Associates. These amenities include: utilities (lighting and irrigation), benches and trash cans, splash pad and restrooms, sand volleyball court, walking trail, shelter with tables, drinking fountain and a sitting area, and a covered playground. The Board made a recommendation to City Council to move forward with including these amenities in the conceptual plan that Kimley Horn will be providing. In its recommendation, they requested that two concepts be provided by Kimley Horn. The first would include these amenities with the splash pad being the focal point of the park and the second would include these amenities but with the playground being the focal point of the park.

RECOMMENDATION

Leah Campbell with Kimley Horn and Associates will give a brief presentation to the Council. Staff is requesting direction from the City Council on the two concepts that the Council would like to see presented to them by Kimley Horn and Associates for the 4.5 acre park next to the Ranch Park Village development.

[Ranch Park Village Presentation.pdf \(7,739 KB\)](#)

Kimley»Horn

Expect More. Experience Better.



PARK AT RANCH PARK VILLAGE

15 

OFFICES IN
TEXAS

220 

LANDSCAPE ARCHITECTS
AND PLANNERS NATIONWIDE



4,200+

PROFESSIONALS
FIRMWIDE

95+ 

U.S. OFFICES

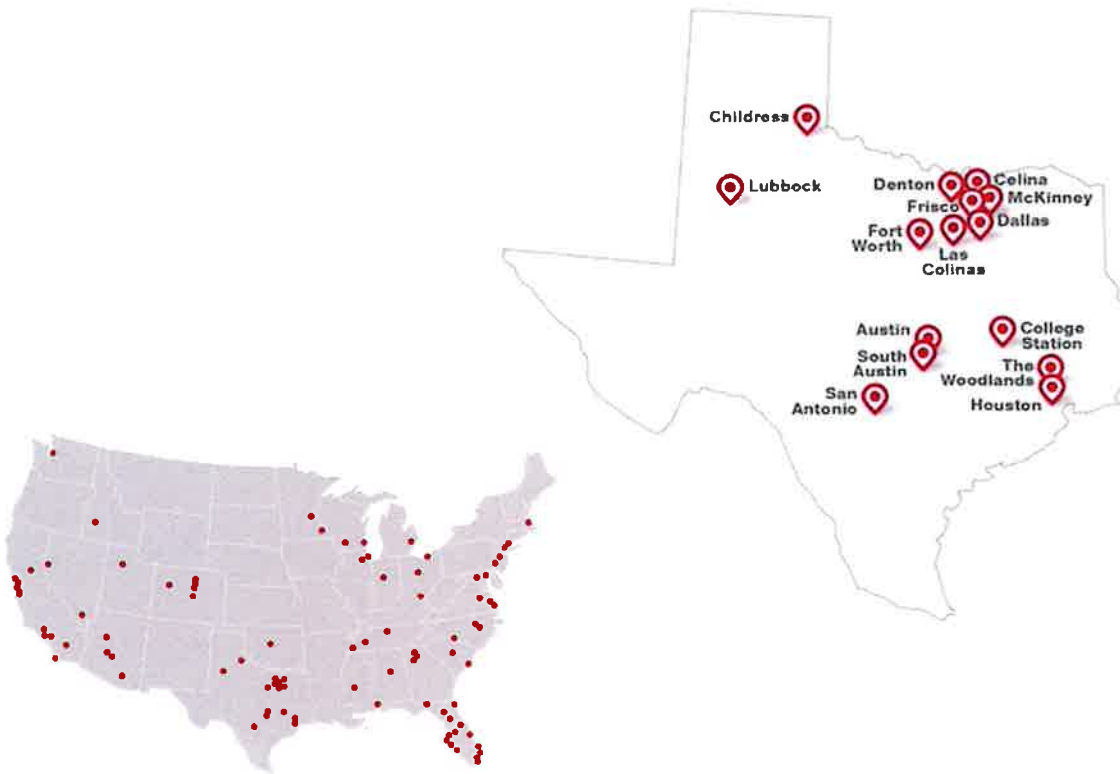


1967

YEAR FOUNDED

#8 

PURE DESIGN FIRMS 2019
ENGINEERING NEWS-RECORD



Input Received

- MDD Board Presentation – August 13th
- Parks Board Presentation/ Discussion – September 10th
- City Council Presentation – September 21st

Input Received – Priority of Amenities

- MDD Board

1. Utilities including lighting and irrigation
2. Walking trail, benches, trash cans
3. Playground with shade
4. Shelter with tables, drinking fountain, sitting area
5. Sand volleyball court
6. Restrooms
7. Splash Pad (Phase 2)

- Parks Board

1. Utilities including lighting and irrigation
2. Benches, trash cans
3. Splash Pad/ Restrooms
4. Sand volleyball court
5. Walking Trails
6. Shelter with tables, drinking fountain, sitting area
7. Playground



Cross Roads Town Park

Location: Cross Roads, TX

Size: 5 Acres

Budget: \$1,800,000

Features:

- Pavilion
- Kids Zone/Playground
- Open play lawn
- Workout Stations
- Memorial Garden/Flag Poles
- Secondary Pavilion
- Large Tree Preservation





Parkview Heights Park

Location: Princeton, TX

Size: 1 Acre

Budget: \$475,000

Features (Phase 1 | \$225,000)

- Open play lawn
- Basketball Court
- Benches
- Tree Plantings
- Drinking Fountain



Features (Phase 2 | \$250,000):

- Pavilion
- Playground/Swing Set
- Play Surfacing





K.B. Polk Sprayground

Location: Dallas, TX

Size: 0.8 Acre

Budget: \$750,000

Features:

- Splash Pad
- Sail Shade
- Sidewalk path
- Two Small Shade Structures



Nash Davis Sprayground

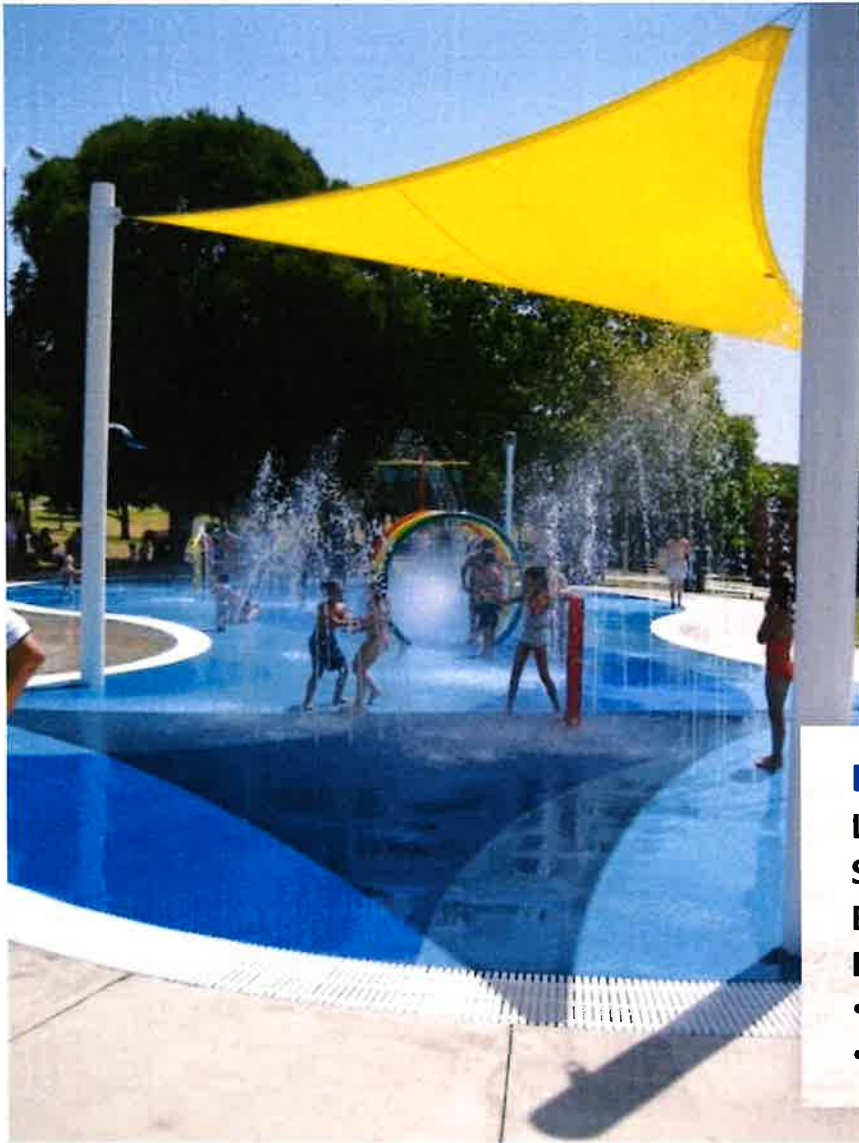
Location: Dallas, TX

Size: 0.4 Acre

Budget: \$750,000

Features:

- Splash Pad
- Sail Shade
- Shade Structure



Beckley-Saner Sprayground

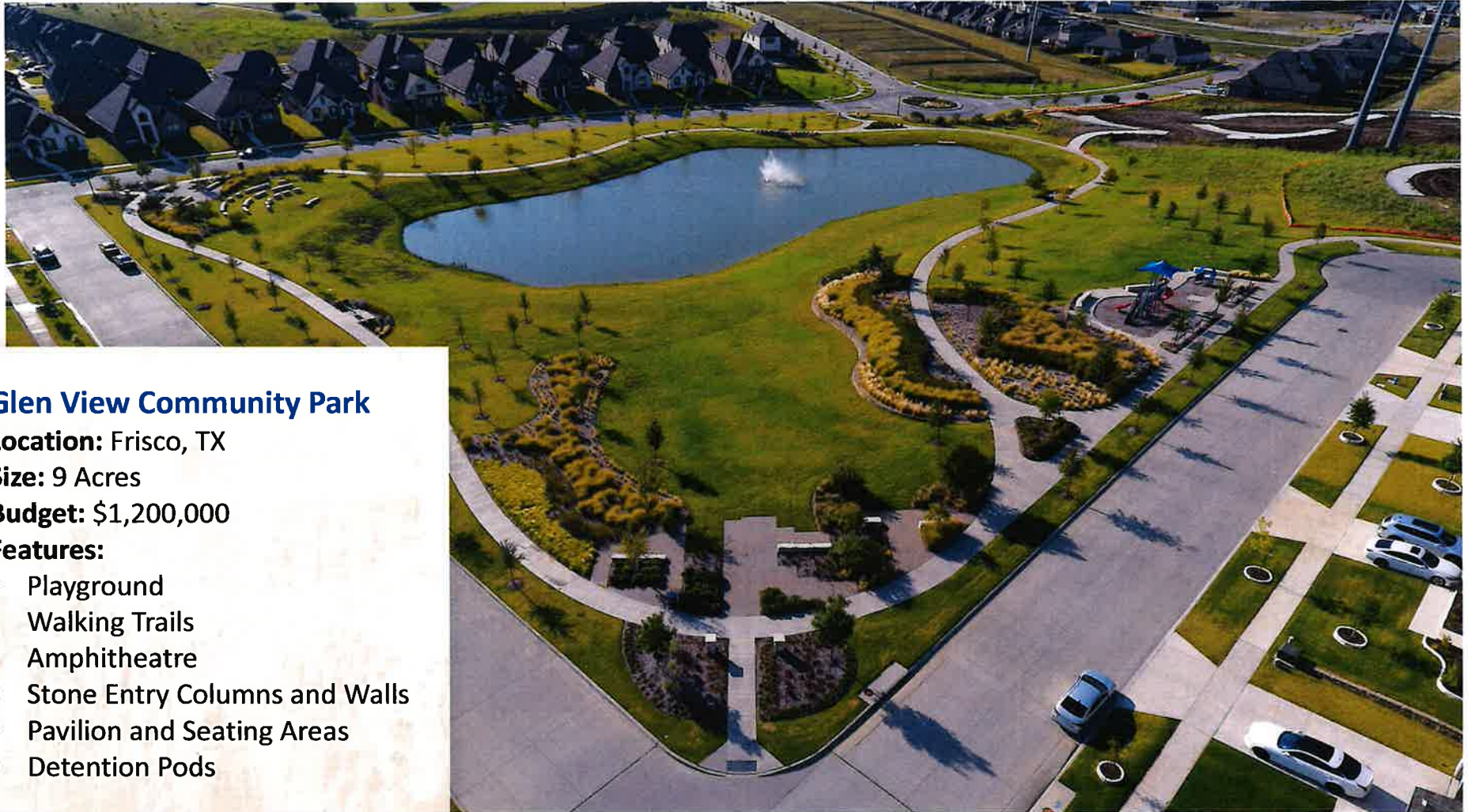
Location: Dallas, TX

Size: 0.5 Acre

Budget: \$750,000

Features:

- Splash Pad
- Sail Shade



Glen View Community Park

Location: Frisco, TX

Size: 9 Acres

Budget: \$1,200,000

Features:

- Playground
- Walking Trails
- Amphitheatre
- Stone Entry Columns and Walls
- Pavilion and Seating Areas
- Detention Pods



COTTONWOOD PARK



Cottonwood Park

Location:

McKinney, TX

Size: 3 Acres

Budget: \$2,800,000

Features:

- Interactive Fountain
- Pavilion
- Kids Zone/ Natural Play area
- Food Truck Parking
- Multi-use Court







Park at Ranch Park Village

Location: Sachse, TX

Size: 4 Acres

Possible Amenities:

- Interactive Fountain/Splash Pad
- Pavilion
- Playground
- Sand Volleyball
- Restroom Facilities
- Open Playfield



Input Received – Priority of Amenities

- MDD Board

1. Utilities including lighting and irrigation
2. Walking trail, benches, trash cans
3. Playground with shade
4. Shelter with tables, drinking fountain, sitting area
5. Sand volleyball court
6. Restrooms
7. Splash Pad (Phase 2)

- Parks Board

1. Utilities including lighting and irrigation
2. Benches, trash cans
3. Splash Pad/ Restrooms
4. Sand volleyball court
5. Walking Trails
6. Shelter with tables, drinking fountain, sitting area
7. Playground

Questions?

**Agenda Item Details**

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.
Subject	1. Approve the minutes of the September 8, 2020, combined meeting.
Access	Public
Type	Action (Consent), Minutes
Recommended Action	Approve as presented.
Minutes	View Minutes for Sep 8, 2020 - City Council Combined Meeting

Public Content**BACKGROUND**

Minutes of the September 8, 2020, combined meeting.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve the minutes of the September 8, 2020, combined meeting.

[09.08.20 Minutes.pdf \(122 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

CITY COUNCIL OF THE CITY OF SACHSE
MEETING MINUTES
SEPTEMBER 8, 2020

The City Council of the City of Sachse held a regular meeting on Tuesday, September 8, 2020, at 6:30 p.m. via virtual teleconference. Those present were Mayor Mike Felix, Mayor Pro Tem Michelle Howarth, Councilmembers Brett Franks, Paul Watkins, Chance Lindsey, Cullen King, and Jeff Bickerstaff; City Manager, Gina Nash; City Secretary, Michelle Lewis Sirianni; Parks and Recreation Director, Lance Whitworth; IT Manager, Danny Wheeler; Strategic Services Manager, Lauren Rose; Finance Director, Teresa Savage; Public Works and CIP Director, Corey Nesbit; Development Services Director, Matt Robinson; Economic Development Corporation CEO, Leslyn Blake; Human Resources Director, Melinda Walter; Fire Chief, Marty Wade, Fire Deputy Chief, Lee Richardson, and Police Chief, Bryan Sylvester.

Mayor Felix opened the workshop meeting at 6:31 p.m.

EXECUTIVE SESSION: The City Council shall convene into Executive Session pursuant to the Texas Government Code, Section §551.074: Personnel - regarding the annual review of the City Secretary.

At 6:31 p.m., the City Council recessed into Executive Session.

At 7:21 p.m., the City Council reconvened back into the workshop session.

ADJOURNMENT:

Mayor Felix adjourned the workshop at 7:21 p.m.

Mayor Felix opened the regular meeting at 7:21 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND STATE FLAGS:
Councilman King offered the invocation and Councilman Bickerstaff led the pledges.

MAYOR AND CITY COUNCIL ANNOUNCEMENTS REGARDING SPECIAL EVENTS:

Mayor Felix announced the X-treme Green Event being held Saturday, September 12 from 8:00 a.m. to 1:00 p.m.

CITIZEN INPUT:

No comments were received.

CONSENT AGENDA: All items listed on the Consent Agenda are considered routine and will be acted on by one motion, with no separate discussion of these items unless a City Councilmember or citizen so requests.

- 1. Approve the minutes of the August 17, 2020, combined meeting.**
- 2. Approve the minutes of the August 22, 2020, workshop meeting.**
- 2. Approve an Interlocal Agreement renewing the Food Establishment and Inspection and Environmental Health Services between Dallas County, on behalf of Dallas County Health and Human Services, and the City of Sachse.**
- 3. Accept the monthly revenue and expenditure report for the period ending July 31, 2020.**

Councilman Bickerstaff made a motion to approve the consent agenda items as presented. Councilman King seconded that motion and the motion was unanimously approved.

REGULAR AGENDA ITEMS:

Action as a result of Executive Session.

No action was taken.

Receive an update regarding actions taken by the City as a result of the COVID-19 pandemic and any future measures that may be necessary including city operations and facilities, public safety, financial employee impact, and the CARES Act.

Mrs. Nash stated Dallas County has notified cities that funding request submissions are now due to the County by October 31, 2020. This is to allow the County time to finalize all submissions prior to the November 30, 2020 funding return deadline. Due to the new Dallas County deadline, no new internal funding requests are being taken for City of Sachse projects.

Mrs. Nash also reviewed the assistance programs offered by each county. The Dallas County Emergency Business Assistance Program completed its third round of funding recently, while Collin County's program just launched on September 4.

Mrs. Nash also provided an update of the CARES Act projects in the City including the 5 Loaves community project, the City Hall building modification project, telecommuting enhancements, and public safety items. Staff will continue to work on items and monitor guidance with Dallas County.

Consider authorizing the City Manager to negotiate and execute a contract with Dude Solutions Inc. for land development permitting software (SmartGov) in an amount not to exceed seventy-one thousand, four hundred sixty-one dollars and forty-two cents (\$71,461.42).

Mr. Robinson stated the proposed software has been approved by Dallas County to be used as part of the CARES Act funding. The online permitting software has been evaluated and found to meet the needs of the City. The platform provides online processing, permitting, and payment for building and development projects. Mr. Robinson compared the existing manual system versus the proposed SmartGov software including new features and capabilities, as well as the availability of a mobile app to be downloaded and used. Staff is recommending approval.

The City Council discussed the costs associated with the software including the on-going subscription costs as well as the option to offset some of the costs by potentially increasing permitting fees.

Councilman Watkins made a motion to approve and authorize the City Manager to negotiate and execute a contract with Dude Solutions Inc. for land development permitting software (SmartGov) in an amount not to exceed seventy-one thousand, four hundred sixty-one dollars and forty-two cents (\$71,461.42). Councilman Franks seconded that motion and the motion was unanimously approved.

Consider authorizing the City Manager to negotiate and execute a contract with DataVox for replacement of existing and new additional camera and security badge access doors in an amount not to exceed two hundred and two thousand, four hundred and ninety-four dollars and sixty cents (\$202,494.60).

Mrs. Walter stated that contract tracing measures are an eligible spending category under the CARES Act guidelines. Mrs. Walter explained that cameras and badge readers can be used campus-wide to track the whereabouts of employees or residents who ultimately test positive for COVID-19. This would help staff understand the risk of exposure and know which areas to sanitize as a result of a positive COVID-19 encounter. Mrs. Walter outlined the cameras that would be replaced along with the areas for the badge readers. The project is being prepared for review with Dallas County for approval using CARES Act funds. Any portion not approved by Dallas County will not be completed. Staff is recommending approval.

Councilman Bickerstaff made a motion to approve and authorize the City Manager to negotiate and execute a contract with DataVox for replacement of existing and new additional camera and security badge access doors in an amount not to exceed two hundred and two thousand, four hundred and ninety-four dollars and sixty cents (\$202,494.60). Councilman Franks seconded that motion and the motion was unanimously approved.

Receive an annual update from Community Waste Disposal (CWD), the City's solid waste and recycling services provider.

Greg Roemer (President) and Jason Roemer (Sachse's Municipal Coordinator) with CWD provided an annual update to the City Council regarding services provided. They included a review of current residential services of trash pick-up, bulk and brush services, and recycling services. Data was provided on number of tons recycled, customer service inquiries, and reported driver incidents. CWD also continues to hold a spring and fall X-treme Green event(s) for Sachse residents along with other community partnerships, and there is an upcoming X-treme Green event

on Saturday, September 12, 2020. Other features offered by CWD include a mobile app for all customers to use, sponsorship of City/Chamber events, and collaborations with the City, including the creation of an interactive trash map that allows residents to check their collection schedules based on their addresses.

The City Council expressed their appreciation for their continued responsiveness to the residents regarding their services.

Consider approving and adopting a resolution amending the Master Fee Schedule by amending ambulance services, engineering, development services, fire hydrant meters, refuse services fees and water and wastewater fees and providing an effective date.

Mrs. Savage stated that the City received a rate adjustment from CWD that was not reflected at the last meeting regarding an update to the Master Fee Schedule. The proposed schedule reflects this new rate, which is a minimal increase.

Councilman King made a motion to approve a resolution amending the Master Fee Schedule by amending ambulance services, engineering, development services, fire hydrant meters, refuse services fees and water and wastewater fees and providing an effective date. Councilman Bickerstaff seconded that motion and the motion was unanimously approved.

Consider an ordinance authorizing certain budget amendments pertaining to the fiscal year 2019-2020 budget.

Mrs. Savage outlined the process and items within the General Fund, Impact Fee Fund, utility Fund, Street Maintenance Tax Fund, and Vehicle/Equipment Replacement Fund (VERF) for budget amendments for the 2019-2020 fiscal year. Staff is recommending approval.

Councilman Watkins made a motion to approve an ordinance authorizing certain budget amendments pertaining to the fiscal year 2019-2020 budget. Councilman King seconded that motion and the motion was unanimously approved.

Conduct a public hearing on the proposed 2020-2021 fiscal year budget.

Mrs. Savage stated since the tax rate is less than the no-new-revenue tax rate, only one public hearing is needed on the budget. This would fulfill the requirement prior to consideration of approval.

Mayor Felix opened the public hearing.

No comments were made. No comments were received in the chat feature of the Zoom call.

Mayor Felix closed the public hearing.

Consider an ordinance approving and adopting the budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021.

Mrs. Savage stated the City Council has held the required public hearing and staff has published the required notices needed. This item is to adopt the next fiscal year budget.

Councilman Bickerstaff made a motion to approve an ordinance adopting the budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021. Councilman King seconded that motion and the motion was unanimously approved.

Consider an ordinance levying ad valorem taxes for the year 2020 (Fiscal Year 2020-2021) at a rate of \$0.72 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Sachse as of January 1, 2020.

Mrs. Savage stated this item is the final step in the process. The proposed tax rate is less than the no-new-revenue tax rate, therefore, no public hearing is required. Staff has published the required notice(s).

Councilman King made a motion to approve an ordinance levying ad valorem taxes for the year 2020 (Fiscal Year 2020-2021) at a rate of \$0.72 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Sachse as of January 1, 2020. Councilman Watkins seconded that motion and the motion was unanimously approved.

Consider approving an amendment to the construction contract for the Southeast Sewer Lift Station project with Red River Construction Company in the amount not to exceed sixty-six thousand, nine hundred and ten dollars and ninety-eight cents (\$66,910.98) and authorizing the City Manager to execute such agreement.

Mr. Nesbit stated that there are several items in which changes were made to address the design and operational efficiency. These change orders corrected miscellaneous items that help to improve operations and monitoring of the new lift station, and are covered within the existing contingency allowance. A portion of these change orders is covered within the existing contingency allowance. The remaining amount is not covered and results in a contract increase as listed. Staff recommends approval.

Councilman Bickerstaff made a motion to approve an amendment to the construction contract for the Southeast Sewer Lift Station project with Red River Construction Company in the amount not to exceed sixty-six thousand, nine hundred and ten dollars and ninety-eight cents (\$66,910.98) and authorizing the City Manager to execute such agreement. Mayor Pro Tem Howarth seconded that motion and the motion was unanimously approved.

Consider the immediate replacement of two (2) LifePak15 cardiac monitors utilizing the Vehicle and Equipment Replacement Fund (VERF) in the amount of sixty-six thousand five hundred ninety-nine dollars and seventy-two cents (\$66,599.72).

Chief Wade stated that Sachse Fire-Rescue received notification that two of its LifePak15 cardiac monitors were on the list of equipment that would no longer be serviced due to specific replacement parts not being available on the market. These units were purchased in 2013. Not being able to receive maintenance or repair renders the units obsolete. While these units are still

operational at this time, there is an opportunity to trade them in. Trade-in value for both of the current units equals \$13,000.00. Staff is requesting the opportunity to trade them in before they are no longer usable and unable to be repaired. The remaining trade-in value of the current LifePaks would be applied toward the purchase of the two new LifePaks.

Councilman Bickerstaff asked what is the typical life expectancy of these monitors. Chief Wade replied eight (8) years.

Councilman Franks made a motion to approve the immediate replacement of two (2) LifePak15 cardiac monitors utilizing the Vehicle and Equipment Replacement Fund (VERF) in the amount of sixty-six thousand five hundred ninety-nine dollars and seventy-two cents (\$66,599.72). Councilman Lindsey seconded that motion and the motion was unanimously approved.

Consider a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1 at the Station and call for a public hearing to be held during the Regular City Council Meeting on Monday, October 19, 2020, regarding the levy of assessments against property in such Public Improvement District.

Mrs. Nash stated staff is requesting this item and the following item on the agenda to be tabled to next regularly scheduled meeting on September 21, 2020. The City's bond counsel has requested further review with possible changes.

Councilman Bickerstaff made a motion to postpone to September 21, 2020 a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1 at the Station and call for a public hearing to be held during the Regular City Council Meeting on Monday, October 19, 2020, regarding the levy of assessments against property in such Public Improvement District. Councilman Watkins seconded that motion and the motion was unanimously approved.

Consider a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the operation and maintenance of the Sachse Public Improvement District No. 1 at the Station and calling for a public hearing to be held during the Regular City Council Meeting on October 19, 2020, regarding the levy of operation and maintenance assessments against property in such Public Improvement District.

Councilman Bickerstaff made a motion to postpone to September 21, 2020 a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the operation and maintenance of the Sachse Public Improvement District No. 1 at the Station and calling for a public hearing to be held during the Regular City Council Meeting on October 19, 2020, regarding the levy of operation and maintenance assessments against property in such Public Improvement District. Councilman Watkins seconded that motion and the motion was unanimously approved.

Consider a resolution calling a public hearing for the Regular City Council Meeting on Monday, September 21, 2020, under Section 311.003 of the Texas Tax Code for the

amendment of Tax Increment Reinvestment Zone Number Two, City of Sachse, Texas, containing approximately 120 acres of land generally located north of President George Bush Turnpike and being wholly located within the corporate limits of the City of Sachse; and authorizing the issuance of notice by the City Secretary of the City of Sachse, Texas, regarding the public hearing.

Mrs. Nash stated this item is to authorize issuance of notice to hold a public hearing on September 21, 2020 to amend the boundaries of TIRZ Number Two for the land added (15 acres) to the Public Improvement District (PID). Mrs. Nash added that the addition of this land is contemplated in the Development Agreement between PMB and the City of Sachse.

Mayor Pro Tem Howarth made a motion to approve a resolution calling a public hearing for the Regular City Council Meeting on Monday, September 21, 2020, under Section 311.003 of the Texas Tax Code for the amendment of Tax Increment Reinvestment Zone Number Two, City of Sachse, Texas, containing approximately 120 acres of land generally located north of President George Bush Turnpike and being wholly located within the corporate limits of the City of Sachse; and authorizing the issuance of notice by the City Secretary of the City of Sachse, Texas, regarding the public hearing. Councilman King seconded that motion and the motion was unanimously approved.

ADJOURNMENT:

Mayor Felix adjourned the meeting at 9:16 p.m.

MIKE J. FELIX, MAYOR

ATTEST:

Michelle Lewis Sirianni, City Secretary



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	E. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.
Subject	2. Approve an amendment to the Household Hazardous Waste Interlocal Agreement between Dallas County and the City of Sachse.
Access	Public
Type	Action (Consent)
Dollar Amount	26,000.00
Budgeted	Yes
Recommended Action	Approve as presented.

Public Content

BACKGROUND

The City of Sachse has participated in the Household Hazardous Waste Interlocal Agreement with Dallas County since FY 2002-2003. The Interlocal Agreement allows Sachse residents to drop-off household hazardous waste materials at the Dallas County Home Chemical Collection Center facility, located at 11234 Plano Road in Dallas. Residents can drop-off household hazardous materials at this site, free of charge, by showing proof of Sachse residency.

The Interlocal Agreement permits four additional one-year renewals for a five-year total contract term authorized by Dallas County Court Order 2017-0979. On October 1, 2018, the City Council approved the first amendment to the Interlocal Agreement, which provided for a new term of the Agreement to be from October 1, 2018, through September 30, 2019. A second amendment was approved by the City Council in October 2019. This is the third amendment to the Interlocal Agreement, which provides for a new term of the Agreement to be from October 1, 2020, through September 30, 2021.

There are no major changes to the Interlocal Agreement. However, there is an increase of \$2,000.00 from this year to last year (\$24,000.00).

OVERVIEW

This service is offered in addition to the two X-Treme Green events, which include household hazardous waste collection, held each year.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve an amendment to the Household Hazardous Waste Interlocal Agreement between Dallas County and the City of Sachse.

[Interlocal Agreement Dallas County - Amendment 3 to Household Hazardous Waste.pdf \(224 KB\)](#)

[Dallas County Household Hazardous Waste Proportional Shares.pdf \(90 KB\)](#)



COURT ORDER 2020-0793

Proposed FY2021 Budget/Continuation of Household Hazardous Waste Program

On a motion made by Commissioner John Wiley Price, and seconded by Commissioner Dr. Elba Garcia, the following order was passed and adopted by the Commissioners Court of Dallas County, State of Texas:

BRIEFING DATE: August 4, 2020

Be it resolved and ordered that the Dallas County Commissioners Court does hereby approve the continuation of the Household Hazardous Waste program, its FY2021 interlocal agreement with participating cities, and its proposed FY2021 budget of \$1,914,030 (of which \$140,000 consists of carryover from prior years for contract labor, capital expenses, and other operational expenses).

It is further resolved and ordered that the County Judge is authorized to sign the aforementioned FY2021 interlocal agreements on behalf of the County.

Done in open Court August 4, 2020 by the following vote:

IN FAVOR:	County Judge Clay Jenkins, Commissioner Dr. Theresa Daniel, Commissioner JJ Koch, Commissioner John Wiley Price, and Commissioner Dr. Elba Garcia
OPPOSED:	None
ABSTAINED:	None
ABSENT:	None

STATE OF TEXAS §
 §
 COUNTY OF DALLAS §

**AMENDMENT NO. 3
 TO THE HOUSEHOLD HAZARDOUS WASTE INTERLOCAL AGREEMENT
 (The "Agreement")
 BETWEEN
 DALLAS COUNTY
 AND
 CITY OF SACHSE
 (The "City")
 A MEMBER CITY OF
 THE DALLAS AREA HOUSEHOLD HAZARDOUS WASTE NETWORK**

WHEREAS, on, August 4, 2020, the Dallas County Commissioners Court was briefed on a request from the cities of the Dallas Area Household Hazardous Waste Network to renew and revise the effective term and specify new fiscal year budgets for the Household Hazardous Waste Program Interlocal Agreement ("Agreement") that permits four additional one-year renewals for a five-year total contract term and was authorized by Court Order 2017-0979; and

WHEREAS, the proposed Amendment No. 3, along with the attachment C2021, will serve to continue the Household Hazardous Waste Program through fiscal year 2020, while updating overall program budget amounts and individual city budget limits for the new fiscal year; and

WHEREAS, proposed Amendment No. 3 contains no other changes in the basic terms and conditions of the Agreement and incurs no cost to Dallas County.

NOW THEREFORE, by execution of this Amendment No. 3, the Agreement is amended hereby with respect to the items and features described in the Articles below.

**I.
 PURPOSE**

The purpose of this Amendment is to amend the effective term and fiscal year budget of the Agreement without change to the basic terms and provisions. No other sections, provisions, clauses or conditions of the Agreement are waived, deleted or changed hereby, and they shall remain in full force and effect throughout the term of the Agreement and any duly authorized amendments.

**II.
 AMENDED PROVISIONS**

A. The new term of the Agreement shall be October 1, 2020, through September 30, 2021.

B. The language contained in Paragraph 1, *Section IV. City Responsibilities* shall be deleted in its entirety and replaced with the following language:

1. "A sum not to exceed 26,000⁰⁰ for disposal, setup, operational, capital, and transportation costs for HHW collection for residents of the City during the period from October 1, 2020 through September 30, 2021. This figure is based on the program's annual budget contained in **Exhibit C2021** which is incorporated herein for all purposes.
- Collection, setup, and disposal costs will be paid after-the-fact, based on actual usage by the City at events and at the collection center.
 - Operational and capital costs shall be paid quarterly in advance.
 - In the event of early withdrawal, the operational and capital costs will not be pro-rated for partial quarter participation, but will become immediately due and payable in full."

C. Exhibit C2020 of the Agreement entitled *FY2020 HHW Program Budget Summary* shall be deleted and replaced with the attached Exhibit C2021 entitled *FY2021 HHW Program Budget Summary*.

IN WITNESS WHEREOF, by their signatures below, the duly authorized representatives of Dallas County and **City of Sachse** a member city of the Dallas Area Household Hazardous Waste Network, do hereby agree and append this Amendment No. 3 to the Agreement.

EXECUTED THIS _____ **day of** _____, 2020.

DALLAS COUNTY:

CITY OF SACHSE:

BY: Clay Lewis Jenkins
County Judge

BY:

APPROVED AS TO FORM:*

John Cruetzot
District Attorney

ATTESTED TO:

BY: _____

APPROVED AS TO FORM:

BY: _____

BY: Lacey B. Lucas

* By law, the Dallas County District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

Exhibit C2021**FY2021 HHW PROGRAM BUDGET SUMMARY**

This exhibit summarizes the total program funding for FY2021 as approved by the Dallas Area Household Hazardous Waste Network at its regular meeting on June 3, 2020, and replaces the language contained in Exhibit C2018 of the Household Hazardous Waste Program Interlocal Agreement that was authorized by Court Order 2017-0979.

- Fixed Costs include personnel expense, operating costs, and capital budget, which are shared by the Network cities based on single-family household projections published by North Central Texas Council of Governments.
- Personnel Expense includes all HHW staff salaries and fringe.
- Operating Expense includes supplies, equipment, advertising, public education, volunteer support, staff development, printing, postage, facility maintenance, utilities, and all other direct programming costs.
- Capital Expense includes building repairs, equipment repair or replacement, mechanical upgrades, and expansion projects.
- Variable costs include estimated direct costs for collection and disposal of hazardous household wastes, which vary according to actual usage and are indicated in the budget summary for planning purposes only. ***Funding for actual collection, contract labor, and disposal costs will be collected from the cities after the fact, on an as-used basis.***
- Collection/Mobilization/Disposal Budget includes estimated costs for staging of events, recycling services, waste containers, waste transportation, and disposal.
- Contract Labor Expense is for part-time, seasonal labor provided by the disposal vendor.

Budget adjustments made to the Operational Budget during the term of the Agreement shall not result in a City Funding amount that exceeds the approved budget total shown herein. The County may make line item transfers within the operating budget when these transfers do not exceed \$5,000. Budget adjustments in excess of \$5,000 must be approved by the HHW Network.

BUDGET SECTION	CITY FUNDING
FIXED COSTS (OPERATIONAL BUDGET)	
Personnel Costs	\$ 522,105
Operating Costs	\$ 209,925
Capital Expense	\$ 93,000
Sub-Total	\$ 825,030
ESTIMATED VARIABLE COSTS (COLLECTION / LABOR / DISPOSAL BUDGET)	\$ 1,089,000
TOTAL PROGRAM BUDGET	\$1,914,030

DALLAS COUNTY HOUSEHOLD HAZARDOUS WASTE PROGRAM

Proportional Shares of FY2021 Operational and Capital Budget *

Based on Estimated SINGLE FAMILY HOUSING UNITS **

City	Service Area Based on Single Family Households as per Current NCTCOG Estimates**	Percent of Service Area	FY21 Annual Share of Operational and Capital Budgets*	FY20 Annual Share of Operational and Capital Budgets*	
Addison	1,794	0.33%	\$ 2,425	\$ 2,425	
Dallas	283,553	52.17%	\$ 386,385	\$ 386,385	
De Soto	16,034	2.95%	\$ 21,824	\$ 21,824	
Duncanville	11,629	2.14%	\$ 15,874	\$ 15,874	
Farmers Branch	8,852	1.61%	\$ 11,954	\$ 11,954	
Garland	64,913	11.95%	\$ 88,476	\$ 88,476	
Highland Park	3,475	0.64%	\$ 4,703	\$ 4,703	
Irving	42,609	7.84%	\$ 58,054	\$ 58,054	
Mesquite	38,874	7.23%	\$ 53,570	\$ 53,570	
Richardson	30,607	5.64%	\$ 41,741	\$ 41,741	
Rowlett	18,957	3.49%	\$ 25,868	\$ 25,868	
Sachse	7,638	1.41%	\$ 10,435	\$ 10,435	
Seagoville	3,908	0.71%	\$ 5,291	\$ 5,291	
Sunnyvale	1,810	0.34%	\$ 2,498	\$ 2,498	
University Park	7,568	1.39%	\$ 10,289	\$ 10,289	
Wilmer	937	0.17%	\$ 1,238	\$ 1,238	
TOTAL	543,158	100%	\$740,625	\$740,625	

NOTES:

* FY21 Net Operational Budget = \$697,625 Net Capital Costs = \$43,000

Combined Net Operational and Capital Budget = \$740,625

Operational and Capital budget shares are determined by multiplying each city's Percent of Service Area times the net total of those two budgets. City shares are billed quarterly in advance and may be proportionately adjusted in the event city participation changes. Disposal costs are paid in addition to Operational and Capital costs and are based on actual usage.

** Single-family housing estimates were revised 03/05/18, using latest published figures from NCTCOG, which have not changed from previous year estimates.



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	1. Receive an update regarding actions taken by the City as a result of the COVID-19 pandemic and any future measures that may be necessary including city operations and facilities, public safety, financial employee impact, and the CARES Act.
Access	Public
Type	Discussion, Information

Public Content

[CARES Act-COVID Council Update.pdf \(278 KB\)](#)

CARES Act/COVID-19 Update

City Council
September 21, 2020



CARES Act Federal Guidance

- The CARES Act provides that payments from the Fund may only be used to cover costs that-
 - Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
 - Were not accounted for in the budget most recently approved as of March 27, 2020 for the State or government; and
 - Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020
- Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments



County Updates-Dallas



Dallas County

Commissioners Court Administration

Clay Lewis
Jenkins
County Judge

Dr. Theresa M.
Daniel
Commissioner
Precinct 1

J.J. Koch
Commissioner
Precinct 2

John Wiley
Price
Commissioner
Precinct 3

Dr. Elba Garcia
Commissioner
Precinct 4

Darryl Martin
Commissioners
Court
Administrator

Charles Reed
Assistant
Administrator

September 4, 2020

Dear Ms. Nash,

Thank you for your interest and commitment in participating in the Dallas County Emergency Business Assistance Program (EBAP). We appreciate your efforts to support your city's small business community through this difficult time. This letter is to inform you that the City of Sachse's earmarked Coronavirus Relief Funding reserved for EBAP participation will be released back to your city's Coronavirus Relief Fund appropriation immediately.

Dallas County will not pursue a Round 4 EBAP Application Period at this time. The amount of loan requests following the third round of pre-applications will not exceed the remaining investment in the program of \$6.9 million. NDC will have the capacity to award assistance to all current eligible applicants. Due to this, there will not be a supplemental round of funding for awarding businesses specifically within Sachse's jurisdiction.

Dallas County will update their records to reflect your commitment of \$100,000 as being available for use to cover other eligible costs for mitigating and responding to the COVID-19 public health emergency and its economic impacts. Please ensure you re-allocate this funding in a manner that is in compliance with the Department of Treasury September 2, 2020 Coronavirus Relief Fund Guidance and Frequently Asked Questions. If you and your team designated this EBAP buy-in amount with your 80% CARES allocation, please ensure you submit a new proposal for how the funding will be redirected following our CARES Team Municipal Reporting & Request Guidelines.

Please contact a member of the CARES Team if you have any questions. We look forward to working with the City of Sachse's team throughout the remainder of the year to administer funding for essential programs and services that support Dallas County communities.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Reed".

Charles Reed

- City was notified that the funds Sachse set aside for participation in the County's EBAP will be returned
- The third round of funding did not exceed the \$30 million amount that Dallas County set aside
- All eligible applicants were awarded assistance in the full amount
- Dallas County not pursuing a fourth round of funding, so Sachse funds will be returned
- Staff will look to the contingency projects to use the remaining \$100,000



County Updates-Collin County

- Collin County recently announced a similar emergency business assistance program
- Businesses located within Collin County, exclusive of the City of Dallas are eligible
- Up to a \$25,000 grant per business will be awarded for eligible businesses that have experienced a gross revenue loss of greater than 15% due to the COVID-19 pandemic
- Qualified businesses will receive up to \$5,000 for eligible reimbursable expenses, unless satisfactory additional documentation is provided showing actual incurred costs of up to the \$25,000 maximum
- Application period: September 4 – September 25, 2020
- City notified EDC and Chamber of new opportunity for Collin County businesses and will continue to promote on our platforms



Sachse Project Updates



CARES Act Projects-Community Outreach

- **5 Loaves Community Outreach**

- In process

- **Building Modification Project**

- In process

- **Telecommuting Enhancements**

- Permitting software in process
- Laptops, phones have been purchased and are being deployed
- Contract tracing project approved by Dallas County and in process
- Scanning project submitted for review by Dallas County

- **Public Safety**

- Risk assessment approved by Dallas County
- PPE, sanitizing, and other items being purchased as needed for public safety staff
- 75% FEMA funding eligibility on certain public safety items



Next Steps

- Staff will continue to work on the items outlined in the original plan approved by the City Council
 - Now working under the new submission deadline of October 31, 2020 so the City is no longer taking new funding requests from departments unless they for emergencies
- Staff is also closely monitoring the guidance and is participating in weekly phone calls with Dallas County
- Staff is following all reporting requirements for both Dallas and Collin counties





Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	2. Consider a resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2020 Rate Review Mechanism filings.
Access	Public
Type	Action
Preferred Date	Sep 21, 2020
Fiscal Impact	No
Recommended Action	Approve a resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2020 Rate Review Mechanism filings.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

Sachse, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("the Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In March 2018, the City Council approved a new Rate Review Mechanism ("RRM"). The RRM process allows a longer review period and includes other features favorable to the Cities. On or about March 31, 2020, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The company claimed that its cost-of-service in a test year ending December 31, 2019, entitled it to additional system-wide revenues of \$141.2 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to \$136.3 million, \$98.7 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$111.5 million instead of the claimed \$136.3 million. The amount of the \$111.5 million deficiency applicable to ACSC members would be \$80.8 million.

The Executive Committee recommends a settlement at this amount. The effective date for new rates is December 1, 2020, two months later than requested by the Company. ACSC members should take action approving the Ordinance before the end of September.

OVERVIEW

The impact of the settlement on average residential rates is an increase of \$5.15 per month or 9.9%; the increase for average commercial usage is estimated at \$15.45 per month or 6.56%

POLICY CONSIDERATIONS

The governing body of a municipality has exclusive original jurisdiction over the rates, operations, and services of a gas utility within the municipality.

RECOMMENDATION

Approve a resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2020 Rate Review Mechanism filings.

[2020 Atmos Mid-Tex RRM Settlement Resolution Attachments.pdf \(2,192 KB\)](#)

[2020 Atmos Mid-Tex RRM Model Staff Report Attachments.pdf \(437 KB\)](#)

[Atmos Rate Review 2020.pdf \(130 KB\)](#)

[2020 Atmos Mid-Tex RRM Model Staff Report.pdf \(23 KB\)](#)

[2020 Atmos Mid-Tex RRM Settlement Resolution.pdf \(121 KB\)](#)

ATMOS RATE REVIEW PROCESS

CITY COUNCIL

SEPTEMBER 21, 2020



MUNICIPAL AUTHORITY

Texas Utilities Code, Title 3, Subchapter A, Sec. 103.001

- *To provide fair, just, and reasonable rates and adequate and efficient services, the governing municipality has exclusive original jurisdiction over the rates, operations, and services of a utility within the municipality, subject to the limitations imposed by this subtitle, unless the municipality surrenders its jurisdiction to the railroad commission under Section 103.003.*

DEFINITIONS

- ACSC: Atmos Cities Steering Committee, represents 171 cities served by Atmos Energy Corporation, Mid-Tex Division. Rather than all 171 cities independently analyze proposed changes, they pool resources to hire experts to analyze for the group.
- GRIP: Gas Reliability Infrastructure Program, the statutory provision that allows Atmos to bypass the City's rate regulatory authority to increase its rates annually to recover capital investments. Disadvantages to cities include ignoring declining expenses and increasing revenues and rewarding for capital investments.
- RRM: Rate Review Mechanism Tariff, adopted in 2007 as an alternative to GRIP. RRM is for a more comprehensive rate review and includes evaluation of revenues and expenses as capital investment.

CURRENT RATE FILING

- In March 2018, City Council approved a new RRM annual review process.
- March 31, 2020, Atmos applied for the third annual review under the new RRM.
- Atmos' initial application was to recover \$141.2 million in additional revenues; ACS justified \$111.5 million, of which \$80.8 million would be applicable to ACSC member settlement of \$111.5 million is deemed fair and reasonable.
- Residential charges will increase by \$5.15/month, or 9.9%
- Commercial charges will increase by an average of \$15.48/month, or 6.56%
- The ACSC Executive Committee consisting of city employees of 18 ACSC members urged members to pass the Resolution before September 30, 2020. New rates become effective December 1, 2020, which is a two-month delay from the requested effective date.

August 17, 2020

MODEL STAFF REPORT

BACKGROUND AND SUMMARY

The City, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about March 31, 2020, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2019, entitled it to additional system-wide revenues of \$141.2 million. Application of the standards set forth in ACSC’s RRM Tariff required Atmos to reduce its request to \$136.3 million, \$98.7 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$111.5 million instead of the claimed \$136.3 million. The amount of the \$111.5 million deficiency applicable to ACSC members would be \$80.8 million.

After the Company reviewed ACSC’s consultants’ report, ACSC’s Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of \$90 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2020. This

should save ratepayers approximately \$9 million such that the case is functionally equivalent to ACSC's consultants' recommendation of \$80.8 million.

The Executive Committee recommends a settlement at \$90 million. The Effective Date for new rates is December 1, 2020. ACSC members should take action approving the Resolution before November 1, 2020.

PROOF OF REVENUES

Atmos generated proof that the rate tariffs attached to the Resolution will generate \$90 million in additional revenues from ACSC Cities. That proof is attached as Attachment 1 to this Staff Report. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$5.15 on a monthly basis, or 9.9 percent. The increase for average commercial usage will be \$15.48 or 6.56 percent. A bill impact comparison is attached as Attachment 2.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on December 1, 2020, ACSC residents will maintain a slight economic monthly advantage over GRIP and DARR rates. See Attachment 3.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$90 million from ACSC Cities.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section approves an exhibit to be used in future rate cases or RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.
7. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution approving new rate tariffs.
8. This section repeals any resolution or ordinance that is inconsistent with the Resolution.

9. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
10. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.
11. This section provides for an effective date upon passage. December 1, 2020 represents a two month delay in the Effective Date established by the RRM tariff.
12. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$141.2 million in additional system-wide revenues, the RRM settlement at \$90 million for ACSC Cities reflects substantial savings to ACSC Cities. ACSC's consultants produced a report indicating that Atmos had justified increased revenues for ACSC Cities of at least \$81 million. Settlement at \$90 million (equivalent to \$81 million with a two-month delay) is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before November 1, 2020. New rates become effective December 1, 2020.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2020 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Sachse, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about March 31, 2020, Atmos Mid-Tex filed its 2020 RRM rate request with ACSC Cities based on a test year ending December 31, 2019; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2020 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$90 million applicable to ACSC Cities with an Effective Date of December 1, 2020; and

WHEREAS, ACSC agrees that Atmos plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the two-month delayed Effective Date from October 1 to December 1 will save ACSC ratepayers approximately \$9 million off new rates imposed by the attached tariffs (Exhibit A), the impact on ratepayers should approximate the reasonable value of the rate filing found by the ACSC Consultants' Report, which was \$81 million; and

WHEREAS, the attached tariffs (Exhibit A) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Exhibit B); and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability prepared by Atmos Mid-Tex (Exhibit C); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

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

SECTION 1. That the findings set forth in this Resolution are hereby in all things approved.

SECTION 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$90 million for ACSC Cities represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2020 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

SECTION 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

SECTION 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$90 million from customers in ACSC Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

SECTION 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Exhibit B, attached hereto and incorporated herein.

SECTION 6. That subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory liability shall be consistent with the schedule found in Exhibit C, attached hereto and incorporated herein.

SECTION 7. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2020 RRM filing.

SECTION 8. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

SECTION 9. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION 10. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

SECTION 11. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after December 1, 2020.

SECTION 12. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 21ST DAY OF SEPTEMBER, 2020.

CITY OF SACHSE, TEXAS

Michelle Howarth, Mayor Pro Tem

ATTEST:

Michelle Lewis Sirianni, City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr. City Attorney

2557/32/8108360

Exhibit A
to 2020 RRM Resolution or Ordinance

Mid-Tex Tariffs
Effective December 1, 2020

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 20.25 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 20.30 per month
Commodity Charge – All <u>Ccf</u>	\$0.26651 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 54.50 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 54.52 per month
Commodity Charge – All Ccf	\$ 0.11728 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_{ij} = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.73	0.1545	94.79	0.7284
Austin	9.53	0.1489	211.76	0.9405
Dallas	15.77	0.1792	199.74	0.9385
Waco	9.99	0.1341	145.27	0.7110
Wichita Falls	11.61	0.1402	120.34	0.5747

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

Exhibit B
to 2020 RRM Resolution or Ordinance

Mid-Tex
2020 Benchmark for Pensions
and Retiree Benefits

**ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2019**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2020 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 3,460,135	\$ 3,695,384	\$ 6,132,704	\$ 280,578	\$ 4,992,449	
2	Allocation to Mid-Tex	43.29%	43.29%	76.59%	100.00%	76.59%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 1,497,774	\$ 1,599,605	\$ 4,697,072	\$ 280,578	\$ 3,823,744	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$ 1,497,774	\$ 1,599,605	\$ 4,697,072	\$ 280,578	\$ 3,823,744	\$ 11,898,774
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	79.55%	79.55%	37.83%	11.67%	37.83%	
11							
12							
13	Total Pension Account Plan	\$ 1,191,410		\$ 1,777,056			\$ 2,968,466
14	Total Post-Employment Benefit Plan		\$ 1,272,412			\$ 1,446,647	2,719,060
15	Total Supplemental Executive Benefit Plan				\$ 32,754		32,754
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 1,191,410	\$ 1,272,412	\$ 1,777,056	\$ 32,754	\$ 1,446,647	\$ 5,720,280

Notes:

1. Studies not applicable to Mid-Tex or Shared Services are omitted.
2. Mid-Tex is proposing that the Fiscal Year 2020 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

Exhibit C
to 2020 RRM Resolution or Ordinance

Mid-Tex 2020 Schedule for
Amortization for Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2019
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount (2)	Corrected Balance for December 31, 2017 (3)
	(a)	(b)	(c)	(d)	(e)
1	2017		\$ -	\$ 292,268,881	\$ 292,268,881
2	2018	292,268,881	12,075,562	280,193,319	
3	2019	280,193,319	12,085,165	268,108,155	
4	2020	268,108,155	11,171,173	256,936,982	
5	2021	256,936,982	11,171,173	245,765,809	
6	2022	245,765,809	11,171,173	234,594,635	
7	2023	234,594,635	11,171,173	223,423,462	
8	2024	223,423,462	11,171,173	212,252,289	
9	2025	212,252,289	11,171,173	201,081,116	
10	2026	201,081,116	11,171,173	189,909,943	
11	2027	189,909,943	11,171,173	178,738,770	
12	2028	178,738,770	11,171,173	167,567,597	
13	2029	167,567,597	11,171,173	156,396,424	
14	2030	156,396,424	11,171,173	145,225,251	
15	2031	145,225,251	11,171,173	134,054,077	
16	2032	134,054,077	11,171,173	122,882,904	
17	2033	122,882,904	11,171,173	111,711,731	
18	2034	111,711,731	11,171,173	100,540,558	
19	2035	100,540,558	11,171,173	89,369,385	
20	2036	89,369,385	11,171,173	78,198,212	
21	2037	78,198,212	11,171,173	67,027,039	
22	2038	67,027,039	11,171,173	55,855,866	
23	2039	55,855,866	11,171,173	44,684,692	
24	2040	44,684,692	11,171,173	33,513,519	
25	2041	33,513,519	11,171,173	22,342,346	
26	2042	22,342,346	11,171,173	11,171,173	
27	2043	11,171,173	11,171,173	(0)	
28					
29	Revenue Related Tax Factor		7.16%	See WP_F-5.1	
	Revenue Related Taxes on Annual			Amortization * Tax	
30	Amortization		\$ 799,924	Factor	
31	Amortization Including Revenue		<u>\$ 11,971,097</u>	Amortization + Taxes	

Notes:

1. The annual amortization of a 26 year recovery period is based on the Reverse South Georgia Method.
2. The Regulatory Liability is recorded to FERC Account 253, Sub Account 27909.
3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.

**Attachment 1 to
Model Staff Report**

2020 RRM

Proof of Revenues

ATMOS ENERGY CORP., MID-TEX DIVISION
RRM CITIES RATE REVIEW MECHANISM
PROOF OF REVENUES - RRM CITIES
TEST YEAR ENDING DECEMBER 31, 2019

Line No.	Customer Class	Current	Proposed	Bills	Ccf/MmBtu	Current Revenues	Proposed Revenues	Increase
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Residential							
2	Customer Charge	\$ 19.55	\$ 20.25	13,644,834	\$ 266,756,505	\$ 276,307,889		
3	Consumption Charge	0.17423	0.26651	608,491,998	106,017,561	162,169,202		
4	Revenue Related Taxes				26,692,882	31,397,617		
5	Total Class Revenue				<u>\$ 399,466,948</u>	<u>\$ 469,874,708</u>		<u>\$ 70,407,760</u>
6	Commercial							
7	Customer Charge	\$ 46.50	\$ 54.50	1,115,081	\$ 51,851,267	\$ 60,771,915		
8	Consumption Charge	0.09924	0.11728	398,510,866	39,548,218	46,737,354		
9	Revenue Related Taxes				6,544,757	7,698,315		
10	Total Class Revenue				<u>\$ 97,944,242</u>	<u>\$ 115,207,584</u>		<u>\$ 17,263,342</u>
11	Industrial & Transportation							
12	Customer Charge	\$ 845.50	\$ 1,014.50	7,272	\$ 6,148,476	\$ 7,377,444		
13	Consumption Charge Tier 1	0.3572	0.4157	7,769,155	2,775,142	3,229,638		
14	Consumption Charge Tier 2	0.2616	0.3044	8,666,094	2,267,050	2,637,959		
15	Consumption Charge Tier 3	0.0561	0.0653	13,696,172	768,355	894,360		
16	Revenue Related Taxes				856,339	1,012,467		
17	Total Class Revenue				<u>\$ 12,815,362</u>	<u>\$ 15,151,868</u>		<u>\$ 2,336,505</u>
18	Total Excluding Other Revenue				<u>\$ 510,226,552</u>	<u>\$ 600,234,159</u>		<u>\$ 90,007,608</u>
19								
20								
21								
22								
23								
24	Revenue Related Tax Factor	7.1606%						

**Attachment 2
to 2020 RRM Staff Report**

Bill Impact

**ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2019**

Line No.						Current	Proposed	Change
1	<u>Rate R @ 44.5 Ccf</u>							
2	Customer charge					\$ 19.55		
3	Consumption charge	44.5	CCF	X \$ 0.17423	=	7.75		
4	Rider GCR Part A	44.5	CCF	X \$ 0.17750	=	7.90		
5	Rider GCR Part B	44.5	CCF	X \$ 0.29953	=	13.33		
6	Subtotal					\$ 48.53		
7	Rider FF & Rider TAX		\$ 48.53	X 0.07161	=	3.48		
8	Total					<u>\$ 52.01</u>		
9								
10	Customer charge						\$ 20.25	
11	Consumption charge	44.5	CCF	X \$ 0.26651	=		11.86	
12	Rider GCR Part A	44.5	CCF	X \$ 0.17750	=		7.90	
13	Rider GCR Part B	44.5	CCF	X \$ 0.29953	=		13.33	
14	Subtotal						\$ 53.34	
15	Rider FF & Rider TAX		\$ 53.34	X 0.07161	=		3.82	
16	Total						<u>\$ 57.16</u>	\$ 5.15
17								9.90%
18								
19	<u>Rate C @ 357.4 Ccf</u>							
20	Customer charge					\$ 46.50		
21	Consumption charge	357.4	CCF	X \$ 0.09924	=	35.47		
22	Rider GCR Part A	357.4	CCF	X \$ 0.17750	=	63.44		
23	Rider GCR Part B	357.4	CCF	X \$ 0.20954	=	74.89		
24	Subtotal					\$ 220.30		
25	Rider FF & Rider TAX		\$ 220.30	X 0.07161	=	15.77		
26	Total					<u>\$ 236.07</u>		
27								
28	Customer charge						\$ 54.50	
29	Consumption charge	357.4	CCF	X \$ 0.11728	=		41.91	
30	Rider GCR Part A	357.4	CCF	X \$ 0.17750	=		63.44	
31	Rider GCR Part B	357.4	CCF	X \$ 0.20954	=		74.89	
32	Subtotal						\$ 234.74	
33	Rider FF & Rider TAX		\$ 234.74	X 0.07161	=		16.81	
34	Total						<u>\$ 251.55</u>	\$ 15.48
35								6.56%

						Current	Proposed	Change
36	Rate I @ 4143 MMBTU					\$ 845.50		
37	Customer charge							
38	Consumption charge	1,500	MMBTU	X \$ 0.3572 =		535.80		
39	Consumption charge	2,643	MMBTU	X \$ 0.2616 =		691.54		
40	Consumption charge	0	MMBTU	X \$ 0.0561 =		-		
41	Rider GCR Part A	4,143	MMBTU	X \$ 1.7334 =		7,182.31		
42	Rider GCR Part B	4,143	MMBTU	X \$ 0.4531 =		1,877.54		
43	Subtotal					\$ 11,132.69		
44	Rider FF & Rider TAX		\$ 11,132.69	X 0.07161 =		797.17		
45	Total					<u>\$ 11,929.86</u>		
46								
47	Customer charge						\$ 1,014.50	
48	Consumption charge	1,500	MMBTU	X \$ 0.4157 =		623.55		
49	Consumption charge	2,643	MMBTU	X \$ 0.3044 =		804.68		
50	Consumption charge	0	MMBTU	X \$ 0.0653 =		-		
51	Rider GCR Part A	4,143	MMBTU	X \$ 1.7334 =		7,182.31		
52	Rider GCR Part B	4,143	MMBTU	X \$ 0.4531 =		1,877.54		
53	Subtotal					\$ 11,502.58		
54	Rider FF & Rider TAX		\$ 11,502.58	X 0.07161 =		823.65		
55	Total					<u>\$ 12,326.23</u>	\$ 396.37	
56								3.32%
57	Rate T @ 4143 MMBTU					Current	Proposed	Change
58	Customer charge					\$ 845.50		
59	Consumption charge	1,500	MMBTU	X \$ 0.3572 =		535.80		
60	Consumption charge	2,643	MMBTU	X \$ 0.2616 =		691.54		
61	Consumption charge	0	MMBTU	X \$ 0.0561 =		-		
62	Rider GCR Part B	4,143	MMBTU	X \$ 0.4531 =		1,877.54		
63	Subtotal					\$ 3,950.38		
64	Rider FF & Rider TAX		\$ 3,950.38	X 0.07161 =		282.87		
65	Total					<u>\$ 4,233.25</u>		
66								
67	Customer charge						\$ 1,014.50	
68	Consumption charge	1,500	MMBTU	X \$ 0.4157 =		623.55		
69	Consumption charge	2,643	MMBTU	X \$ 0.3044 =		804.68		
70	Consumption charge	0	MMBTU	X \$ 0.0653 =		-		
71	Rider GCR Part B	4,143	MMBTU	X \$ 0.4531 =		1,877.54		
72	Subtotal					\$ 4,320.27		
73	Rider FF & Rider TAX		\$ 4,320.27	X 0.07161 =		309.36		
74	Total					<u>\$ 4,629.63</u>	\$ 396.38	
75								9.36%

**Attachment 3
to 2020 RRM Staff Report**

RRM Monthly Savings Over GRIP and DARR Rates

**ATMOS ENERGY CORP., MID-TEX DIVISION
RESIDENTIAL AVERAGE RATE COMPARISON
TEST YEAR ENDING DECEMBER 31, 2019**

	ACSC Settled	DARR Filing	ATM Filing	Environs Filing
Cust Charge	\$20.25	\$23.75	\$26.40	\$24.60
Monthly Ccf	44.5	44.5	44.5	44.5
Cons Charge	\$0.26651	\$0.19336	\$0.14846	\$0.18653
Average Mo Bill	\$32.11	\$32.35	\$33.01	\$32.90
		-\$0.24	-\$0.90	-\$0.79



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	3. Conduct a public hearing and consider an ordinance amending the boundary of Reinvestment Zone Number Two to include approximately 14.933 acres, pursuant to Chapter 311 of the Texas Tax Code.
Access	Public
Type	Action
Preferred Date	Sep 08, 2020
Absolute Date	Sep 08, 2020
Recommended Action	Conduct a public hearing and approve an ordinance amending the boundary of Reinvestment Zone Number Two to include approximately 14.933 acres, pursuant to Chapter 311 of the Texas Tax Code.

Public Content

BACKGROUND

This amendment is to allow for the addition of land to TIRZ #2. This item was published according to statutory requirements in the Dallas Morning News on September 10, 2020.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Conduct a public hearing and approve an ordinance amending the boundary of Reinvestment Zone Number Two to include approximately 14.933 acres, pursuant to Chapter 311 of the Texas Tax Code.

Legal Notice Published - 09.10.20 - TIRZ 2 Notice of Public Hearing.pdf (8,760 KB)

TIRZ 2 Ordinance Amending TIRZ Boundary.pdf (2,083 KB)

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PRESIDENT/CEO: ANDREA M. LAZENBY, ASSISTANT SECRETARY: MATTHEW W. ALLEN, VP: WAYNE HAMILTON, VP: DAVID L. READING, ASSISTANT SECRETARY.

APPLICATION HAS BEEN MADE WITH THE TEXAS ALCOHOLIC BEVERAGE COMMISSION FOR A BEER RETAIL DEALER'S OFF-PREMISE LICENSE, A WINE ONLY PACKAGE STORE PERMIT AND A PACKAGE STORE TASTING PERMIT BY QUALITY LICENSING CORP. D/B/A QUALITY LICENSING CORP. (STORE #5921) LOCATED AT 2175 JOE THOMAS RD, DALLAS, DALLAS COUNTY, TEXAS 75221. OFFICERS OF SAID COMPANY ARE JOHN SCUDDER, PRESIDENT/CEO; ANDREA M. LAZENBY, ASSISTANT SECRETARY; MATTHEW W. ALLEN, VP; WAYNE HAMILTON, VP; DAVID L. READING, ASSISTANT SECRETARY.

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JUMBLE

Unscramble these Jumbles, one letter to each square, to form four ordinary words.

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Yesterday's
Answer

(Answers tomorrow)

Jumbles

TEAUP

Answer

TIGER

Napoleon really thought he could sink Waterloo, but he came up —

A LITTLE SHORT

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, AMENDING THE BOUNDARY OF REINVESTMENT ZONE NUMBER TWO, CITY OF SACHSE, PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE TO INCLUDE APPROXIMATELY 14.933 ACRES; DESCRIBING THE BOUNDARIES OF THE ZONE, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Sachse, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, pursuant to and as required by the Act, the City Council of the City (the "City Council") prepared a *Reinvestment Zone Number Two, City of Sachse Preliminary Project and Finance Plan* (the "Preliminary Project and Finance Plan") for Reinvestment Zone Number Two, City of Sachse (the "Zone") defining the boundary of the Zone, being the 120± acres described and depicted in **Exhibit A** attached hereto and incorporated herein by reference (the "Zone Property"); and

WHEREAS, on December 3, 2018 the City Council approved Ordinance No. 3898, approving the Preliminary Project and Finance Plan and creating the Zone; and

WHEREAS, upon receiving a petition in compliance with Section 311.007(b) of the Act, the City is authorized under Section 311.007 of the Act, to enlarge the boundaries of a tax increment reinvestment zone within its corporate limits to include within such zone the property identified in such petition; and

WHEREAS, the City has received a petition in compliance with Section 311.007(b) of the Act requesting enlargement of the boundaries of the Zone by annexing into the Zone the 14.933± acres located within the City's corporate limits described and depicted in **Exhibit B** attached hereto and made a part for all purposes (the "Additional Property"); and

WHEREAS, a notice of public hearing on amending the Zone to include the Additional Property, was published in the Dallas Morning News, a newspaper of general circulation within the City on Sachse on September 10, 2020, which date is not later than the seventh day prior to the public hearing held on September 21, 2020; and

WHEREAS, on September 21, 2020, the City Council held a public hearing to consider an amendment to the Zone to include the Additional Property; and

WHEREAS, at the public hearing on September 21, 2020, interested persons were allowed to speak for or against the inclusion of the Additional Property in the Zone, the proposed amended boundaries of the Zone, and the concept of tax increment financing, and owners of the Additional Property were given a reasonable opportunity to protest the inclusion of their property in the Zone; and

WHEREAS, the City has taken all actions required to amend the Zone including, but not limited to, all actions required by the Act, the Texas Open Meetings Act, and all other laws applicable to the amendment of the Zone.

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

SECTION 1. Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby amends and enlarges the boundaries of the Zone to include the Additional Property described and depicted in **Exhibit B** attached hereto.

SECTION 2. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no provision of this Ordinance shall become inoperative because of the invalidity of another provision; and, therefore, all provisions of this Ordinance are declared severable for that purpose.

SECTION 3. It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 4. This Ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provides.

PASSED, AND APPROVED by the City Council of the City of Sachse, Texas, on the 21st day of September 2020.

APPROVED:

Michelle Howarth, Mayor Pro Tem

DULY ENROLLED:

Michelle Lewis Sirianni
City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr.
City Attorney

Exhibit A
Description and Depiction of the Zone Property

LEGAL DESCRIPTION TRACT (1)

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being a portion of a 78.13-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a T.X.D.O.T. aluminum cap stamped "2662" found for the southeast corner of said 78.13-acre tract also lying at the intersection of the west line of Pleasant Valley Road, a variable width right-of-way with the north line of President George Bush Turnpike, a called 350.00 feet wide right-of-way, also for the beginning of a non-tangent curve to the left;

THENCE along the south line of said 78.13 acre tract and the north line of said President George Bush turnpike with said curve to the left having a radius of 7813.20 feet, a central angle of 06 degrees 03 minutes 12 seconds, an arc length of 825.47 feet, a chord bearing of North 88 degrees 24 minutes 26 seconds West, a distance of 825.09 feet to a T.X.D.O.T. aluminum cap stamped "2661" found for the southwest corner of said 78.13 acre tract also lying on the east line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, page 6284 of the Deed Records of Dallas County, Texas;

THENCE North 01 degrees 00 minutes 01 seconds West, along the common line of said 78.13-acre tract and said City of Sachse tract, a distance of 1038.64 feet to a 1/2-inch iron rod with cap stamped "NDM" found for the southwest corner of a tract of land described by deed to the City of Sachse recorded in Volume 98121, Page 6186 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said 78.13-acre tract and last mentioned City of Sachse tract the following courses and distances:

North 89 degrees 22 minutes 43 seconds East, a distance of 76.91 feet to a 1/2-inch iron rod with cap stamped "NDM" found for corner;

North 26 degrees 33 minutes 56 seconds East, a distance of 113.49 feet to a 1/2-inch iron rod with cap stamped "NDM" found for corner;

North 20 degrees 41 minutes 28 seconds East, a distance of 220.44 feet to a 1/2-inch iron rod with cap stamped "HAT" found for corner;

North 36 degrees 49 minutes 51 seconds East, a distance of 336.02 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 05 degrees 13 minutes 42 seconds East, a distance of 238.67 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 07 degrees 29 minutes 41 seconds East, a distance of 257.79 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 21 degrees 10 minutes 21 seconds East, a distance of 228.89 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the northwest corner of said 78.13-acre tract also lying on the southerly line of Hudson Drive a variable width right-of-way, also for the beginning of a curve to the right;

THENCE along the north line of said 78.13-acre tract and the southerly line of said Hudson Drive, with said curve to the right having a radius of 573.50 feet, a central angle of 15 degrees 36 minutes 23 seconds, an arc length of 156.21 feet, a chord bearing of South 55 degrees 44 minutes 24 seconds East, a distance of 155.73 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a reverse curve to the left;

THENCE with said reverse curve to the left having a radius of 575.00 feet, a central angle of 18 degrees 05 minutes 20 seconds, an arc length of 181.53 feet, a chord bearing of South 56 degrees 58 minutes 52 seconds East, a distance of 180.78 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a compound curve to the left;

THENCE with said compound curve continuing to the left having a radius of 2500.00 feet, a central angle of 20 degrees 36 minutes 16 seconds, an arc length of 899.04 feet, a chord bearing of South 76 degrees 19 minutes 40 seconds East, a distance of 894.20 feet to a PK Nail found at the end of said compound curve;

THENCE South 69 degrees 16 minutes 05 seconds East, continuing along the north line of said 78.13 acre tract and the southerly line of said Hudson Drive, a distance of 110.00 feet to a 1/2 inch iron rod found for corner;

THENCE South 89 degrees 45 minutes 48 seconds East, continuing along the north line of said 78.13-acre tract and the southerly line of said Hudson Drive, a distance of 67.22 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE North 89 degrees 28 minutes 37 seconds East, continuing along the north line of said 78.13 acre tract and the southerly line of said Hudson Drive, a distance of 173.94 feet to a 1/2 inch iron rod found for the northeast corner of said 78.13 acre tract, also lying on the west line of Merritt Road a variable width right-of-way;

THENCE South 00 degrees 14 minutes 29 seconds West along the west line of said Merritt Road, a distance of 265.43 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for an angle point in same;

THENCE South 00 degrees 17 minutes 44 seconds East, continuing along the west line of said Merritt Road, a distance of 914.60 feet to a 5/8-inch iron rod with cap stamped "WAI" found for corner;

THENCE South 87 degrees 03 minutes 13 seconds West, leaving the west line of said Merritt Road, a distance of 177.54 feet to a 1/2-inch iron rod found for the northeast corner of a tract of land described by deed to the City of Sachse recorded in Instrument Number 201700347810 of the Official Public Records of Dallas County, Texas;

THENCE South 89 degrees 05 minutes 27 seconds West, along the north line of last mentioned City of Sachse tract, a distance of 228.63 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the northwest corner of same;

THENCE South 00 degrees 15 minutes 35 seconds East, along the west line of said City of Sachse tract, a distance of 381.16 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the southwest corner of same, also lying on the north line of the aforementioned pleasant Valley Drive;

THENCE South 89 degrees 07 minutes 35 seconds West along the north line of said pleasant Valley Road, a distance of 562.19 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 236.92 feet, a central angle of 89 degrees 51 minutes 53 seconds, an arc length of 371.59 feet, a chord bearing of South 44 degrees 14 minutes 35 seconds West, a distance of 334.66 feet to a 1/2-inch iron rod found for corner;

THENCE South 00 degrees 35 minutes 07 seconds East, a distance of 88.22 feet to the POINT OF BEGINNING, containing 3,315,395 Square Feet, or 76.111 Acres of land.

LEGAL DESCRIPTION TRACT (2)

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being all of a 11.27-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a T.X.D.O.T. aluminum cap stamped "2655" found for the northeast corner of said 11.27-acre tract also lying at the intersection of the west line of Pleasant Valley Road, a variable width right-of-way with the south line of President George Bush Turnpike, a called 350.00 feet wide right-of-way;

THENCE along the common line of said 11.27-acre tract and said Pleasant Valley Road the following courses and distances:

South 00 degrees 23 minutes 36 seconds East, a distance of 255.19 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a curve to the right with said curve to the right having a radius of 311.06 feet, a central angle of 76 degrees 44 minutes 04 seconds, an arc length

of 416.59 feet, a chord bearing of South 37 degrees 58 minutes 24 seconds West, a distance of 386.15 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for corner;

South 76 degrees 28 minutes 32 seconds West, a distance of 320.80 feet to 1/2-inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the right;

with said curve to the right having a radius of 707.53 feet, a central angle of 13 degrees 35 minutes 53 seconds, an arc length of 167.92 feet, a chord bearing of South 83 degrees 01 minutes 55 seconds West, a distance of 167.53 feet 1/2-inch iron rod with cap stamped "HALFF" found for corner;

North 89 degrees 46 minutes 07 seconds West, a distance of 96.34 feet to 1/2-inch iron rod with cap stamped "JBI" found for the southwest corner of said 11.27-acre tract, also lying on the east line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas;

THENCE North 00 degrees 55 minutes 31 seconds West, along the common line of said 11.27-acre tract and said City of Sachse tract, a distance of 678.28 feet to 1/2-inch iron rod with cap stamped "WAI" found for the northwest corner of said 11.27-acre tract, also lying on the south line of the aforementioned President George Bush Turnpike, also for the beginning of a non-tangent curve to the right;

THENCE along the south line of said President George Bush Turnpike with said curve to the right having a radius of 7465.00 feet, a central angle of 06 degrees 18 minutes 35 seconds, an arc length of 822.09 feet, a chord bearing of South 88 degrees 21 minutes 02 seconds East, a distance of 821.67 feet to the POINT OF BEGINNING, containing 490,729 Square Feet, or 11.266 Acres of land.

LEGAL DESCRIPTION TRACT (3)

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being all of an 8.68-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "WAI" found for the northwest corner of said 8.68-acre tract also lying on the south line of President George Bush Turnpike, a called 350.00 feet wide right-of-way;

THENCE North 79 degrees 45 minutes 22 seconds East, along the south line of said President George Bush Turnpike, a distance of 218.91 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a non-tangent curve to the right;

THENCE continuing along the south line of said President George Bush Turnpike with said curve to the right having a radius of 7465.00 feet, a central angle of 02 degrees 19 minutes 19

seconds, an arc length of 302.51 feet, a chord bearing of North 80 degrees 55 minutes 01 seconds East, a distance of 302.49 feet to a 5/8 inch iron rod found for the northeast corner of said 8.68 acre tract, also lying on the westerly line of a tract of land described by deed to Batsu Enterprises recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said 8.68-acre tract and said Batsu Enterprises tract the following courses and distances:

South 05 degrees 29 minutes 08 seconds East, a distance of 202.09 feet to a 1/2 inch iron rod found for corner;

North 89 degrees 33 minutes 14 seconds East, a distance of 196.48 feet to 5/8 inch iron rod with cap stamped "JBI" found for corner;

South 04 degrees 09 minutes 28 seconds East, a distance of 416.53 feet to a 5/8 inch iron rod with cap stamped "JBI" found for the southeast corner of said 8.68 acre tract and the southwest corner of said Batsu Enterprises tract, also lying on the north line of Pleasant Valley road, a variable width right-of-way;

THENCE South 89 degrees 50 minutes 57 seconds West, along the north line of said Pleasant Valley Road, a distance of 712.69 feet to a 5/8-inch iron rod with cap stamped "JBI" found for the southwest corner of said 8.68-acre tract;

THENCE North 05 degrees 17 minutes 07 seconds West, along the west line of said 8.68-acre tract, a distance of 277.26 feet to a 1/2-inch iron rod found for an angle point in same for corner;

THENCE North 04 degrees 55 minutes 13 seconds West, continuing along the west line of said 8.68-acre tract, a distance of 255.12 feet to the POINT OF BEGINNING, containing 381,007 Square Feet, or 8.747 Acres of land.

LEGAL DESCRIPTION TRACT (4)

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being a portion of a 33.63-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "TNP" set for the northeast corner of a right-of-way dedication for Miles Road, a variable width right-of-way to the City of Sachse as recorded in Instrument Number 201700128760 of the Official Public Records of Dallas County, from which a 1/2-inch iron rod with cap stamped "R.P.L.S. 4701" found for the southwest corner of a tract of land described by deed to CSL Sachse L.P., LLC., recorded in Instrument Number 201700290587 of the Official Public Records of Dallas County, Texas bears South 88 degrees 43 minutes 23 seconds west, 11.00 feet

THENCE North 88 degrees 43 minutes 23 seconds East, along the south line of said CSL Sachse tract, a distance of 836.14 feet to a 1/2-inch iron rod with cap stamped "R.P.L.S. 4701" found for the southeast corner of same, also lying on the west line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas;

THENCE South 05 degrees 23 minutes 54 seconds East, along the west line of said City of Sachse tract, a distance of 111.60 feet to a 1/2-inch iron rod with cap stamped "HALFP" found for the northwest corner of a tract of land described by deed to Batsu Enterprises recorded in Volume 91249, page 4515 of the Deed Records of Dallas County, Texas

THENCE South 04 degrees 12 minutes 40 seconds East, along the west line of said Batsu tract, a distance of 59.32 feet to 5/8-inch iron rod with cap stamped "TNP" set for the northeast corner of a tract of land described by deed to Sachse Medical Center Annex 1, recorded in Instrument Number 201400065513 of the Official Public Records of Dallas County, Texas, and for the beginning of a curve to the left;

THENCE along the north line of said Sachse Medical Center Annex 1 tract the following courses and distances:

with said curve to the left having a radius of 555.00 feet, a central angle of 17 degrees 05 minutes 04 seconds, an arc length of 165.49 feet, a chord bearing of South 51 degrees 33 minutes 33 seconds West, a distance of 164.88 feet to 5/8-inch iron rod with cap stamped "TNP" set for corner;

South 43 degrees 01 minutes 02 seconds West, a distance of 87.64 feet to a to 5/8-inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

with said curve to the right having a radius of 755.00 feet, a central angle of 45 degrees 57 minutes 01 seconds, an arc length of 605.50 feet, a chord bearing of South 65 degrees 59 minutes 32 seconds West, a distance of 589.40 feet to 5/8-inch iron rod with cap stamped "TNP" set for corner;

South 88 degrees 58 minutes 01 seconds West, a distance of 100.58 feet to a to 5/8-inch iron rod with cap stamped "TNP" set for corner

North 46 degrees 16 minutes 56 seconds West, a distance of 32.97 feet to a to 5/8-inch iron rod with cap stamped "TNP" set for the northwest corner of said Sachse Medical Center Annex 1 tract, also lying on the east line of the aforementioned Miles Road;

THENCE along the east line of said Miles Road the following courses and distances:

North 01 degree 04 minutes 22 seconds West, a distance of 309.36 feet to a 5/8-inch iron rod with cap stamped "TNP" set for an angle point in same;

North 03 degrees 17 minutes 48 seconds East, a distance of 144.44 feet to a 5/8-inch iron rod with cap stamped "TNP" set for an angle point in same;

North 01 degrees 04 minutes 34 seconds West, a distance of 83.55 feet to the POINT OF BEGINNING, containing 379,379 Square Feet, or 8.709 Acres of land.

LEGAL DESCRIPTION TRACT (5)

BEING a tract of land situated in the Robert McCullough Survey, Abstract No. 928, also being a portion of a called 4.07-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "W.A.I." found for the northwest corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas, also lying on the southwest line of said 4.07-acre tract and the northeast line of a tract of land described by deed to The Trull Foundation as recorded in Volume 2001009, Page 575 of the Deed Records of Dallas County, Texas;

THENCE North 38 degrees 21 minutes 45 seconds West, along the common line of said 4.07-acre tract and said Trull Foundation tract, a distance of 326.23 feet to a 5/8-inch iron rod with cap stamped "TNP" set for most westerly corner of said 4.07-acre tract, also lying on the southeast line of Old Miles Road a variable width right-of-way;

THENCE North 36 degrees 49 minutes 36 seconds East, along the southeast line of said Old Miles Road and the northwest line of said 4.07-acre tract, a distance of 564.86 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the left;

THENCE continuing along the southeast line of said Old Miles Road and the northwest line of said 4.07-acre tract with said curve to the left having a radius of 585.85 feet, a central angle of 03 degrees 53 minutes 34 seconds, an arc length of 39.80 feet, a chord bearing of North 34 degrees 51 minutes 58 seconds East, a distance of 39.80 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the north corner of said 4.07-acre tract, also lying on the west line of Miles Road a variable width right-of-way;

THENCE South 01 degrees 01 minutes 20 seconds East, along the west line of Miles Road, a distance of 708.15 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the northeast corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas;

THENCE leaving the west line of said Miles Road along the northerly line of said right-of-way dedication the following courses and distances:

South 43 degrees 28 minutes 06 seconds West, a distance of 39.07 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 88 degrees 28 minutes 07 seconds West, a distance of 120.98 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a curve to the left;

with said curve to the left having a radius of 845.00 feet, a central angle of 01 degrees 36 minutes 24 seconds, an arc length of 23.69 feet, a chord bearing of South 87 degrees 39 minutes 54 seconds West, a distance of 23.69 feet to the POINT OF BEGINNING containing 157,785 Square Feet, or 3.622 Acres

LEGAL DESCRIPTION TRACT (6)

BEING a tract of land situated in the Robert McCullough Survey, Abstract No. 928, also being a portion of a called 4.07-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "HALFF" found for the southeast corner of said 4.07-acre tract, same being the northeast corner of a tract of land described by deed to The Trull Foundation as recorded in Volume 2001009, Page 575 of the Deed Records of Dallas County, Texas, also lying on the west line of Miles Road a variable width right-of-way;

THENCE North 38 degrees 21 minutes 45 seconds West, along the common line of said 4.07-acre tract and said Trull Foundation tract, a distance of 165.28 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the southwest corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas;

THENCE North 88 degrees 28 minutes 07 seconds East, along the south line of said right-of-way dedication, a distance of 77.52 feet to a 5/8 inch iron rod with cap stamped "TNP" set for a corner clip of same;

THENCE South 46 degrees 31 minutes 54 seconds East, continuing along said right-of-way dedication, a distance of 37.26 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the west line of the aforementioned Miles Road;

THENCE South 01 degrees 01 minutes 20 seconds East, along the west line of said Miles Road, a distance of 2.71 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a curve to the right;

THENCE continuing along the east line of said Miles Road with said curve to the right having a radius of 1450.00 feet, a central angle of 04 degrees 05 minutes 05 seconds, an arc length of 103.38 feet, a chord bearing of South 01 degrees 06 minutes 22 seconds West, a distance of 103.35 feet to the POINT OF BEGINNING, containing 6,655 Square Feet, or 0.153 Acre.

LEGAL DESCRIPTION TRACT (7)

BEING a tract of land situated in the SAMUEL COMPTON SURVEY, ABSTRACT NO. 368, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Donald K. McClain, recorded in Volume 73241, Page 1582, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner at the intersection of the northerly right-of-way line of President George Bush Turnpike (variable width right-of-way) and the east right-of-way line of Pleasant Valley Road (60' right-of-way);

THENCE North 00 deg 22 min 24 sec West, departing said northerly right-of-way line and along said east right-of-way line, a distance of 93.16 feet to a 1/2 inch iron rod with red plastic cap stamped "WAI" set for corner and the beginning of a curve to the right having a radius of 176.92 feet, a central angle of 89 deg 49 min 11 sec, a chord bearing of North 44 deg 10 min 00 sec East and a chord length of 249.81 feet;

THENCE, continuing along the easterly right-of-way line of said Pleasant Valley Road and along said curve to the right, an arc distance of 277.35 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE North 88 deg 50 min 52 sec East, along the south right-of-way line of said Pleasant Valley Road, a distance of 286.91 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE South 00 deg 36 min 18 sec East, departing said south right-of-way line, a distance of 332.98 feet to a point for corner from which a TXDOT (Texas Department of Transportation) Aluminum Monument found bears South 73 deg 55 min 58 sec East, a distance of 1.57 feet, said point being situated in the northerly right-of-way line of said President George Bush Turnpike and being the beginning of a non-tangent curve to the left having a radius of 7,815.00 feet, a central angle of 03 deg 25 min 29 sec, a chord bearing of North 83 deg 15 min 24 sec West and a chord length of 467.04 feet;

THENCE along the northerly right-of-way line of said President George Bush Turnpike and said non-tangent curve to the left, an arc distance of 467.11 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 3.022 acres or 131,637 square feet of land, more or less.

LEGAL DESCRIPTION TRACT (8)

BEING a tract of land situated in the SAMUEL COMPTON SURVEY, ABSTRACT NO. 368, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Donald K. McClain, recorded in Volume 73241, Page 1582, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner at the northwest corner of said Maurice L. McClain tract, the same being the northeast corner of a tract of land as described in deed to Donald K. McClain, recorded in Volume 73241, Page 1582, D.T.D.C.T., said iron rod also being situated in the south right-of-way line of Pleasant Valley Road (60' right-of-way);

THENCE North 88 deg 50 min 52 sec East, along said south right-of-way line, a distance of 347.22 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE South 00 deg 29 min 42 sec East, departing the south right-of-way line of said Pleasant Valley Road, a distance of 399.57 feet to a 5/8-inch iron rod found for corner situated in the northerly right-of-way line of President George Bush Turnpike (variable width right-of-way) and being the beginning of a non-tangent curve to the left having a radius of 7,815.00 feet, a central angle of 02 deg 34 min 56 sec, a chord bearing of North 80 deg 15 min 12 sec West and a chord length of 352.17 feet;

THENCE along the northerly right-of-way line of said President George Bush Turnpike and said non-tangent curve to the left, an arc distance of 352.20 feet to a point for corner from which a TXDOT (Texas Department of Transportation) Aluminum Monument found bears South 73 deg 55 min 58 sec East, a distance of 1.57 feet;

THENCE North 00 deg 36 min 18 sec West, departing said northerly right-of-way line, a distance of 332.98 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 2.906 acres or 126,577 square feet of land, more or less.

LEGAL DESCRIPTION TRACT (9)

BEING a tract of land situated in the ZACH MOTLEY SURVEY, ABSTRACT NO. 1009, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Maurice L. McClain, recorded in Volume 172, Page 96, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner at the northeast end of a corner clip at the intersection of the west right-of-way line of Merritt Road (variable width right-of-way) and the north right-of-way line of Pleasant Valley Road (variable width right-of-way, at this point);

THENCE South 38 deg 05 min 39 sec West, along said corner clip, a distance of 45.33 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner at the southwest end of said corner clip, said iron rod being situated in said north right-of-way line and being the beginning of a non-tangent curve to the right having a radius of 3,454.00 feet, a central angle of 02 deg 04 min 37 sec, a chord bearing of South 85 deg 40 min 58 sec West and a chord length of 125.19 feet;

THENCE along said north right-of-way line and said non-tangent curve to the right, an arc distance of 125.20 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE North 00 deg 16 min 25 sec West, departing the north right-of-way line of said Pleasant Valley Road, a distance of 364.05 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE North 86 deg 57 min 29 sec East, a distance of 151.94 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner, said iron rod being situated in the west right-of-way line of said Merritt Road;

THENCE South 00 deg 29 min 38 sec East, along said west right-of-way line, a distance of 327.03 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 1.258 acres or 54,816 square feet of land, more or less.

LEGAL DESCRIPTION TRACT (10)

BEING a tract of land situated in the SAMUEL COMPTON SURVEY, ABSTRACT NO. 368, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Stan McClain, recorded in Volume 2005117, Page 8527, Official Public Records, Dallas County, Texas (O.P.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner at the northwest end of a corner clip at the intersection of the west right-of-way line of Merritt Road (variable width right-of-way) and the south right-of-way line of Pleasant Valley Road (variable width right-of-way, at this point);

THENCE South 47 deg 39 min 28 sec East, along said corner clip, a distance of 21.52 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner at the southeast end of said corner clip, said iron rod being situated in said west right-of-way line;

THENCE along the west right-of-way line of said Merritt Road, the following:

South 01 deg 06 min 55 sec East, a distance of 174.66 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

South 89 deg 11 min 04 sec West, a distance of 3.73 feet to a NTTA (North Texas Transit Authority) Aluminum Monument found for corner;

South 00 deg 48 min 56 sec East, a distance of 233.52 feet to a 5/8-inch iron rod found for corner at the northeast end of a corner clip at the intersection of the west right-of-way line of said

Merritt Road and the northerly right-of-way line of President George Bush Turnpike (variable width right-of-way);

THENCE South 46 deg 54 min 01 sec West, along said corner clip, a distance of 52.21 feet to a TXDOT (Texas Department of Transportation) Brass Monument found for corner at the southwest end of said corner clip, said Brass Monument also being the beginning of a non-tangent curve to the left having a radius of 7,815.00 feet, a central angle of 02 deg 02 min 41 sec, a chord bearing of North 77 deg 56 min 23 sec West and a chord length of 278.90 feet;

THENCE along said northerly right-of-way line and said non-tangent curve to the left, an arc distance of 278.91 feet to a 5/8-inch iron rod found for corner;

THENCE North 00 deg 29 min 42 sec West, departing said northerly right-of-way line, a distance of 399.57 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner, said iron rod being situated in the south right-of-way line of said Pleasant Valley Road (60' right-of-way, at this point);

THENCE North 88 deg 50 min 52 sec East, along said south right-of-way line, a distance of 84.24 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner, said iron rod being the southwest corner of a tract of land as described in deed to Earlene Jones Drain, recorded in County Clerk's File No. 201500080747, Official Public Records, Dallas County, Texas;

THENCE South 01 deg 19 min 24 sec East, departing the south right-of-way line of said Pleasant Valley Road and along the west line of said Earlene Jones Drain tract, a distance of 139.19 feet to a 5/8-inch iron pipe found for corner;

THENCE North 89 deg 19 min 36 sec East, departing the west line and along the south line of said Earlene Jones Drain tract, a distance of 144.00 feet to an Axle found for corner;

THENCE North 01 deg 19 min 24 sec West, departing the south line and along the east line of said Earlene Jones Drain tract, a distance of 130.83 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner, said iron rod being situated in the south right-of-way line of said Pleasant Valley Road (variable width right-of-way, at this point), and being the beginning of a non-tangent curve to the left having a radius of 3,545.00 feet, a central angle of 01 deg 05 min 12 sec, a chord bearing of North 85 deg 18 min 50 sec East and a chord length of 67.23 feet;

THENCE along said south right-of-way line and along said non-tangent curve to the left, an arc distance of 67.23 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 2.614 acres or 113,860 square feet of land, more or less.

LEGAL DESCRIPTION TRACT (11)

Being all of Jessey Rayford Drain's interest in that certain lot, tract or parcel of land lying and being situated in the County of Dallas, State of Texas, and being out of the ZACH MOTLEY SURVEY, ABSTRACT NO. 1009, and being part of the same land set apart to Major Leslie McClain by decree of the District Court of Dallas County, Texas, as recorded in Book 3, Page 341, Minutes of the 44th District Court of Dallas County, Texas, and being more particularly described as follows:

Beginning at a point in the South line of Pleasant Valley Road, said point being N. 89 deg. 37 min. W. 105 feet from the intersection of the West line of Hickcox road and the South line of Pleasant Valley Road, the intersection of the centerline of said roads being the N. E. corner of the ZACH MOTLEY SURVEY, an iron stake set for corner;

THENCE S. 0 deg. 22 min. W. 140 feet to an iron stake set for corner;

THENCE N. 89 deg. 37 min. W. 144 feet to an iron stake set for corner;

THENCE N. 0 deg. 22 min. E. 140 feet to an iron stake set for corner in the South line of Pleasant Valley Road;

THENCE S. 89 deg. 37 min. E. with the South line of Pleasant Valley Road, 144.0 feet to the place of beginning and containing 0.46 acres of land, more or less;

SAVE & EXCEPT

That 0.045 acres of land, more or less, being more fully described in Right-of-Way Deed from Jessey Rayford Drain and wife, Earlene Drain to County of Dallas dated August 13, 2012, filed October 3, 2012, recorded in/under Instrument No. 201200294528 of the Real Property Records of Dallas County, Texas.

OVERVIEW MAP: TIRZ #2 BOUNDARY

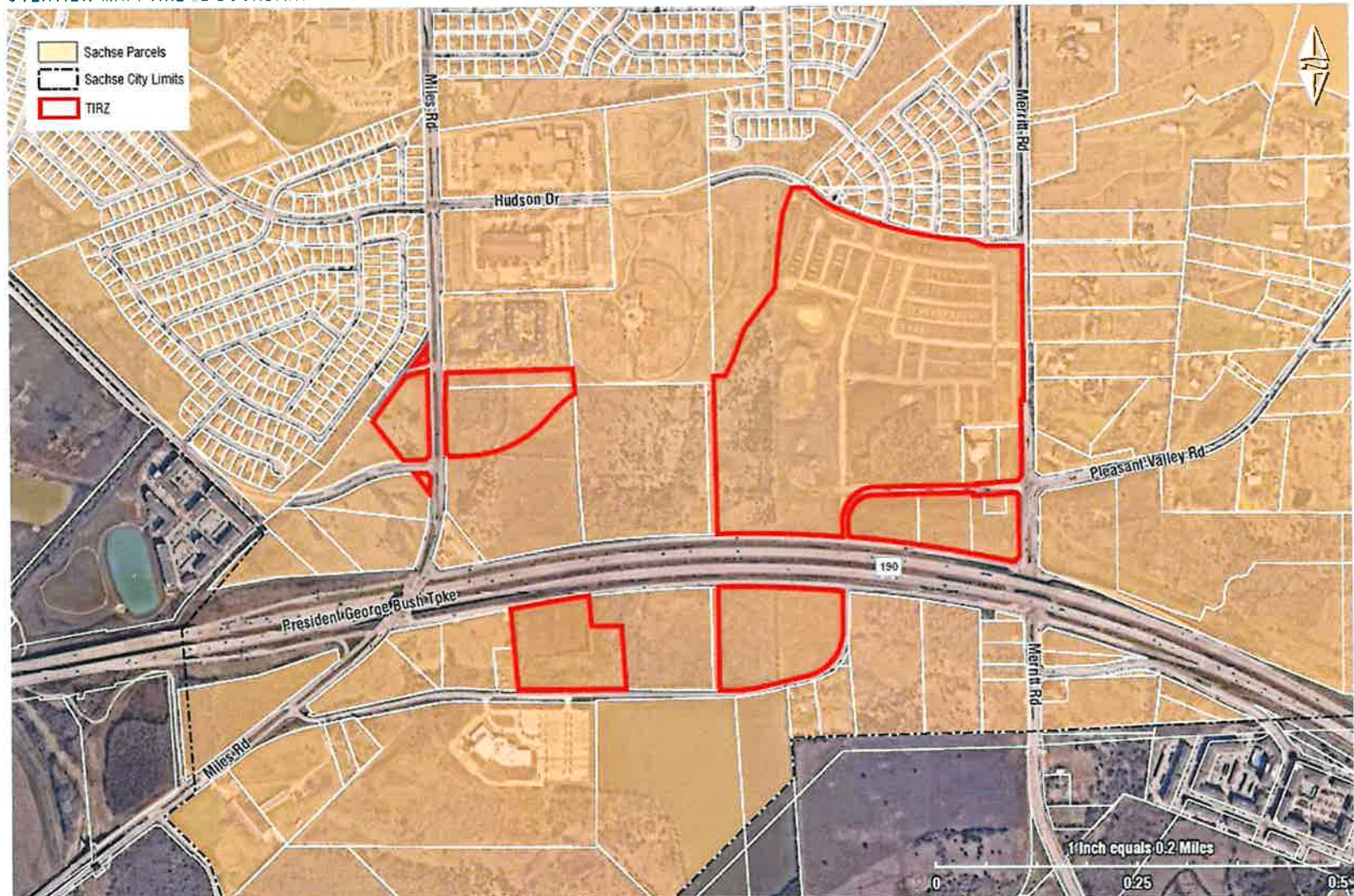


Exhibit B
Description and Depiction of the Additional Property

LEGAL DESCRIPTION TRACT 12

BEING a tract of land situated in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas and being all of a called 14.933 acres, described in a Special Warranty Deed to Sachse Medical Center, L.L.C., recorded in Instrument No. 201400065513 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the southeast corner of said 14.933 acre tract, said corner being in the west line of that tract of land described in a Special Warranty Deed to Batsu Enterprises, recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas, and in the north right-of-way line of President George Bush Turnpike, a 350 foot wide right-of-way, said corner also being at the beginning of a non-tangent curve to the left;

THENCE, along the south line of said 14.933 acre tract and the north right-of-way line of said President George Bush Turnpike, the following courses and distances:

Southwesterly, along said non-tangent curve to the left through a central angle of 02°26'08", having a radius of 7815.00 feet, a chord bearing of South 80°58'58" West, a chord distance of 332.18 feet and an arc length of 332.20 feet to a concrete monument with brass disk found for corner at the end of said curve;

South 79°45'54" West, a distance of 343.41 feet to the most southerly southwest corner of said 14.933 acre tract, said corner being in the northeast line of a called 51.724 acre tract of land described in a Warranty Deed to The Trull Foundation, recorded in Volume 94077, Page 2599 of the Deed Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "WAI" found for witness bears North 73°54' East, 0.6 feet;

THENCE North 38°00'53" West, departing the north right-of-way line of said President George Bush Turnpike, and along the southwest line of said 14.933 acre tract and the northeast line of said 51.724 acre tract and the northeast line of Tract Two, called 0.5384 acre, as described in a General Warranty Deed to The Trull Foundation, recorded in Volume 96158, Page 6025 of the Deed Records of Dallas County, Texas, a distance of 435.20 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the most westerly southwest corner of said 14.933 acre tract, said corner being in the east right-of-way line of Miles Road, a 100 foot wide right-of-way at this point, and also being at the beginning of a non-tangent curve to the left;

THENCE, along the west line of said 14.933 acre tract and the east right-of-way line of said Miles Road, the following courses and distances:

Northeasterly, along said non-tangent curve to the left through a central angle of $08^{\circ}21'44''$, having a radius of 1550.00 feet, a chord bearing of North $03^{\circ}08'21''$ East, a chord distance of 226.02 feet and an arc length of 226.22 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the end of said curve;

North $01^{\circ}02'31''$ West, a distance of 142.90 feet to the northwest corner of said 14.933 acre tract, common to the southwest corner of a called 8.709 acres, as described in a Special Warranty Deed, recorded in Instrument No. 201800267365 of the Official Public Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $41^{\circ}40'$ East, 0.3 feet;

THENCE departing the east right-of-way line of said Miles Road, along the common line of said 14.933 acre tract and said 8.709 acre tract, the following courses and distances:

South $46^{\circ}17'27''$ East, a distance of 32.97 feet to a 5/8 inch iron rod with red plastic stamped "TNP" found for corner;

North $88^{\circ}57'30''$ East, a distance of 100.58 feet to the beginning of a tangent curve to the left, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $45^{\circ}49'$ East, 0.2 feet;

Northeasterly, along said tangent curve to the left through a central angle of $45^{\circ}57'00''$, having a radius of 755.00 feet, a chord bearing of North $65^{\circ}59'01''$ East, a chord distance of 589.40 feet and an arc length of 605.49 feet to the end of said curve, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $69^{\circ}15'$ East, 0.3 feet;

North $43^{\circ}00'31''$ East, a distance of 87.64 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the beginning of a tangent curve to the right, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $68^{\circ}18'$ East, 0.3 feet;

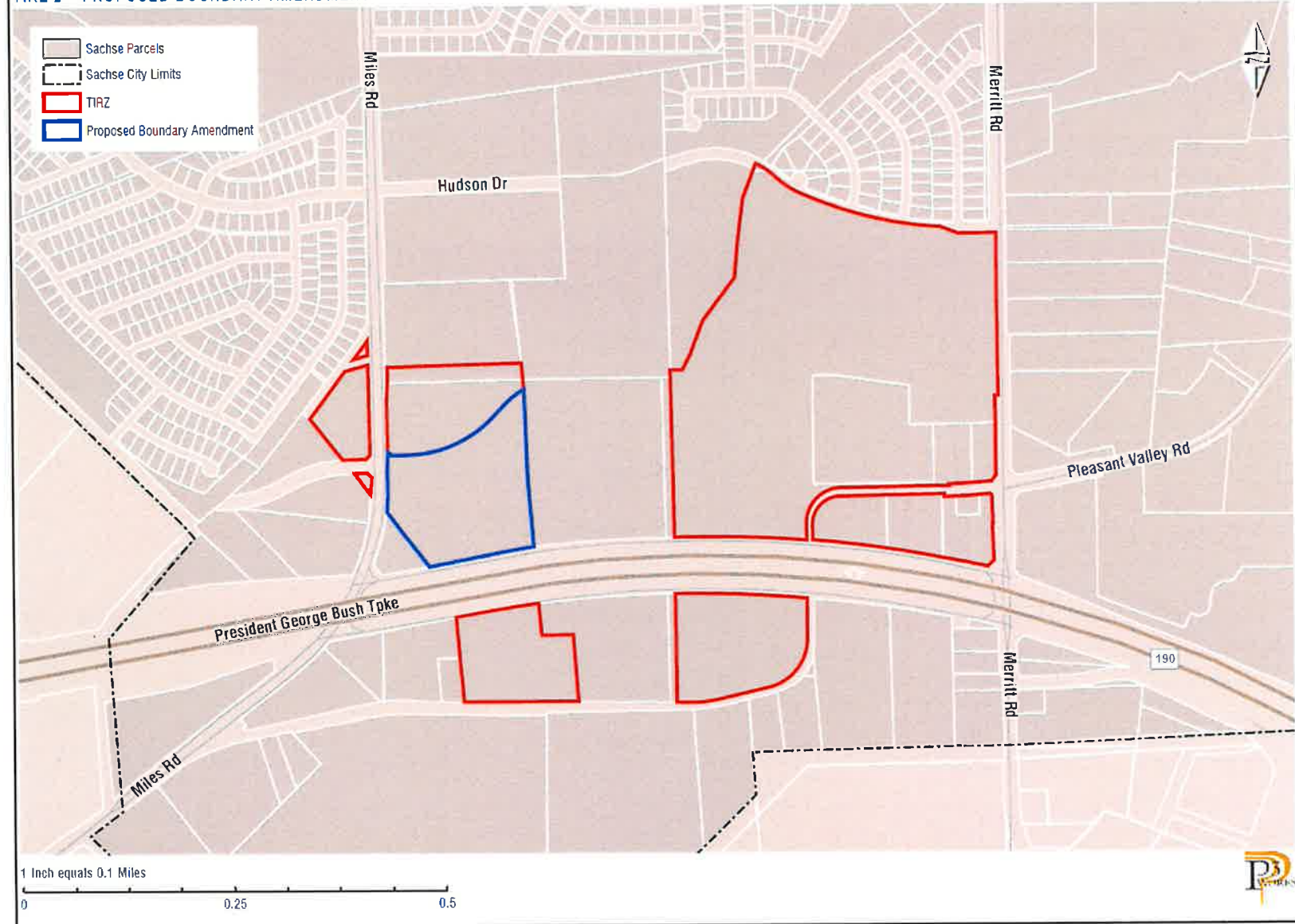
Northeasterly, along said tangent curve to the right through a central angle of $16^{\circ}00'32''$, having a radius of 555.00 feet, a chord bearing of North $51^{\circ}00'47''$ East, a chord distance of 154.57 feet and an arc length of 155.07 feet to a 5/8 inch iron rod with red plastic stamped "KHA" set for the northeast corner of said 14.933 acre tract at the end of said curve, said point being in the west line of aforesaid Batsu Enterprises tract, from which a 1/2 inch iron rod found for the most northerly northwest corner of said Batsu Enterprises tract and the most westerly southwest corner of a called 26.04 acre tract of land described in a Special Warranty Deed to the City of Sachse, recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas, bears North $05^{\circ}00'48''$ West a distance of 63.83 feet;

THENCE, along the east line of said 14.933 acre tract and the west line of said Batsu Enterprises tract, the following courses and distances:

South $05^{\circ}00'48''$ East, a distance of 550.69 feet to a point for corner, from which, a 1/2 inch iron rod found for witness bears South $58^{\circ}28'$ East, 0.5 feet;

South $04^{\circ}26'52''$ East, a distance of 431.33 feet to the POINT OF BEGINNING and containing 14.933 acres (650,474 square feet) of land, more or less.

TIRZ 2 - PROPOSED BOUNDARY AMENDMENT





Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	4. Consider an ordinance amending Ordinance No. 2049, as amended by Ordinance No. 2196 and Ordinance No. 3897, by amending and reducing the boundaries of Tax Increment Financing Reinvestment Zone Number One ("PGBT Reinvestment Zone").
Access	Public
Type	Action
Recommended Action	Approve an ordinance amending Ordinance No. 2049, as amended by Ordinance No. 2196 and Ordinance No. 3897, by amending and reducing the boundaries of Tax Increment Financing Reinvestment Zone Number One ("PGBT Reinvestment Zone").

Public Content

BACKGROUND

The City Council by Ordinance No. 2049 created Tax Increment Reinvestment Zone Number One ("PGBT Reinvestment Zone") as amended by Ordinance No. 2196 and Ordinance No. 3897, to promote the development or redevelopment of the area, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code.

OVERVIEW

This item is affiliated with the ordinance amending the boundary of Reinvestment Zone Number Two to include approximately 14.933 acres, pursuant to Chapter 311 of the Texas Tax Code.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve an ordinance amending Ordinance No. 2049, as amended by Ordinance No. 2196 and Ordinance No. 3897, by amending the boundaries of Tax Increment Reinvestment Zone Number One ("PGBT Reinvestment Zone").

[TIRZ 1 Ordinance Amending TIRZ 1 Boundary.pdf \(509 KB\)](#)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, AMENDING ORDINANCE NO. 2049, AS AMENDED BY ORDINANCE NO. 2196 AND ORDINANCE NO. 3897, BY AMENDING AND REDUCING THE BOUNDARIES OF TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE OF THE CITY OF SACHSE, TEXAS (“PGBT REINVESTMENT ZONE”); PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City (the “City Council”) by Ordinance No. 2049 created Tax Increment Financing Reinvestment Zone Number One City of Sachse, Texas (“PGBT Reinvestment Zone”) as amended by Ordinance No. 2196 and Ordinance No. 3897, to promote the development or redevelopment of the area, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the “Act”); and

WHEREAS, the City of Sachse, Texas, has received a petition in compliance with Section 311.007(b) of the Act requesting that 14.933± acres of property located within the PGBT Reinvestment Zone and within City’s corporate limits described in **Exhibit A** and depicted in **Exhibit B**, respectively, attached hereto and made a part for all purposes (the “Removed Property”) be added to Reinvestment Zone Number Two, City of Sachse (“Zone Two”); and

WHEREAS, the City Council desires to amend and reduce the boundaries of the PGBT Reinvestment Zone by removing the Removed Parcel so that the Removed Parcel may be added to Zone Two in accordance with the above-referenced petition; and

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

SECTION 1. The facts and recitations contained in the preamble of this ordinance and contained in Ordinance No. 2049, as amended by Ordinance No. 2196 and Ordinance No. 3897, are hereby found and declared to be true and correct.

SECTION 2. Ordinance No. 2049, as amended by Ordinance No. 2196 and Ordinance No. 3897 be and the same is hereby further amended by amending the boundaries of the PGBT Reinvestment Zone by deleting and omitting the Removed Parcel from the boundaries of the PGBT Reinvestment Zone. The boundaries of the PGBT Reinvestment Zone shall hereafter be as set forth in Ordinance No. 2049, Ordinance No. 2196, and Ordinance No. 3897, as amended herein by excluding the Removed Parcel.

SECTION 3. All provisions of the ordinances of the City of Sachse in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however that Ordinance No. 2049, as amended by Ordinance No. 2196 and Ordinance No. 3897, and all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect, except as amended herein.

SECTION 4. Should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision hereof other than the part so decided to be invalid, illegal or unconstitutional.

SECTION 5. This ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and charter in such cases provide if the City Council adopts an ordinance amending the boundaries of Zone Two to include the Removed Parcel within the boundaries of Zone Two.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas on the 21st day of September 2020.

APPROVED:

Michelle Howarth, Mayor Pro Tem

DULY ENROLLED:

Michelle Lewis Sirianni
City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr.
City Attorney

EXHIBIT A
Metes and Bounds of the Removed Parcel

The following legal description, being the Acquisition Tract, is appended to Exhibit A of the Agreement and shall be designated Tract 12:

LEGAL DESCRIPTION TRACT 12

BEING a tract of land situated in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas and being all of a called 14.933 acres, described in a Special Warranty Deed to Sachse Medical Center, L.L.C., recorded in Instrument No. 201400065513 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the southeast corner of said 14.933 acre tract, said corner being in the west line of that tract of land described in a Special Warranty Deed to Batsu Enterprises, recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas, and in the north right-of-way line of President George Bush Turnpike, a 350 foot wide right-of-way, said corner also being at the beginning of a non-tangent curve to the left;

THENCE, along the south line of said 14.933 acre tract and the north right-of-way line of said President George Bush Turnpike, the following courses and distances:

Southwesterly, along said non-tangent curve to the left through a central angle of 02°26'08", having a radius of 7815.00 feet, a chord bearing of South 80°58'58" West, a chord distance of 332.18 feet and an arc length of 332.20 feet to a concrete monument with brass disk found for corner at the end of said curve;

South 79°45'54" West, a distance of 343.41 feet to the most southerly southwest corner of said 14.933 acre tract, said corner being in the northeast line of a called 51.724 acre tract of land described in a Warranty Deed to The Trull Foundation, recorded in Volume 94077, Page 2599 of the Deed Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "WAI" found for witness bears North 73°54' East, 0.6 feet;

THENCE North 38°00'53" West, departing the north right-of-way line of said President George Bush Turnpike, and along the southwest line of said 14.933 acre tract and the northeast line of said 51.724 acre tract and the northeast line of Tract Two, called 0.5384 acre, as described in a General Warranty Deed to The Trull Foundation, recorded in Volume 96158, Page 6025 of the Deed Records of Dallas County, Texas, a distance of 435.20 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the most westerly southwest corner of said 14.933 acre tract, said corner being in the east right-of-way line of Miles Road, a 100 foot wide right-of-way at this point, and also being at the beginning of a non-tangent curve to the left;

THENCE, along the west line of said 14.933 acre tract and the east right-of-way line of said Miles Road, the following courses and distances:

Northeasterly, along said non-tangent curve to the left through a central angle of $08^{\circ}21'44''$, having a radius of 1550.00 feet, a chord bearing of North $03^{\circ}08'21''$ East, a chord distance of 226.02 feet and an arc length of 226.22 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the end of said curve;

North $01^{\circ}02'31''$ West, a distance of 142.90 feet to the northwest corner of said 14.933 acre tract, common to the southwest corner of a called 8.709 acres, as described in a Special Warranty Deed, recorded in Instrument No. 201800267365 of the Official Public Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $41^{\circ}40'$ East, 0.3 feet;

THENCE departing the east right-of-way line of said Miles Road, along the common line of said 14.933 acre tract and said 8.709 acre tract, the following courses and distances:

South $46^{\circ}17'27''$ East, a distance of 32.97 feet to a 5/8 inch iron rod with red plastic stamped "TNP" found for corner;

North $88^{\circ}57'30''$ East, a distance of 100.58 feet to the beginning of a tangent curve to the left, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $45^{\circ}49'$ East, 0.2 feet;

Northeasterly, along said tangent curve to the left through a central angle of $45^{\circ}57'00''$, having a radius of 755.00 feet, a chord bearing of North $65^{\circ}59'01''$ East, a chord distance of 589.40 feet and an arc length of 605.49 feet to the end of said curve, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $69^{\circ}15'$ East, 0.3 feet;

North $43^{\circ}00'31''$ East, a distance of 87.64 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the beginning of a tangent curve to the right, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $68^{\circ}18'$ East, 0.3 feet;

Northeasterly, along said tangent curve to the right through a central angle of $16^{\circ}00'32''$, having a radius of 555.00 feet, a chord bearing of North $51^{\circ}00'47''$ East, a chord distance of 154.57 feet and an arc length of 155.07 feet to a 5/8 inch iron rod with red plastic stamped "KHA" set for the northeast corner of said 14.933 acre tract at the end of said curve, said point being in the west line of aforesaid Batsu Enterprises tract, from which a 1/2 inch iron rod found for the most northerly northwest corner of said Batsu Enterprises tract and the most westerly southwest corner of a called 26.04 acre tract of land described in a Special Warranty Deed to the City of Sachse, recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas, bears North $05^{\circ}00'48''$ West a distance of 63.83 feet;

THENCE, along the east line of said 14.933 acre tract and the west line of said Batsu Enterprises tract, the following courses and distances:

South 05°00'48" East, a distance of 550.69 feet to a point for corner, from which, a 1/2 inch iron rod found for witness bears South 58°28' East, 0.5 feet;

South 04°26'52" East, a distance of 431.33 feet to the POINT OF BEGINNING and containing 14.933 acres (650,474 square feet) of land, more or less.

EXHIBIT B

Map of Removed Parcel





Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	5. Consider a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1 at the Station and call for a public hearing to be held during the Regular City Council Meeting on Monday, October 19, 2020, regarding the levy of assessments against property in such Public Improvement District.
Access	Public
Type	Action, Discussion, Information
Preferred Date	Sep 08, 2020
Absolute Date	Sep 08, 2020
Recommended Action	Consider a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1 at the Station and call for a public hearing to be held during the Regular City Council Meeting on Monday, October 19, 2020, regarding the levy of assessments against property in such Public Improvement District.

Public Content

BACKGROUND

The Public Improvement District Assessment Act (the PID Act), Texas Local Government Code, Chapter 372, as amended, authorizes the City Council to create a public improvement district within the City. On January 22, 2019, the Council approved Resolution No. 3905 authorizing, establishing and creating the Sachse Public Improvement District No. 1, and, on December 2, 2019, the Council approved Resolution No. 3958 adding land to the District.

OVERVIEW

The Council and the City staff have been presented a "Sachse Public Improvement District No. 1 Preliminary Service and Assessment Plan", including the proposed assessment roll. The PID Act requires that the Proposed Assessment Roll be filed with the City Secretary of the City and be subject to public inspection. The PID Act also requires that a public hearing be held to consider proposed assessments and requires the Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the Assessment Hearing.

POLICY CONSIDERATIONS

This action item is authorized under Chapter 372 of the Texas Local Government Code and is contemplated within the original Development Agreement between the City and PMB Station Land LP that was executed on October 3, 2018.

RECOMMENDATION

Approve a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1 at the Station and call for a public hearing to be held during the Regular City Council Meeting on Monday, October 19, 2020, regarding the levy of assessments against property in such Public Improvement District.



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	6. Consider a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the operation and maintenance of the Sachse Public Improvement District No. 1 at the Station and calling for a public hearing to be held during the Regular City Council Meeting on October 19, 2020, regarding the levy of operation and maintenance assessments against property in such Public Improvement District.
Access	Public
Type	Action, Discussion, Information
Recommended Action	Approve a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the operation and maintenance of the Sachse Public Improvement District No. 1 at the Station and calling for a public hearing to be held during the Regular City Council Meeting on October 19, 2020, regarding the levy of operation and maintenance assessments against property in such Public Improvement District.

Public Content

BACKGROUND

This item is associated with the Preliminary Service and Assessment Plan item.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Consider a resolution accepting and approving a preliminary service and assessment plan and preliminary assessment rolls for the operation and maintenance of the Sachse Public Improvement District No. 1 at the Station and calling for a public hearing to be held during the Regular City Council Meeting on October 19, 2020, regarding the levy of operation and maintenance assessments against property in such Public Improvement District.



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	7. Consider an ordinance authorizing the issuance and sale of City of Sachse, Texas Limited Tax Note, Series 2020, levying an annual ad valorem tax and providing for the security for and payment of said note; engaging bond consultants, including engaging bond counsel on a contingency fee basis; providing an effective date; and enacting other provisions relating to the subject.
Access	Public
Type	Action
Preferred Date	Sep 21, 2020
Recommended Action	Approve an ordinance authorizing the issuance and sale of City of Sachse, Texas Limited Tax Note, Series 2020; levying an annual ad valorem tax and providing for the security for and payment of said note; engaging bond consultants, including engaging bond counsel on a contingency fee basis; providing an effective date; and enacting other provisions relating to the subject.
Goals	Strategically invest in the City's existing and future infrastructure. Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

The City of Sachse has entered into a development agreement with PMB Station Land, LP in support of development of a high-quality, mixed-use project within the City's corporate limits. According to the terms of the development agreement, the City has agreed to participate in limited shared funding for construction of roadway, drainage, water, and sewer infrastructure and improvements to Heritage Park. Proceeds from these Series 2020 Tax Notes will be used to finance Phase 2 of these project costs.

OVERVIEW

Tax Notes are limited to a seven-year amortization and may be paid off in a shorter time. Debt Service payments for principal and interest of the Series 2020 Tax Notes will be funded without increasing the Interest and Sinking (I&S) tax rate.

POLICY CONSIDERATIONS

According to Section 7.14 of the City Charter, the City shall have the right and power, except as prohibited by law or this Charter, to borrow money by whatever method it may deem to be in the public interest.

RECOMMENDATION

Approve an ordinance authorizing the issuance and sale of City of Sachse, Texas Limited Tax Note, Series 2020; levying an annual ad valorem tax and providing for the security for and payment of said note; engaging bond consultants, including engaging bond counsel on a contingency basis; providing an effective date; and enacting other provisions relating to the subject.

[Sachse Tax Note 2020--draft Ordinance.pdf \(83 KB\)](#)

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS
COUNTIES OF DALLAS AND COLLIN
CITY OF SACHSE

We, the undersigned Mayor and City Secretary of the City of Sachse, Texas (the "City"), hereby certify as follows:

1. The City Council of the City (the "Council") convened in a regular meeting on September 21, 2020, at the designated meeting place, and the roll was called of the duly constituted officers and members of the Council, to-wit:

Mike Felix, Mayor
Michelle Howarth, Mayor Pro Tem
Brett Franks, Councilmember
Paul Watkins, Councilmember
Chance Lindsey, Councilmember
Cullen King, Councilmember
Jeff Bickerstaff, Councilmember

Michelle Lewis Sirianni, City Secretary

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

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SACHSE, TEXAS, LIMITED TAX NOTE, SERIES 2020; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID NOTE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of the Council. It was then duly moved and seconded that said Ordinance be adopted and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried with all members present voting "AYE" except the following:

NOES: _____ ABSTAIN: _____

2. A true, full and correct copy of the aforesaid Ordinance passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in the official minutes of the Council; the above and foregoing paragraph is a true and correct excerpt from said minutes of said meeting pertaining to the passage of said Ordinance; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Ordinance, were the duly chosen, qualified and acting members of the Council as indicated therein; each of said officers and member was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Ordinance would be introduced and considered for passage at said meeting; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Texas Government Code, Chapter 551.

3. The Council has approved and hereby approves the aforesaid Ordinance; and the Mayor and the City Secretary of the City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED SEPTEMBER 21, 2020.

Michelle Lewis Sirianni, City Secretary
City of Sachse, Texas

Mike J. Felix, Mayor
City of Sachse, Texas

(City Seal)

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SACHSE, TEXAS, LIMITED TAX NOTE, SERIES 2020; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID NOTE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council (the "Council") of the City of Sachse, Texas (the "Issuer") hereby finds and determines that it is necessary, useful and appropriate for the Issuer's public purposes to authorize and provide for the issuance and sale of notes of the Issuer for the purposes hereinafter set forth, as authorized by Chapter 1431, Texas Government Code, as amended; 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 Texas Government Code, Chapter 551; Now, Therefore

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

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE NOTES. 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 tax note of the Issuer is hereby authorized to be issued and delivered in the aggregate principal amount of \$2,670,000 for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with (1) constructing and improving streets and roads, including related utility relocation, intersection improvements, sidewalks, drainage, signalization, landscaping, lighting and signage, and the construction and installation of water, sewer and stormwater drainage improvements in connection with such street and road improvements (collectively, the "Project") and (2) the costs of professional services and the costs of issuance of the Note.

Section 2. DESIGNATION, DATE, DENOMINATION, NUMBER, AND MATURITY AND INTEREST RATE OF NOTES.

(a) Each Note issued pursuant to this Ordinance shall be designated: "CITY OF SACHSE, TEXAS, LIMITED TAX NOTE, SERIES 2020," and initially there shall be issued, sold, and delivered hereunder one fully registered Note, without interest coupons, dated October 1, 2020, in the denomination and principal amount of \$2,670,000, numbered R-1, with any Note issued in replacement thereof being in the denomination and principal amount hereinafter stated and numbered consecutively from R-2 upward, payable in installments to the registered owner thereof, or to the registered assignee of said Note (in each case, the "Registered Owner"). Principal of said Note shall be payable in installments on the dates and in the amounts stated in the FORM OF NOTE set forth in **Exhibit A** hereto. The Note shall bear interest, calculated on the basis of a 360-day year of twelve 30-day months, from the delivery date set forth in **Exhibit A** hereto (the "Delivery Date"), at the rate or rates set forth in **Exhibit A** hereto. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF NOTE set forth in **Exhibit A** hereto.

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

(b) The Notes shall be subject to redemption prior to maturity as set forth in the FORM OF NOTE attached hereto as **Exhibit A**.

Section 3. CHARACTERISTICS OF THE NOTES.

(a) Registration. The Issuer shall keep or cause to be kept at the principal corporate trust office of _____, _____, Texas (the "Paying Agent/Registrar"), books or records for the registration of the transfer and exchange of the Notes (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 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 and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Notes to which payments with respect to the Notes 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, exchange and delivery of substitute Notes. Registration of assignments, transfers and exchanges of a Notes shall be made in the manner provided and with the effect stated in the FORM OF NOTES set forth in this Ordinance. Each substitute Note shall bear a letter and/or number to distinguish it from each other Note.

(b) Transfer and Exchange. Except as provided in Section 3(f) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Note, date and manually sign said Note, and no such Note shall be deemed to be issued or outstanding unless such Note is so executed. The Paying Agent/Registrar promptly shall cancel any Note surrendered for 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 transfer and exchange of any Note, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of a substitute Note in the manner prescribed herein. Pursuant to Chapter 1201, Government Code, as amended, the duty of transfer of a Note as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Note, the exchanged Note shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Note that initially was issued and delivered pursuant to this Ordinance, approved by the Attorney General (the "Attorney General") of the State of Texas (the "State") and registered by the Comptroller of Public Accounts of the State (the "Comptroller"). The Note may be transferred and registered in the name of the new registered owner in whole but not in part.

(c) Payment of Notes 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 Notes, 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 Notes, shall properly and accurately record all payments on the Notes on the Registration Books, and shall keep proper records of all exchanges of Notes, and all replacements of Notes, as provided in this Ordinance. However, in the event of a nonpayment 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 past due interest shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of the 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.

(d) In General. The Notes (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Notes to be payable only to the Registered Owner thereof, (ii) may be prepaid or redeemed prior to its scheduled maturity, (iii) may be exchanged for another Notes, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Notes 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 Notes, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF NOTES set forth in this Ordinance. The Notes initially issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Note issued in exchange for any Note issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF NOTES.

(e) Paying Agent/Registrar. The Issuer covenants with the Registered Owner of the Notes that at all times while the Notes are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Notes under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 20 days written notice to the Paying Agent/Registrar, to be effective not later than 15 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 Notes, 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 the Registered Owner of the Notes, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such,

each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(f) Authentication. Except as provided below, no Note shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on the Notes. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Note delivered on the Delivery Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller or by his duly authorized agent, which certificate shall be evidence that the Initial Note has been duly approved by the Attorney General and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(g) Delivery of Initial Note. On the Delivery Date, one initial Note representing the entire principal amount of the Notes, payable in stated installments to the Purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, and with the Delivery Date inserted thereon by the Paying Agent/Registrar, will be delivered to such Purchaser or its designee.

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

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

Section 5. INTEREST AND SINKING FUND.

(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 Notes. All ad valorem taxes levied and collected for and on account of said Notes shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Notes is 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 Notes as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Notes as such principal matures (but never less than 2% of the original amount of said Notes 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 said Notes 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 Notes, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. If 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 this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

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

Section 6. DEFEASANCE OF NOTES.

(a) Any Note and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Note") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Note, 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 the Defeased Note shall have become due and payable. At such time as a Note shall be deemed to be a Defeased Note hereunder, as aforesaid, such Note 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 a Defeased Note 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 Note for redemption; (2) gives notice of the reservation of that right to the Registered Owner of the Defeased Note 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 Notes 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 a Defeased Note 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 Note, 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 Notes, which currently includes the following: (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America., (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until the Defeased Note shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Note 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.

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

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

(b) Application for Replacement Notes. Application for replacement of a damaged, mutilated, lost, stolen or destroyed Note shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Note, the Registered Owner applying for a replacement Note 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 Note, 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 Note, as the case may be. In every case of damage or mutilation of a Note, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Note so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Notes 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 Notes, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Note) instead of issuing a replacement Note, provided security or indemnity is furnished as above provided in this Section.

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

(e) Authority for Issuing Replacement Notes. In accordance with Section 1206.022, Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Notes 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 Notes is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Notes in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for a Note issued in exchange for another Note.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF NOTES; BOND COUNSEL'S OPINION.

(a) The Mayor of the Issuer is hereby authorized to have control of the Note initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Note pending

its delivery and their investigation, examination, and approval by the Attorney General and its registration by the Comptroller. Upon registration of the Note, the Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Note, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Note. The approving legal opinion of the Issuer's bond counsel may, at the option of the Issuer, be printed on the Notes issued and delivered under this Ordinance, but shall have no legal effect, and shall be solely for the convenience and information of the Registered Owner of the Notes.

(b) The obligation of the Purchaser to accept delivery of the Notes is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Notes is hereby approved and confirmed.

(c) In accordance with the provisions of Section 1202.004, Texas Government Code in connection with the submission of the Notes to the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Notes, subject to a minimum of \$750 and a maximum of \$9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Notes. The Issuer hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Notes, made payable to the "Texas Attorney General," be promptly furnished to the Issuer's bond counsel, for payment to the Attorney General in connection with his review of the Notes.

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

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Notes 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 Notes or the Project (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 Project 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 Notes, 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 Notes or the Project (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which 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 which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Notes (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 which would otherwise result in the Notes 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 Notes 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 Notes, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Notes, other than investment property acquired with –

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

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148 1(b) of the 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 Notes;

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

(8) to refrain from using the proceeds of the Notes or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Notes in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Notes) 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 Notes have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to assure that the Notes are used for solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), 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 Noteholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. 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 Notes. 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 which modify or expand provisions of the Code, as applicable to the Notes, 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 Notes under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Notes, 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 Notes under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, the Mayor Pro Tem, the City Manager, the Director of Finance and the City Secretary of the Issuer, any one or more of said officials, to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Notes.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Project on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Notes, or (2) the date the Notes are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Notes. 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 Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Notes. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Notes. For purposes of the foregoing, the portion of the property comprising personal property and disposed

in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 10. SALE OF NOTES. The Notes are hereby initially sold and shall be delivered to _____ (the "Purchaser"), for cash for the par value thereof, pursuant to the purchase agreement dated the date of the final passage of this Ordinance which the Mayor is hereby authorized to execute and deliver. The Notes shall initially be registered in the name of the Purchaser. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 11. FURTHER PROCEDURES. The Mayor, the Mayor Pro Tem, the City Manager, the Director of Finance and the City Secretary, individually or jointly, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Letter of Representations, the Notes and the sale of the Notes. In addition, prior to the delivery of the Notes, the Mayor, the Mayor Pro Tem, the City Manager, the Director of Finance and the City Secretary are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance (i) in order to cure any ambiguity, formal defect or omission in this Ordinance or such other document or (ii) as requested by the Attorney General or his representative to obtain the approval of the Notes by the Attorney General. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, 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 12. NO RULE 15c2-12 UNDERTAKING. The Issuer has not made an undertaking in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule").

Section 13. DEFAULT AND REMEDIES.

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

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

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

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

(c) Remedies Not Exclusive.

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

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

(iii) By accepting the delivery of Notes authorized under this Ordinance, such registered owner agrees that the certifications contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the Council.

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 Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (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 Registered Owners, (v) 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 (iv) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be materially inconsistent with the provisions of this Ordinance and that shall not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, a majority of the Registered Owners of Notes then outstanding 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 Registered Owners in aggregate principal amount of the then outstanding Notes, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Notes so as to:

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

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

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owners of at least a majority in aggregate principal amount of all of the Notes then outstanding that are required for the amendment (or 100% if such amendment is made in accordance with paragraph (b)), which instrument or instruments shall refer to the proposed amendment and which 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 Registered Owners of such affected Notes shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Note pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and shall be conclusive and binding upon all future Registered Owners of the same Note during such period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner 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 Registered Owners the required amount of the affected Notes then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

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

Section 15. PROJECT FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund or account to be entitled the "Series 2020 Note Project Fund" (the "Project Fund")

for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided, and to pay the costs of issuance of the Notes. Upon payment of all such costs, any moneys remaining on deposit in said fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may place proceeds of the Notes (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 Notes will be used as soon as practicable for the purposes for which the Notes 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 16. 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.

Section 17. INTEREST EARNINGS ON NOTE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Notes shall be used along with other Note proceeds for the Project; 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 Note proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Notes from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 18. APPROPRIATION. To pay the debt service coming due on the Notes prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 19. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

EXHIBIT A

The form of the Note, 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 Note initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) Form of Note.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF SACHSE, TEXAS LIMITED TAX NOTE, SERIES 2020	PRINCIPAL AMOUNT \$ _____
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<u>Interest Rate</u> _____%	<u>Delivery Date</u> October 20, 2020	<u>Maturity Date</u> February 15, 2022
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE CITY OF SACHSE, in Dallas and Collin Counties, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest thereon, from the Delivery Date set forth above, on the balance of said principal amount from time to time remaining unpaid, at the interest rate per annum set forth above. The unpaid principal of this Note shall finally mature on February 15, 2022 (the "Maturity Date"), but shall be paid in installments on the dates and in the amounts set forth in the table below:

<u>Payment Date</u> <u>(February 15)</u>	<u>Principal</u> <u>Amount</u>
2021	\$ 2,215,000
2022	455,000

THE PRINCIPAL OF AND INTEREST ON THIS NOTE are payable in lawful money of the United States of America, without exchange or collection charges. The Issuer shall pay interest on this Note on February 15, 2021, and on each August 15 and February 15 thereafter to the date of final maturity or redemption prior to maturity. The last principal installment of this Note shall be paid to the registered owner hereof upon presentation and surrender of this Note at final maturity, or upon the date fixed for its redemption prior to maturity, at the principal office of _____ in _____, Texas, which is the "Paying Agent/Registrar" for this Note. The payment of all other principal installments of and interest on this Note shall be made by the Paying Agent/Registrar to the registered owner hereof without presentation of this Note to the Paying Agent/Registrar on

each principal and interest payment date by check or draft, dated as of such principal and 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 the Note (the "Note Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, principal and 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.

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

IF THE DATE for the payment of the principal of or interest on this Note 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 NOTE is dated October 1, 2020, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$2,670,000 for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with (1) constructing and improving streets and roads, including related utility relocation, intersection improvements, sidewalks, drainage, signalization, landscaping, lighting and signage, and the construction and installation of water, sewer and stormwater drainage improvements in connection with such street and road improvements (collectively, the "Project") and (2) the costs of professional services and the costs of issuance of the Note.

ON ANY DATE, the Note may be redeemed prior to its scheduled maturity, 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 Note, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Note may be redeemed only in an integral multiple of \$1,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY days prior to the date fixed for any redemption of Note or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying

Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Note 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 Note. 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 Note 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 Note 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 Note shall be redeemed, a substitute Note having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$1,000, 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 Note Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE NOTE, unless certain prerequisites to such redemption required by the Note Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Notes to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Notes and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Notes have not been redeemed.

THE NOTE is issuable solely as a fully registered Note, without interest coupons, in the principal denomination of any integral multiple of \$1,000. As provided in the Note Ordinance, this Note 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 a fully registered Note, 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 \$1,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Note to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Note Ordinance. Among other requirements for such assignment and transfer, this Note 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 Note or any portion or portions hereof in any integral multiple of \$1,000 to the assignee or assignees in whose name or names this Note or any such portion or portions hereof is

or are to be registered. The form of Assignment printed or endorsed on this Note 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 Note 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 Note 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 Note or any portion thereof called for redemption prior to maturity, within 30 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Note is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Note 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 Note.

IT IS HEREBY certified, recited and covenanted that this Note 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 Note 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 Note, 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.

THE ISSUER HAS RESERVED THE RIGHT to amend the Note 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 Note.

BY BECOMING the registered owner of this Note, the registered owner thereby acknowledges all of the terms and provisions of the Note Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Note 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 Note and the Note Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed with the manual or facsimile signature of the Mayor of the Issuer 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 Note.

(signature)

City Secretary

(signature)

Mayor

(City Seal)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Note 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 Note has been issued under the provisions of the Note Ordinance described in the text of this Note; and that this Note has been issued in replacement of, or in exchange for, a Note 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
Paying Agent/Registrar

By: _____
Authorized Representative

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 Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Note 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 Note in every particular, without alteration or enlargement or any change whatsoever.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Note has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Note 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)

PREPAYMENT RECORD

Date of Payment	Principal Prepayment (amount and installment(s) to which payment is applied)	Remaining Principal Balance	Name and Title of Authorized Officer making Entry	Signature of Authorized Officer
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	8. Receive a presentation from Texas Coalition for Affordable Power (TCAP) regarding a new procurement process for wholesale power purchases.
Access	Public
Type	Discussion, Information
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

The City of Sachse is one of 166 municipalities that participate in the Texas Coalition for Affordable Power (TCAP) for obtaining wholesale power for municipal facilities. The current contract was approved in April 2016 and took effect in January 2018; it expires December 31, 2022. Margaret Somereve, Executive Director of TCAP, will present information tonight regarding a new procurement process being proposed for wholesale power purchases in 2022 and beyond.

Action regarding the City of Sachse's participation in the TCAP Strategic Hedging Program will be scheduled on a future City Council agenda.

RECOMMENDATION

Receive information regarding TCAP's proposed Strategic Hedging Program and discuss.

[2020 TCAP Presentation.pdf \(903 KB\)](#)

TCAP's SHP Procurement Program

The Future of TCAP Energy

**Texas Coalition for Affordable Power
2020**

CONFIDENTIAL



Who is TCAP?



166 Members

89 Members – North Zone

53 Members – South Zone

11 Members – West Zone

13 Members – Houston Zone

TCAP Board

Place 1- Sugar Land (Houston)	Place 2 – Corpus Christi (South)	Place 3 – Victoria (South)	Place 4 – Wichita Falls (North)	Place 5 – Lewisville (North)
Place 6- McAllen (South)	Place 7 – Duncanville (North)	Place 8 – Kingsville (South)	Place 9 – Brownwood (North)	Place 10 – Bishop (South)
Place 11 – Rockport (South)	Place 12 – North Richland Hills (North)	Place 13- Odessa (West)	Place 14 – Tomball (Houston)	Place 15 – Grand Prairie (North)
Large Members	Medium Members	Small Members	At Large	



WHY TCAP?

- Non-profit organization
- Pool energy to negotiate low rates
- Wholesale Market

Average August Day Load—ERCOT vs. TCAP (Hourly Demand % of Average)



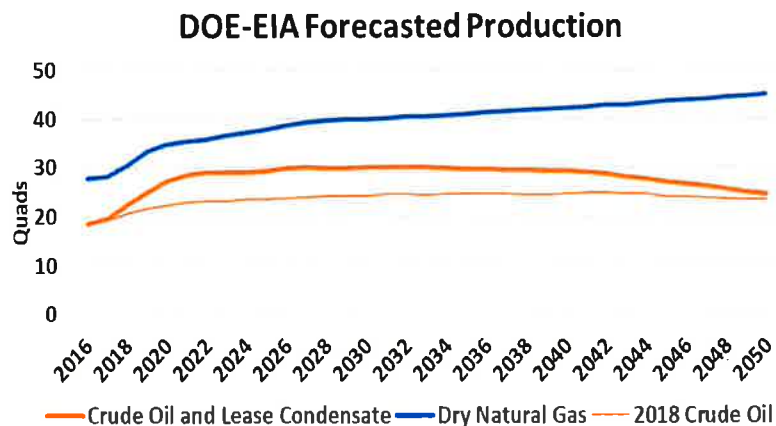
Future Contract

- Current Contract ends December 2022
- TCAP has developed a new procurement option
- The new method should eliminate timing the market to get the best price



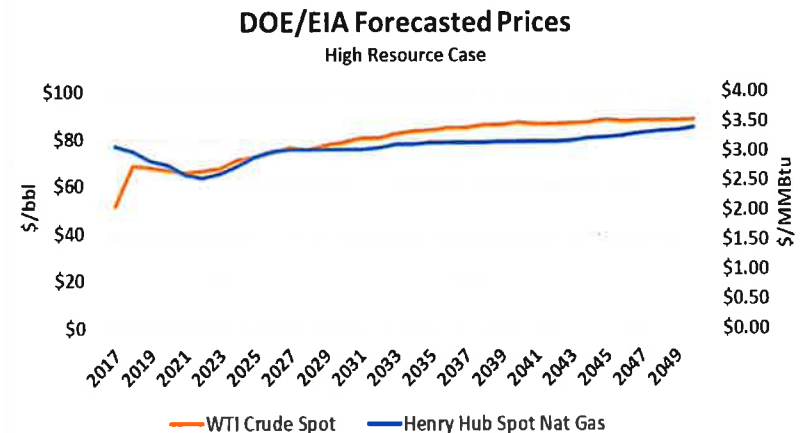
U.S. Energy Future is Bright

World's Largest Producer of Oil and Natural Gas



Positive Supply Outlook

DOE Production Estimate Through 2050 Show a Well Supplied Market



Stable Price Outlook

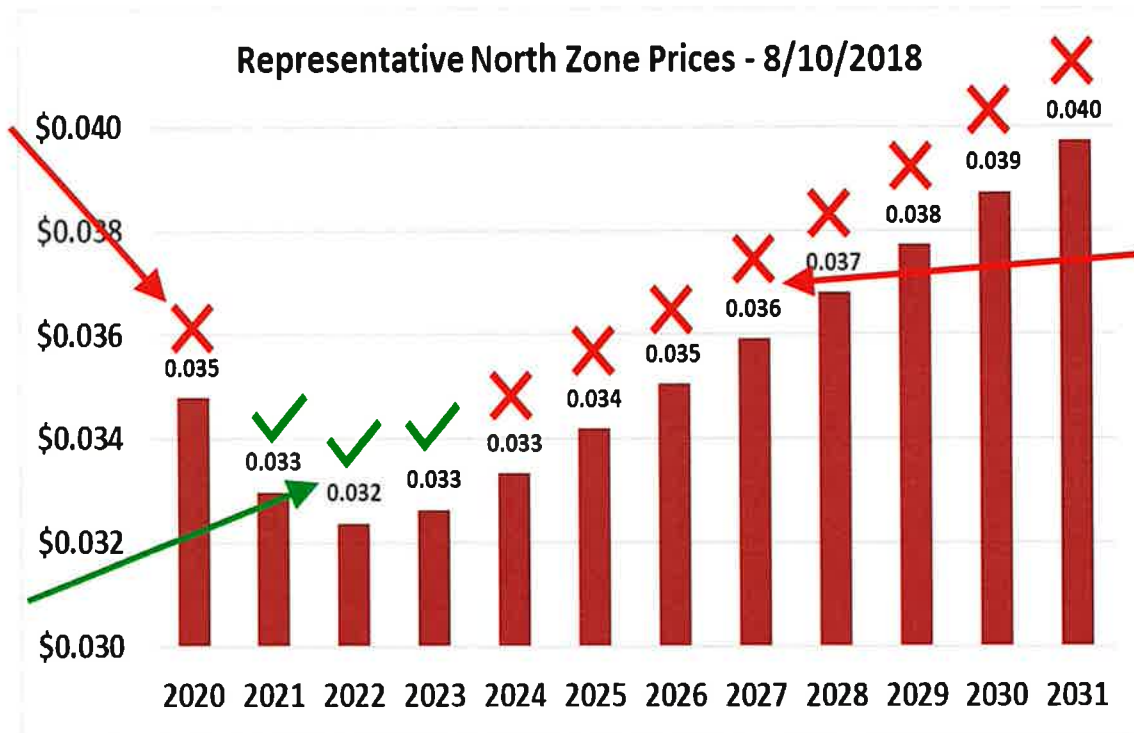
Actual Natural Gas and Oil Spot Prices Currently Lower than Projected Prices

ERCOT Pricing Pattern Dynamics

Why Does Price Change Over Time?

Prices Often Higher in Immediate Next Year Reflecting Uncertainty Created by Current Market Problems and Issues

Market Feels Short Term Problems will be Resolved and Carrying Charges and Market Premium are Low. All Else Being Equal, a **Good Time to Buy.**



Prices Increase Over Time Reflecting Carrying Costs of Procurement for Future Needs and Risk Premiums for future market uncertainty

This Pattern Has Been in Place for at Least the Last Four Years and Reflects a Well Supplied Market

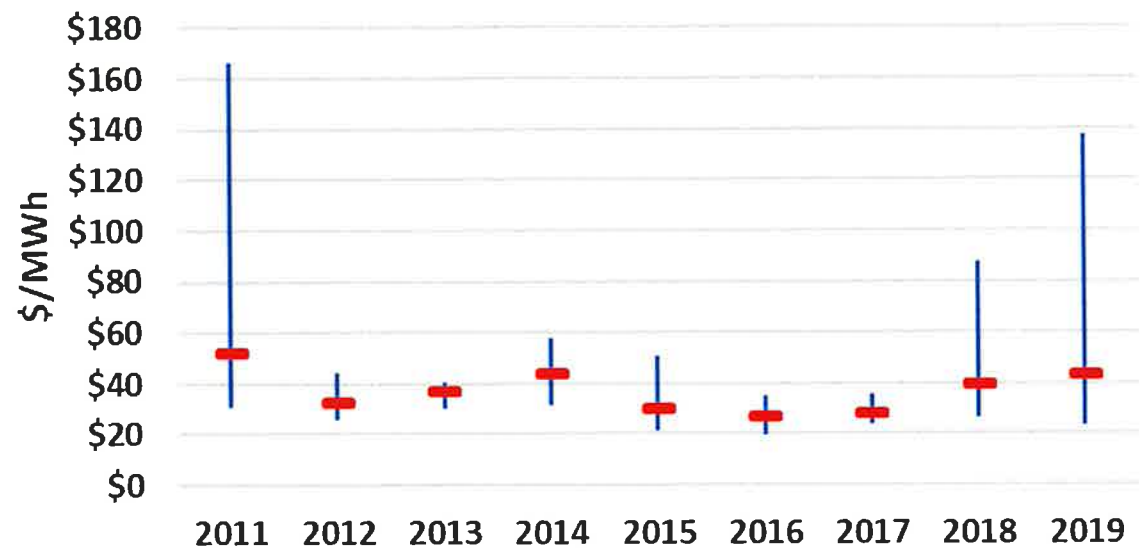
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SHP - The Average Is Much More Stable

Price Range Varies Greatly by Year

But Average Pricing is Much Less Volatile

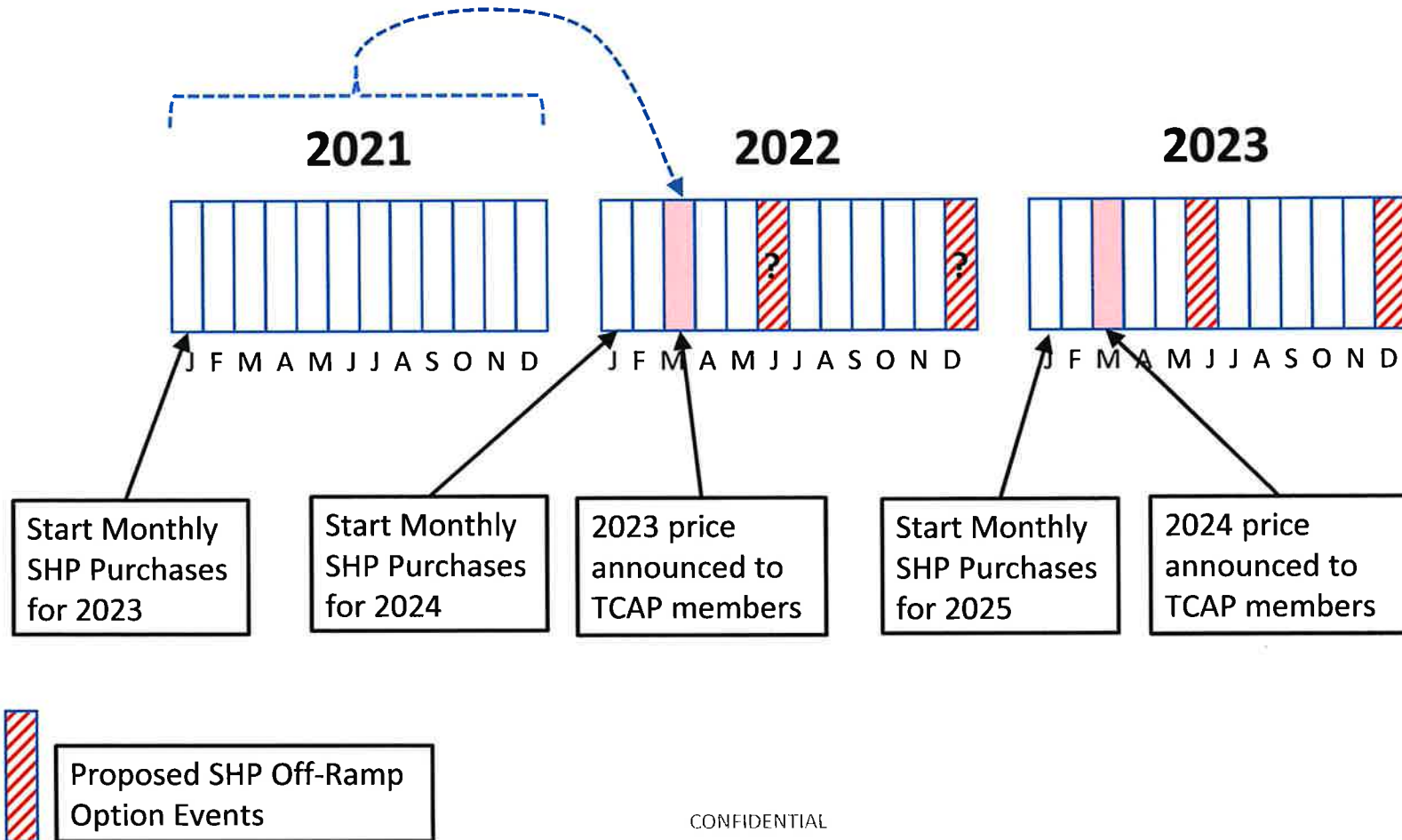
Monthly High/Low/Avg Price - North Zone
Day Ahead Market



SHP Mechanics – What is Different?

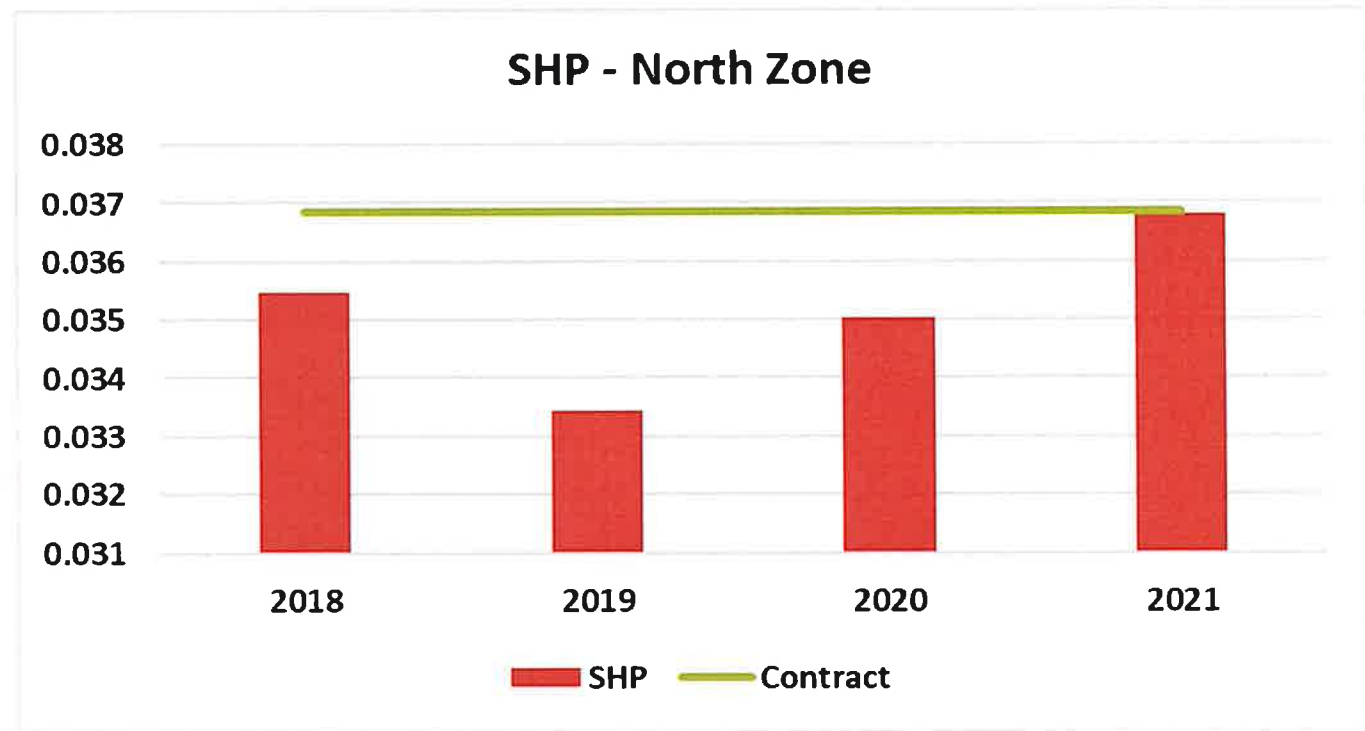
- **Ultra-Competitive RFP Process for Procurement**
- **Periodic Procurements**
 - Multiple RFPs for Each Year's Procurement to Mitigate Price Risk
 - Avoids the “All-In” Guess of a Single Fixed Price Multi-Year Deal
- **Fits Member Needs**
 - **Timely** – Price known Prior to Fiscal Year Budgeting Needs
 - **Market Competitive** – Avoids Having To Explain a Long Term Out of Market Price to Citizens
 - **Flexible** – Periodic Off-Ramps Allow Member to Convert to Fixed Price if Desired
 - **Renewable** – SHP Uses RECs to Make Contract All Renewable

SHP – Timeline of Future Events for 2023 Start



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Analysis Shows SHP Works



Long Range Lookback Shows Savings From 2% (Worst Case) to 32% Over Fixed Price Option
Recent Market Quotes Suggest Pricing May Be Significantly Lower For Next Renewal Period.

Recap and SHP Advantages

- Energy Future Looks Positive – abundant supplies and stable to low prices
- SHP is a unique opportunity for TCAP members
- Structured to Buy When Price is Advantageous
 - Avoid Buyer's Remorse of the "All-In" Guess of a Long-Term Fixed Price (50% correct)
 - Avoids Carrying Charges and Risk Premiums
 - Know Future Price Prior to Budgeting
- All Renewable Contract
- SHP is flexible – Adaptable and Can Convert to Fixed Price



QUESTIONS?

CALL TCAP

Margaret Somereve
msomereve@tcaptx.com
972-764-3136

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Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	9. Consider a resolution authorizing the City Manager to execute a Project Specific Agreement (PSA) with Dallas County for "Type B" Road and Bridge Maintenance of Sachse Road.
Access	Public
Type	Action, Discussion, Information
Preferred Date	Sep 08, 2020
Absolute Date	Sep 08, 2020
Fiscal Impact	Yes
Dollar Amount	569,656.00
Budgeted	Yes
Budget Source	General Capital Fund
Recommended Action	Consider a resolution authorizing the City Manager to execute a Project Specific Agreement (PSA) with Dallas County for "Type B" Road and Bridge Maintenance of Sachse Road.
Goals	Strategically invest in the City's existing and future infrastructure.

Public Content

BACKGROUND

The City of Sachse and Dallas County entered into a Master Interlocal Agreement on October 3, 2017, whereby Dallas County agreed to provide partial funding for such duly qualified "Type B" road and bridge maintenance projects situated within the territorial limits and jurisdiction of the City of Sachse. Sachse Road is identified on the Dallas County Thoroughfare Map as a Secondary Arterial or "Type B" Street and is eligible for maintenance funding.

OVERVIEW

Sachse Road has developed significant pavement failures and is in extremely poor condition. Staff has identified the need for a major Capital Improvement Project to reconstruct this road segment. The current condition of the roadway has major sections that have failed and required immediate attention. As a result, the City reached out to Dallas County to find funding in support of a short-term solution. City staff has been working with Dallas County to identify potential funding and partnership options to provide relief for Sachse residents traveling on Sachse Road.

POLICY CONSIDERATIONS

It is the responsibility of the City of Sachse to maintain, upgrade, and improve public roads as necessary in the City of Sachse. Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act, and Chapter 271.102 of the Texas Local Government Code, authorizes all local governments to contract with each other to perform governmental functions or services including administrative functions normally associated with the operation of government such as purchasing of necessary equipment, goods, and services.

RECOMMENDATION

Approve a resolution authorizing the City Manager to execute a Project Specific Agreement (PSA) with Dallas County for "Type B" Road and Bridge Maintenance of Sachse Road.

[Sachse Road Overlay Presentation.pdf \(467 KB\)](#)

[Resolution PSA Re Type B Public Roadways - Sachse Road Overlay.pdf \(107 KB\)](#)

[ID No 1436 Sachse 2020 RB PSA Type B roads-.pdf \(190 KB\)](#)

Sachse Road Overlay Project

City Council

September 21, 2020



Overview

- Dallas County Participation
- Project Scope & Location
- Sachse Road Photos
- Agreement Overview
- Project Timeline
- Staff Recommendation



Dallas County Participation

- In October 2017, Dallas County and the City of Sachse entered into a Master Interlocal Agreement, where Dallas County agreed to provide partial funding for maintenance projects of “Type B” Roads
- “Type B” Roads in Sachse include Sachse Road
- Dallas County, Commissioner Koch and his staff have been strong advocates for the Sachse community and have assisted in the coordination and construction of several infrastructure projects
- Staff reviewed the condition of Sachse Road and asked the County for partial funding due to the immediate need and cost of this project
- Dallas County is reviewing the request. City staff will work with County staff to budget and prepare the Project Specific Agreement for County and City approval



Project Scope & Location



Project Scope:

- Full depth repair of failed sections
- Treatment and repair of subgrade base
- New 2" asphalt pavement overlay



Sachse Road Photos



Agreement Overview

- Project for maintenance only (not widening of road)
- City of Sachse will manage the project
- Project does include striping of new overlay
- Total cost for the overlay is estimated at \$569,656
- Dallas County to reimburse up to 50% of the project costs (not to exceed \$284,828)



Project Timeline

- September
 - City Council to consider approval of Project Specific Agreement (PSA) with Dallas County and Construction Contract with Reynolds Asphalt
- October
 - Commissioners Court approves PSA
 - Construction to begin
- November
 - Project to be completed



Staff Recommendation

- Staff recommends City Council approve a resolution authorizing the City Manager to execute a Project Specific Agreement (PSA) with Dallas County for “Type B” Road and Bridge Maintenance of Sachse Road



RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF THE PROJECT SPECIFIC AGREEMENT TO THE MASTER INTERLOCAL AGREEMENT BETWEEN THE CITY OF SACHSE AND DALLAS COUNTY, FOR ROAD AND BRIDGE MAINTENANCE AND REPAIR ON “TYPE B” ROADWAYS LOCATED WITHIN THE TERRITORIAL AND JURISDICTION LIMITS OF THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Sachse, Texas, and Dallas County, Texas, entered into a Master Interlocal Agreement on October 3, 2017, whereby Dallas County agreed to provide road and bridge maintenance and repair on “Type B” roadways located within the territorial limits and jurisdiction of the City (“Master Agreement”); and

WHEREAS, the City Council has been presented with a proposed Project Specific Agreement (“PSA”) to the Master Agreement, for Dallas County to provide repair and overlay on Sachse Road from Miles Road to Muddy Creek Bridge as more specifically identified in Attachment “A” to the PSA, located within the territorial limits and jurisdiction of the City; and

WHEREAS, upon full review and consideration of the PSA and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved, and that the City Manager should be authorized to execute the PSA on behalf of the City of Sachse, Texas;

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

SECTION 1. That the City Manager is hereby authorized to execute the PSA, attached hereto as Exhibit “A”.

SECTION 2. That this Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the _____ day of _____, 2020.

CITY OF SACHSE, TEXAS

Michelle Howarth, Mayor Pro Tem

ATTEST:

Michelle Lewis Sirianni, City Secretary
(09-18-2020:TM 118033)

EXHIBIT “A”
Project Specific Agreement

**PROJECT SPECIFIC AGREEMENT
RE: VARIOUS ROADS, TYPE "B" PUBLIC ROADWAY MADE
PURSUANT TO ROAD & BRIDGE MASTER INTERLOCAL
AGREEMENT BETWEEN DALLAS COUNTY, TEXAS, AND
THE CITY OF SACHSE, TEXAS**

This Project Specific Agreement, (hereinafter "PSA"), supplemental to the Master Interlocal Agreement is made by and between Dallas County, Texas (hereinafter "County") and the City of Sachse, Texas (hereinafter "City"), acting by and through their duly authorized representatives and officials, for the purpose of collaborating on road and bridge maintenance projects, repairs and improvements to be undertaken within the territorial limits and jurisdiction of the City of Sachse, Texas, as more fully set forth and described in Attachment "A", which is attached hereto and incorporated herein by reference ("Project").

WHEREAS, Chapter 791 of the Texas Government Code and Chapters 251 and 472 provide authorization for local governments to contract amongst themselves for the performance of governmental functions and services; and

WHEREAS, on or about October 3, 2017, County and City entered into a Master Interlocal Agreement (hereinafter "Master Agreement"), whereby County agreed to provide road and bridge maintenance and repair on "Type B" and "Type E" roadways, situated within the territorial limits and jurisdiction of City; and

WHEREAS, City now desires County to perform such maintenance and repairs, consisting of rehabilitation of public roadway situated in the City of Sachse Texas, as more fully described in Attachment "A".

NOW THEREFORE THIS PSA is made by and entered into by County and City, for the mutual consideration stated herein.

Witnesseth

Article I

Project Specific Agreement

This PSA is specifically intended to identify a Project authorized under the Master Agreement, changes in the rights and responsibilities of each of the parties as set forth in the Master Agreement and additions thereto as incorporated herein. This PSA will be an addition to the Master Agreement and incorporates each term and condition thereof as if fully set forth herein. All terms of the Agreement remains in full force and effect, except as modified herein. In the event of any conflict between the Master Agreement and this PSA, this PSA shall control.

Article II

Incorporated Documents

This PSA incorporates, as if fully reproduced herein word for word and number for number, the following items:

1. Master Interlocal Agreement authorized by County Commissioners Court Order 2017-1290 dated October 3, 2017, and additions thereto as incorporated herein by reference.
2. The construction (Attachment "A"), which is attached hereto and incorporated herein

by reference.

Article III

Term of Agreement

This PSA becomes effective when signed by the last party whose signature makes the agreement fully executed and shall terminate upon the completion and acceptance of the Project by City or upon the terms and conditions in the Master Agreement.

Article IV

Project Description

This PSA is entered into by the parties for repair, maintenance and improvements conducted on "Type "B" public roadway within the City of Sachse, Texas. The Project shall consist of repair and overlay on Sachse Road from Miles Road to Muddy Creek Bridge in the City of Sachse, Texas, (hereinafter "Project"), and as more fully described in Attachment "A". The Project is authorized by the aforementioned Master Agreement, with the parties' obligations and responsibilities governed thereby, as well as by the terms and provisions of this PSA. The Project will facilitate the safe and orderly movement of public transportation to benefit both the City and County.

Article V

Fiscal Funding

Notwithstanding anything to the contrary herein, this PSA is expressly contingent upon the availability of County funding for each item and obligation contained herein. City shall have no right of action against the County of Dallas as regards this PSA, specifically including any funding by County of the Project in the event that the County is unable to fulfill its obligations under this PSA as a result of the lack of sufficient funding for any item or obligation from any source utilized to fund this PSA or failure of any funding party to budget or authorize funding for this PSA during the current or future fiscal years. In the event of insufficient funding, or if funds become unavailable in whole or part, the County, at its sole discretion, may provide funds from a separate source or terminate this PSA. In the event that payments or expenditures are made, they shall be made from current funds as required by Chapter 791, Texas Government Code.

Notwithstanding anything to the contrary herein, this PSA is expressly contingent upon the availability of City funding for each item and obligation contained herein. County shall have no right of action against the City as regards this PSA, specifically including any funding by City of the Project in the event that the City is unable to fulfill its obligations under this PSA as a result of the lack of sufficient funding for any item or obligation from any source utilized to fund this PSA or failure of any funding party to budget or authorize funding for this PSA during the current or future fiscal years. In the event of insufficient funding, or if funds become unavailable in whole or part, the City, at its sole discretion, may provide funds from a separate source or terminate this PSA. In the event that payments or expenditures are made, they shall be made from current funds as required by Chapter 791, Texas Government Code.

Article VI

Agreements

I. City's Responsibilities:

1. City, at its own expense, shall be responsible for the following: (a) posting appropriate and required notices to inform the public of the proposed maintenance or construction activity regarding the Project; (b) remediating any hazardous or regulated material, or other environmental hazard on or near the Project site and (c) providing appropriate traffic control support, including but not limited to flagging, cones, barricades, shadow vehicles, arrow boards, signage, police presence, etc., to enable the Project to be completed in a timely and safe manner.
2. City agrees to accomplish these functions in a timely and efficient manner to ensure that such activities will not delay the County's timely performance of its activities.
3. City shall further be responsible for maintaining the Project site when the Project is completed.
4. City shall be in compliance with the Manual on Uniform Traffic Control Devices (MUTCD) standards in ensuring safety during operations as outlined in the scope of work.

II. County Responsibilities:

1. County shall reimburse the City for proportionate Project Costs, as more fully set forth in Section III below.
2. County, its Auditor or its designated representative(s) shall have the unrestricted right to audit any and all accounting or other records regarding any funds paid or claimed under this PSA, including, but not limited to all books, records, reports, tickets, deposits, expenditures, budget or any item therein, supporting data, computer records and programs, and all items of hardware, software or firmware, or any other item utilized by the City regarding this PSA. City agrees that all related records shall be retained for a period not less than four (4) years from the date of termination of this PSA. Such records shall be provided to the County in Dallas County, Texas and available for any audit at any time upon request. The results of any audit may be furnished to the City for comment.

III. Funding:

County and City mutually agree that the initial and anticipated Project cost is approximately \$569,656.00, as set forth in Attachment "A". County and City mutually agree that City shall be responsible to pay a total of \$284,828.00 for its portion of the Type "B" roadwork. County shall only be responsible to the City for a financial contribution, in the form of reimbursements, of an amount not to exceed \$284,828.00, reduced by County In-House Project Delivery costs for \$40,000.00, to be paid from Fund 105.2520. County will only pay City and County further agree as follows:

1. Project costs will be reduced from \$284,828.00 with a total financial check issued to the City for \$244,828.00. Project cost may include all County Project delivery costs including but not limited to preliminary scoping and research, preliminary design services, special services, primary design services, right of way acquisition,

project management and administration, inspection, laboratory services and construction.

2. Should the final cost of the Project exceed the initial and anticipated Project costs, City agrees to either reduce the scope of the Project, or to seek additional funding to facilitate its completion. In either event, City shall be solely responsible for all such costs in excess thereof, and County shall bear no additional responsibilities beyond those contemplated herein.
3. City shall submit invoices to County, which invoices shall provide complete information and documentation to substantiate City's charges. County's acceptances of City's invoices are contingent upon City's compliance with County's invoicing procedures. County may withhold any disputed amounts until the underlying dispute is resolved to County's satisfaction, but shall pay all undisputed amounts timely.

Article VII

Miscellaneous:

- I. **Indemnification.** County and City agree that each shall be responsible for its own negligent acts or omissions or other tortious conduct in the course of performance of this Agreement, without waiving any governmental immunity available to County or City or their respective officials, officers, employees, or agents under Texas or other law and without waiving any available defenses under Texas or other law. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.
- II. **No Third Party Beneficiaries.** The terms and provisions of this PSA are for the benefit of the parties hereto and not for the benefit of any third party. It is the express intention of County and City that any entity other than County or City receiving services or benefits under this PSA shall be deemed an incidental beneficiary only. This PSA is intended only to set forth the contractual right and responsibilities of the parties hereto.
- III. **Applicable Law.** This PSA is and shall be expressly subject to the County's and City's Sovereign Immunity and/or Governmental Immunity of City, Title 5 of the Texas Civil Practice and Remedies Code, as amended, and all applicable Federal and State Law. This PSA shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any legal action regarding this PSA shall lie in Dallas County, Texas.
- IV. **Notice.** All notices, requests, demands, and other communication under this PSA shall be tendered in writing and shall be deemed to have been duly given when either delivered in person, via e-mail, or via certified mail, postage prepaid, return receipt requested to the respective parties as follows:

COUNTY:

Director of Public Works
Dallas County
411 Elm Street, Suite 400
Dallas, Texas 75202

and

Commissioner J.J. Koch
Road & Bridge District #2
411 Elm Street, Second Floor
Dallas, Texas 75202

CITY:

Corey Nesbit. PE, CFM
Director of CIP and Public Works
Public Works Department
City of Sachse
3815B Sachse Road
Sachse, Texas 75048

- V. Assignment. This PSA may not be assigned or transferred by either party without the prior written consent of the other party.
- VI. Binding Agreement; Parties Bound. Upon execution by the parties, this PSA shall constitute a legal, valid and binding obligation of the parties, their successors and permitted assigns.
- VII. Amendment. This PSA may not be amended except in a written instrument specifically referring to this PSA and signed by the parties hereto.
- VIII. Counterparts. This PSA may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- IX. Severability. If one or more of the provisions in this PSA shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not cause this PSA to be invalid, illegal or unenforceable, but this PSA shall be construed as if such provision had never been contained herein, and shall not affect the remaining provisions of this PSA, which shall remain in full force and effect.
- X. Entire Agreement. This PSA embodies the complete agreement of the parties, and except where noted, it shall supersede previous and/or contemporary agreements, oral or written, between the parties and relating to matters in the PSA.
- XI. Contingent. This PSA is expressly subject to and contingent upon formal approval by the Dallas County Commissioners Court and by resolution of the City Council of the City of Sachse.
- XII. Effective Date. The PSA shall commence on the Effective Date. The effective Date of this PSA shall be the date it is executed by the last of the parties. Reference to the date of execution shall mean the Effective Date.
- XIII. No Joint Enterprise/Venture. The parties agree that no party is an agent, servant, or employee of the other parties. The parties, including their agents, servants, or employees, are independent contractors, and not an agent, servant, joint enterprise/venture, or employee of any other party, and are responsible for their own acts, forbearance, negligence, and deeds, and for those of their agents, servants, or employees in conjunction with this PSA. No joint enterprise/venture exists between the parties.

The City of Sachse, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution _____, Minutes _____, dated the ____ day of _____, 2020.

The County of Dallas, State of Texas, has executed this agreement pursuant to Commissioners Court Order Number _____ and passed on the ____ day of _____, 2020.

Executed this the _____ day of _____, 2020

CITY OF SACHSE:

MAYOR

ATTEST:

CITY SECRETARY

Executed this the _____ day of _____, 2020

COUNTY OF DALLAS:

CLAY LEWIS JENKINS
COUNTY JUDGE

APPROVED AS TO FORM:

DALLAS COUNTY
JOHN CREUZOT
DISTRICT ATTORNEY

Sherri Turner
Assistant District Attorney

*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	10. Consider authorizing the City Manager to negotiate and enter into a contract in the amount not to exceed five-hundred sixty-nine thousand six-hundred fifty-six dollars and zero cents (\$569,656.00) with Reynolds Asphalt and Construction Co. for the Sachse Road Overlay project.
Access	Public
Type	Action, Discussion, Information
Preferred Date	Sep 21, 2020
Absolute Date	Sep 21, 2020
Fiscal Impact	Yes
Dollar Amount	569,656.00
Budgeted	Yes
Budget Source	General Capital Fund
Recommended Action	Authorize the City Manager to negotiate and enter into a contract in the amount not to exceed five-hundred sixty-nine thousand six-hundred fifty-six dollars and zero cents (\$569,656.00) with Reynolds Asphalt and Construction Co. for the Sachse Road Overlay project.
Goals	Strategically invest in the City's existing and future infrastructure.

Public Content

BACKGROUND

Sachse Road has developed significant pavement failures and is in extremely poor condition. Staff has identified the need for a major Capital Improvement Project to reconstruct this road segment. The current condition of the roadway has major sections that have failed and required immediate attention. As a result, the City reached out to Dallas County to find funding in support of a short-term solution. City staff has been working with Dallas County to identify potential funding and partnership options to provide relief for Sachse residents traveling on Sachse Road.

OVERVIEW

The proposed 2020-2021 Capital Improvement Plan includes funding from the General Fund. Dallas County has agreed to share up to 50% of the costs to complete a short-term rehabilitation of the road until the full-blown reconstruction can occur. This item is affiliated with the aforementioned Project Specific Agreement with Dallas County. The overlay scope covers the segment of Sachse Road from Miles Road to the Wylie city limits.

POLICY CONSIDERATIONS

It is the responsibility of the City of Sachse to maintain, upgrade, and improve public roads as necessary in the City of Sachse. Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act, and Chapter 271.102 of the Texas Local Government Code, authorizes all local governments to contract with each other to perform governmental functions or services including administrative functions normally associated with the operation of government such as purchasing of necessary equipment, goods, and services. The City Council has approved the Master Interlocal Cooperative Purchasing Agreement with the City of Grand Prairie for the purchase of necessary

equipment, goods, and services (Resolution No. 3360). Contract pricing from the City of Grand Prairie may be utilized by the City of Sachse for asphalt roadway improvements.

RECOMMENDATION

Authorize the City Manager to negotiate and enter into a contract in the amount not to exceed five-hundred sixty-nine thousand six-hundred fifty-six dollars and zero cents (\$569,656.00) with Reynolds Asphalt and Construction Co. for the Sachse Road Overlay project.



Agenda Item Details

Meeting	Sep 21, 2020 - City Council Combined Meeting
Category	F. Regular Agenda Items
Subject	11. Consider approving and authorizing the City Manager to execute a contract for professional services between the City of Sachse and Birkhoff, Hendricks and Carter, LLP for a Water, Wastewater, and Roadway Impact Fee Study in the amount of sixty-five thousand three hundred eighty dollars and zero cents (\$65,380.00).
Access	Public
Type	Action, Discussion, Information
Preferred Date	Sep 21, 2020
Absolute Date	Sep 21, 2020
Fiscal Impact	Yes
Dollar Amount	65,380.00
Budgeted	Yes
Budget Source	Roadway, Water and Sewer Impact Fees
Recommended Action	Approve authorizing the City Manager to execute a contract for professional services between the City of Sachse and Birkhoff, Hendricks and Carter, LLP for a Water, Wastewater, and Roadway Impact Fee Study in the amount of sixty-five thousand three hundred eighty dollars and zero cents (\$65,380.00).
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

This scope of the project is to update the Water, Wastewater and Roadway Impact Fees for the City of Sachse. Impact fees help provide a financial alternative to construct off-site improvements for new developments. They also help mitigate the impact of developments on public facilities.

OVERVIEW

This scope of the project is to update the Water, Wastewater and Roadway Impact Fees for the City of Sachse as prescribed by Chapter 395 of the Texas Local Government Code. Birkhoff, Hendricks and Carter (BHC), LLP and City staff will work together on compiling data and information related to the study. This will come from previous studies and current land use assumptions.

Staff will ask the Council to appoint an advisory committee to review and comment on the study. Staff recommends appointing the Planning and Zoning Commission as the advisory committee. Staff and BHC will present the findings of the study and present the 10-year CIP Program to City Council. Staff will bring the Impact Fee Study and ordinance for consideration in early 2021.

POLICY CONSIDERATIONS

Chapter 395 of the Texas Local Government Code mandates that impact fees be reviewed and updated at least every five years. The last adopted Impact Fee Study was 2012. Impact Fees were reviewed by staff in 2017, but no changes

were made.

RECOMMENDATION

Staff recommends authorizing the City Manager to execute a contract for professional services between the City of Sachse and Birkhoff, Hendricks and Carter, LLP for a Water, Wastewater, and Roadway Impact Fee Study in the amount of sixty-five thousand three hundred eighty dollars and zero cents (\$65,380.00).

Impact Fee Study 2020 Presentation.pdf (98 KB)

Impact Fee Study

City Council

September 21, 2020



Overview

- Background
- Staff Recommendation
- Discussion and Next Steps



Background

- Improving transportation and infrastructure is a major goal of City Council
- Helps finance off-site improvements for new development
- Mitigates the impacts of development on public facilities
- Provides updated Land Use Assumptions, Capital Improvement Plans and Updated Fees



Background

- This scope of the project is to Update the Water, Wastewater and Roadway Impact Fees for the City of Sachse as prescribed by Chapter 395 of the Texas Local Government Code
- Chapter 395 of the Texas Local Government Code mandates that impact fees be reviewed and updated at least every five years
- Last adopted Impact Fee Study was 2012
- Impact Fees were reviewed by staff in 2017, but no changes were made



Staff Recommendation

- Staff recommends authorizing the City Manager to execute a contract for professional services between the City of Sachse and Birkhoff, Hendricks and Carter, LLP for a Water, Wastewater, and Roadway Impact Fee Study in the amount of sixty-five thousand three hundred eighty dollars and zero cents (\$65,380.00)
- This contract will be funded from Roadway, Water and Wastewater Impact Fees



Discussion and Next Steps

- Birkhoff, Hendricks and Carter, LLP and City staff will work together on compiling data and information related to the study
- Staff will ask council to appoint an advisory committee to review and comment on the study. Staff recommends appointing the Planning and Zoning Commission as the advisory committee
- Staff and BHC will present the findings of the study and present the 10-year CIP Program to City Council
- Staff will bring the Impact Fee Study and ordinance for consideration in early 2021

