



**\*\*\* PUBLIC NOTICE \*\*\***

**NOTICE OF A CITY COUNCIL SPECIAL SESSION  
OF THE CITY OF CORINTH**

**Thursday, January 28, 2021, 5:45 P.M.  
CITY HALL - 3300 CORINTH PARKWAY**

Pursuant to Section 551.127, Texas Government Code, one or more Council Members or employees may attend this meeting remotely using videoconferencing technology. The videoconferencing technology can be accessed at [www.cityofcorinth.com/RemoteSession](http://www.cityofcorinth.com/RemoteSession). The video and audio feed of the videoconferencing equipment can be viewed and heard by the public at the address posted above as the location of the meeting. The City of Corinth is following the Center for Disease Control Guidelines for public meetings.

**CALL TO ORDER:**

<b>WORKSHOP BUSINESS AGENDA</b>
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1. Receive a presentation and hold a discussion on policy governance.
2. Receive a presentation, hold a discussion, and provide staff direction on amending the Master Fee Schedule to incorporate changes to the City's Credit Card Processing Fees.
3. Receive a report, hold a discussion and provide staff direction on a policy for Elected Officials and Appointed Boards, Commissions and Committees Using Personal or Professional Social Media Platforms, and providing an effective date.
4. Receive a presentation, hold a discussion, and provide staff direction on the Communication Strategic Plan.
5. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

**ADJOURN WORKSHOP SESSION**

**\*NOTICE IS HEREBY GIVEN** of a Special Session of the Corinth City Council to be held at Corinth City Hall located at 3300 Corinth Parkway, Corinth, Texas. The agenda is as follows:

**CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE:**

**"Honor the Texas Flag: I pledge allegiance to thee, Texas, one state under God, one and indivisible".**

**CONSENT AGENDA**

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on a resolution approving the policy for Elected Officials and Appointed Boards, Commissions and Committees Using Personal or Professional Social Media Platforms, and providing an effective date.
2. Consider and act on a resolution reviewing and approving the Investment Policy for funds for the City of Corinth; and providing an effective date.
3. Consider and act on a resolution reviewing and approving the Investment Policy for funds for the Crime Control & Prevention District; and providing an effective date.
4. Consider and act on a resolution reviewing and approving the Investment Policy for funds for the Economic Development Corporation; and providing an effective date.
5. Consider and act on a resolution reviewing and approving the Investment Policy for funds for the Fire Control, Prevention & Emergency Services District; and providing an effective date.
6. Authorize the acquisition of an ambulance to replace the existing reserve unit.

**CITIZENS COMMENTS**

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

**BUSINESS AGENDA**

7. Consider authorizing the engagement of Kimley-Horn and Associates to prepare the Risk Assessment and Emergency Response Plan on the water infrastructure and authorize the City Manager to sign the contract with an amount not to exceed \$56,000.
8. Consider and act upon the Alternative Compliance Application for tree preservation on ±.42 acres located at 3900 Serendipity Hills Court, The Bluffs at Pinnell Pointe, Block B, Lot 1. (AC20-0003)

- 9. Consider and act upon the Alternative Compliance Application for Tree Preservation on ±4.93 acres located at 5150 S I-35 E. (Enterprise AC20-0001)
- 10. Consider authorizing the city manager to execute a contract with Jones | Carter for the detailed engineering design of floodplain reclamation for the land encompassing the City’s Transit-Oriented Development (TOD) and Agora District, in an amount not to exceed \$150,000.00.

**COUNCIL COMMENTS & FUTURE AGENDA ITEMS**

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

**CLOSED SESSION**

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

**Section 551.071.** (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

**Section 551.072.** To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

**a. Right-of-way consisting of 1.56 acres located at 6881 South I-35E and along Dobbs Road within the H. Garrison Survey, Abstract No. 507, within the City of Corinth, Denton County, Texas. (M/B)**

**b. Right-of-way consisting of .198 acres located at 6801 S I-35E and 3404 Dobbs Road along Dobbs Road within the H. Garrison Survey, Abstract No. 507, within the City of Corinth, Denton County, Texas. (F)**

**c. Being approximately 7 acres of land, more or less, located in the J.P. Walton Survey, Abstract No. 1389, City of Corinth, Denton County, Texas. (H)**

**d. Being approximately 13 acres of land, more or less, in the North Central Texas College Addition No. 2, Block A, Lot 1R. (N)**

**Section 551.074.** To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

**Section 551.087.** To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

**ADJOURN**

Posted this 22nd day of January 2021, at 11:30 a.m. on the bulletin board at Corinth City Hall.

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Lana Wylie, City Secretary  
City of Corinth, Texas

**WORKSHOP BUSINESS ITEM 1.****City Council Special Session****Meeting Date:** 01/28/2021**Title:** Policy Governance**Submitted For:** Bob Hart, City Manager      **Submitted By:** Lana Wylie, City Secretary**City Manager Review: Approval:** Bob Hart, City Manager**Strategic Goals:** Citizen Engagement &  
Proactive Government  
Organizational Development**AGENDA ITEM**

Receive a presentation and hold a discussion on policy governance.

**AGENDA ITEM SUMMARY/BACKGROUND**

A component of the city manager's goals for 2021 is the introduction and practice of governance. The workshop is intended to introduce policy governance to the city council (and by extension staff). The primary focus will be based on the work of John Carver with the acknowledgment of Peter Drucker and George Cuff. There is not sufficient time to cover the topic in its entirety but includes sample policies, ends discussion, and an overview of concepts.

**RECOMMENDATION**

N/A

**Attachments**

Policy Governance Overview

Sample Governance Policies

# POLICY GOVERNANCE OVERVIEW

1

## Focus

- Focus on governance, including orientation, board involvement, and policy development
  - Build strong council/manager relationship
  - Ensure the council decision making system works
  - City priorities are established annually
  - Ensure council is consulted on what needs to be done
  - Rethink council meetings, procedures, and focus on leadership

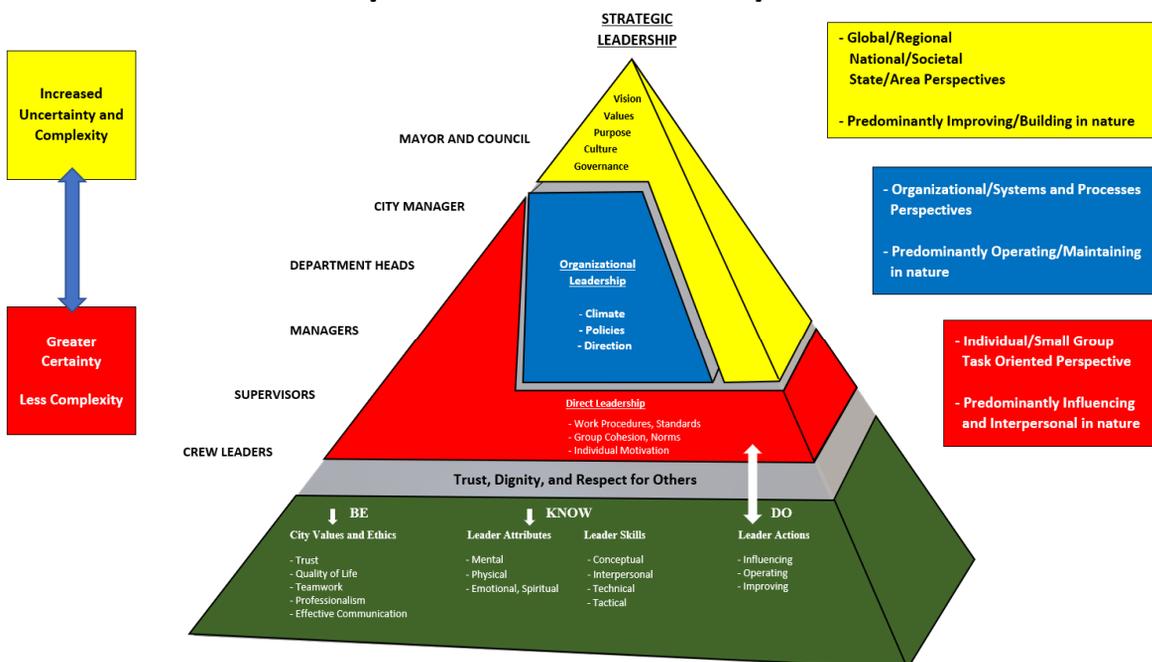
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# AGENDA

- Challenges of Municipal Governance and Elected Service
- Overview of Policy Governance (Carver Model)
- Benefits of Policy Governance for Cities
- Questions and Answers

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## A Comprehensive Leadership Framework



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## CHALLENGES OF ELECTED OFFICIALS

- High expectations
- Critical and difficult role
- Roles & responsibilities are poorly defined
- Little or no training or preparation
- Few measurements to define success
- Elected officials want to “do” and make a difference

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## TYPICAL “GOVERNANCE” PROBLEMS

- Lack of proper focus and forward (future) direction
- Lack of role clarity
- Council loses control of its agenda and its distinct role
- City Manager loses control of management responsibilities
- Reactive, backward looking, “fix-it” orientation

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## THE “WORK” OF THE CITY COUNCIL

- Work for the Owners (residents)
- Determine the desired ends/results for the City
- Ensure adherence to City Charter and/or other established policies
- Establish/revise policies to guide and direct the governance of the City

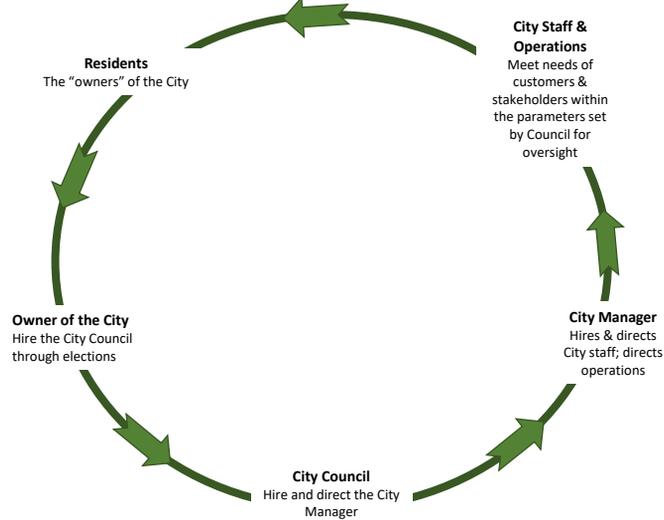
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## THE “WORK” OF THE CITY COUNCIL

- Link with Owners to represent their interests
- Hire and supervise its one employee: City Manager
- Monitor effective management of City and assure CM performance
- Act as the “trustee” of City’s money and resources
- Evaluate resources consumed vs. benefits gained

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## CITY GOVERNANCE



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## EXISTING GOVERNANCE POLICIES-RULES

- Texas and U.S. Constitution
- City Charter
- Strategic Plan
- Comprehensive Land Use Plan
- Annual Budget
- Adopted Ordinance

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## POLICY GOVERNANCE: A MODEL

- Created by John Carver
- Used by hundreds of elected bodies, non-profits, and organizations
- Police based governance model that more clearly defines the role of the elected officials and CEO
- Separates organizational purpose (ENDS) from organizational administration (MEANS)

[Peter Drucker, George Cuff]

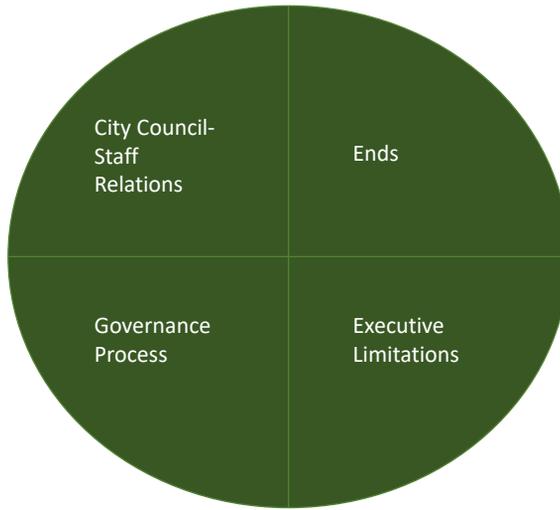
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## CITY COUNCIL'S ROLE IN POLICY GOVERNANCE

- Linkage with Owners
- Define explicit policies about:
  - Ends (results)
  - Executive Limitations
  - Council-Staff Relationships
  - Governance
- Assures executive performance
- Evaluates costs vs. benefits

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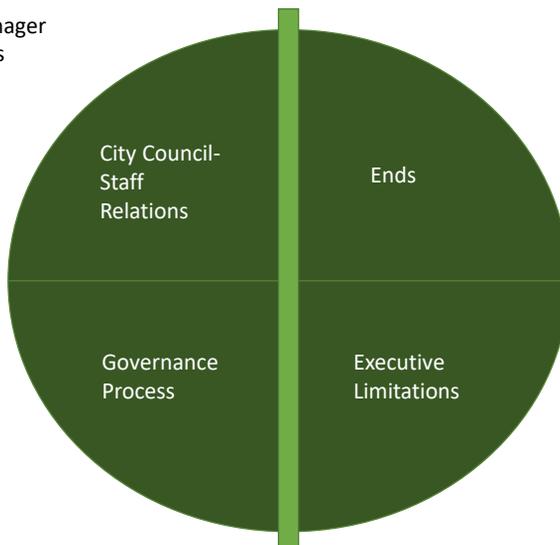
# POLICIES FALL INTO 4 QUADRANTS



# POLICIES FALL INTO 2 WORK AREAS

City Manager Activities

City Council Activities



## BENEFITS OF CLEAR ENDS POLICIES

- Allows City Council to provide vision and strategic leadership
- Council focuses on “what and why” of City operations
- Manager and staff focus on “who, how, when, & at what cost”

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## ENDS POLICIES = DESIRED RESULTS

- Desired results/outcomes of City services for the “owners”
- Owners = Residents
- Provide clear and tangible results that are measurable to assure performance of city manager and staff
- Should be written as if you have already succeeded
- Should define:
  - What benefits?
  - For whom?
  - At what cost?

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## END POLICIES CONT.

- Determining desired ends, results, and organizational goals of Corinth is the most importance job of the City Council
- City Manager determines the “Means” to the “Ends”

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## GLOBAL OR “OVERARCHING” END POLICY

### **Global Ends**

Corinth is a growing community that is conveniently located, delivers outstanding services, engages its residents, and provides a good mix of high-quality retail, restaurant, and entertainment.

### **Sub-Ends**

1. Growing Community
2. Conveniently located
3. Delivers outstanding services
4. High-quality retail
5. High-quality restaurants
6. High-quality entertainment

High-quality entertainment

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## OVERARCHING ORGANIZATIONAL RESULT CITY OF CORINTH

Corinth is a growing community that is conveniently located, delivers outstanding services, engages its residents, and provides a good mix of high-quality retail, restaurant, and entertainment.

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## END POLICIES TO BE DEVELOPED

- Community growth
- Outstanding service delivery
- Resident engagement
- Mix of high-quality retail, restaurants, and entertainment

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## SETTING ENDS (RESULTS)

- Must be observable & measurable
- Start broadly & become more specific
- Help to define priorities: core, important, and discretionary

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## BENEFITS AND PRINCIPLES OF POLICY GOVERNANCE

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## MONITORING PROCESS

Every policy monitored by pre-determined process on pre-determined schedules

- Internal or external reports
- Direct inspections
- City Council self-assessment

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## MONITORING MEASURES WHAT THE CITY HOPES TO ACCOMPLISH IN SUCCESSFULLY SERVING COMMUNITY



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## EXECUTIVE LIMITATIONS POLICY:

- Explicit policy statements of what the City Manager is **NOT** permitted to do
- Anything not prohibited in the Executive Limitations Policies may be done by CM in pursuit of Council Ends

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## EXAMPLE OF EXECUTIVE LIMITATION POLICY: COMMUNICATION

With respect to providing information and counsel to the City Council, the City Manager may not permit the Council to be uninformed. Accordingly, the City Manager may not:

1. Let the Council be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particular changes in assumptions upon which any council policy has previously been established.
2. Fail to submit the required monitoring data.
3. Fail to marshal as many staff and external points of view, issues, and options as needed for fully informed Council choices, particularly with respect to staff opinions on matters of material importance.

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## EXAMPLE OF EXECUTIVE LIMITATION POLICY: COMMUNICATION

4. Present information in unnecessarily complex or lengthy form.
5. Fail to provide a mechanism for official Council, officer, or committee communication.
6. Except for fulfilling individual requests for information, fail to deal with the Council as a whole.
7. Fail to report actual or anticipated noncompliance with any policy of the Council.
8. Fail to provide Council with sufficient information to gain an understanding of the local condition (such as tax base trends, etc.).

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## COUNCIL – STAFF RELATIONS POLICY

- Delegation of authority to City Manager and through CM to staff
- Defines how City Council and City Manager will operate with each other
- City Manager reports ONLY to full City Council
- City Council directs City Manager ONLY
- City Manager evaluated on ONLY two criteria:
  1. Achievement of (City Council Prescribed) Ends
  2. Avoidance of Violations of Executive Limitations

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## EXAMPLE OF COUNCIL STAFF RELATIONS POLICY – “UNITY OF CONTROL”

Only decisions of the City Council acting as a body are binding on the City Manager and City Attorney

- Decisions, instructions, or directives of individual Councilmembers are not binding on the City Manager or City Attorney except when the City Council has specifically authorized such exercise of authority
- In seeking clarification on informational items, Councilmembers may directly approach professional staff members to obtain information needed to supplement, upgrade, or enhance their knowledge to improve Council decisions-making. Any Councilmember requests that require substantive work should come before the Council for direction
- If the Councilmember request information or assistance without Council authorization, the City Manager or City Attorney may decline such requests that require a material amount of staff time or funds, or are disruptive and refer the requests to the full Council for authorization to proceed. The City Manager and the City Attorney have the right to decline and refer such requests to the Council so long as all members of Council are treated the same in this respect.

## GOVERNANCE PROCESS POLICIES

- Establishes how the Council will operate as one entity
- Establishes standards of behavior, roles, and commitments and code of ethical behaviors
- Defines City Council’s job descriptions and ground rules

## GOVERNANCE PROCESS POLICY: GOVERNANCE STYLE

The Council will approach its task with a style which emphasizes outward vision rather than an internal preoccupation, strategic leadership more than administrative detail, clear distinction of Council and staff roles, further rather than past or present, and proactively rather than reactively. In this spirit, the Council will:

1. Direct, control, and inspire the organization through the careful establishment of the broadest organizational values and perspectives (policies)
2. Focus chiefly on impacts on the city outside the organization (ends), not on the administrative or programmatic means of attaining those effects.

## GOVERNANCE PROCESS POLICY: GOVERNANCE STYLE

3. Enforce upon itself and its members discipline to govern with excellence, in such matters as policymaking, role clarification, speaking with one voice and self-policing of any tendency to stray from governance adopted in Council policies
4. Be accountable to the general public for competent conscientious and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the Council to usurp this role or hinder this commitment.
5. Monitor and regularly discuss the Council's own process and performance. Ensure the continuity of its governance capability by retraining and redevelopment.
6. Be an initiator of policy, not merely a reactor to staff initiatives. The Council, not the staff, will be responsible for Council performance.
7. Ensure that the agenda process is driven by Council directions and initiatives.

## COUNCIL'S ROLE IN CREATING & MONITORING CITY GOVERNANCE POLICIES

Council determines:

- Policy content & changes to established policies
- Method of monitoring (internal, external, direct inspection)
- Frequency of monitoring
- Evaluates City Manager performance on policies

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## BENEFITS OF POLICY GOVERNANCE

- Allows City Council to provide vision and strategic leadership
- Council focuses on “what and why” of City operations through ends policies that define success
- Manager & staff focus on “who, how, when, & at what cost”

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## BENEFITS OF POLICY GOVERNANCE

- Council controls Manager and staff by creating monitoring policies
- Provides clarity of roles and expectations
- Reduces City Council/City Manager conflict
- Aligns City resources of operation priorities (core, important, discretionary)
- Improves relationships and accountability with residents by defining expectations for performance of both Council and staff

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## SUMMARY

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## 10 PRINCIPLES OF POLICY GOVERNANCE

1. The City Council establishes its own rules & culture by policy
2. The City Council is trustee for the “owners” (residents)
3. Central duties of the City Council: determine desired ends/results link with Owners
4. All important City Council expectations & decisions should be embedded in formal policy
5. Policy should be formulated by determining the broadest values

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## 10 PRINCIPLES OF POLICY GOVERNANCE

6. The Council should define and delegate, not react and ratify
7. The Council speaks with one voice
8. The City Council seeks to create a relationship with management that is empowering and safe
9. The City Council’s role in managing operations is through boundaries established through Executive Limitations & Council/Staff relations policies
10. City Manager performance must be monitored rigorously, against established policy criteria

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## THREE DIRECT PRODUCTS OF A BOARD MEMBER

1. The board's first direct product is the organization's linkage to the ownership.
2. The board's second direct product is explicit governing policies.
3. The board's third direct product is assurance of executive performance.

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## RESPONSIBILITIES OF A BOARD MEMBER

1. Be prepared to participate responsibly
2. Remember your identity is with the ownership, not the staff
3. Represent the ownership, not a single constituency
4. Be responsible for group behavior and productivity
5. Be a proactive board member
6. Honor divergent opinions without being intimidated by them
7. Support the board's final choice
8. Don't expect agendas to be built on your interests
9. The organization is not there for you
10. Support the chair in board discipline

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## DUTIES OF BOARD MEMBERS

- Provide a valuable link to the community and to the various interests that make up the community
- Assist in the development of policy recommendations to the City Council
- Provide leadership and support to City staff
- Promote the City and its programs
- Provide expertise in specialized areas

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## BOARD SELF-ASSESSMENT

- The primary purpose of evaluation is not to reward or punish, but to achieve continual improvement in performance.
- Self-evaluation is most meaningful when related to established expectations.
- Board self-evaluation is an inseparable part of governing, not an extraneous or optional task.
- Self-evaluation is continual rather than sporadic activity.
- Board self-evaluation is the responsibility of the board –not the staff.

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## BOARD AND COMMISSION PURPOSE

Principle-

Advisory boards are an extension of the City Council to advise on the Ends issues.



# **SAMPLE GOVERNANCE POLICIES**

*Last Update: January 2021*

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## ATTACHMENTS

<i>Page</i>	<i>Attachment Title</i>
15	Diagram (A): Categorized City Council Policies

## SECTION I: EXECUTIVE LIMITATIONS

### **(I-A) GLOBAL EXECUTIVE CONSTRAINT**

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*The City Manager shall not cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics.*

### **(I-B) TREATMENT OF CUSTOMERS OF CITY SERVICES**

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*With respect to interactions with customers, the City Manager shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.*

The City Manager will not

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing customer information that fail to protect against improper access to the material.
3. Operate facilities without appropriate accessibility and privacy.
4. Operate without establishing with customers a clear understanding of what may be expected and what may not be expected from the service offered.
5. Operate without informing customers of this policy or providing a way to be heard for persons who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

### **(I-C) TREATMENT OF STAFF**

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*With respect to the treatment of paid and volunteer staff, the City Manager shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.*

The City Manager will not

1. Operate without written personnel rules that (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
2. Retaliate against any staff member for nondisruptive expression of dissent.
3. Allow staff to be unaware of City Manager's interpretations of their protections under this policy.
4. Allow staff to be unprepared to deal with emergency situations.

## SECTION I: EXECUTIVE LIMITATIONS

### **(I-D) FINANCIAL PLANNING/BUDGETING**

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*The City Manager shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year that deviates materially from Council Ends priorities, risks financial jeopardy, or is not derived from a multiyear plan.*

The City Manager will not allow budgeting which:

1. Risks incurring those situations or conditions described as unacceptable in the Executive Limitations policy entitled “Financial Condition and Activities.”
2. Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow analysis, and disclosure of planning assumptions.
3. Provide less than the amount determined annually by the Council for the Council’s direct use during the year.

### **(I-E) FINANCIAL CONDITION AND ACTIVITIES**

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*With respect to the actual, ongoing financial condition and activities, the City Manager may not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Council priorities established in Ends policies.*

The City Manager will not

1. Expend more funds than have been received in the fiscal year to date unless the Council’s debt guideline is met.
2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenue with 60 days.
3. Use any long-term reserves.
4. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balance within 30 days.
5. Allow payables or receivables not to be settled within a reasonable time frame.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. Make a single purchase or commitment of greater than \$50,000. Splitting orders to avoid this limit is not acceptable.
8. Acquire, encumber or dispose of real estate.

## SECTION I: EXECUTIVE LIMITATIONS

### **(I-F) ASSET PROTECTION**

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*The City Manager may not allow the City's assets to be unprotected, inadequately maintained, or unnecessarily risked.*

The City Manager will not

1. Insure the organization's assets for less than one hundred percent of replacement value against theft, fire and casualty losses or insure against liability losses to Council members, staff, volunteers and the organization itself for less than the average for comparable organizations.
2. Allow personnel access to material amounts of funds.
3. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its Council, or staff to claims of liability.
5. Receive, process or disburse funds under controls that are insufficient to meet the Council-appointed auditor's standards.
6. Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of more than \$3,000 without having obtained comparative process and quality; (c) of more than \$7,500 without a stringent method of assuring the balance of long-term quality and cost. Orders shall not be split to avoid these criteria.
7. Allow property, information and files to be unprotected from loss or significant damage.
8. Allow information and files to be unprotected from cyber threats or threat
9. Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than an acceptable rating, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.

### **(I-G) EMERGENCY CITY MANAGER SUCCESSION**

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*In order to protect the Council from sudden loss of the City Manager Services, the City Manager shall not permit there to be less than one other person familiar enough with Council and City Manager issues and procedures to be able to maintain organization services.*

## SECTION I: EXECUTIVE LIMITATIONS

### **(I-H) COMPENSATION AND BENEFITS**

*With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the City Manager shall not cause or allow jeopardy to fiscal integrity or public image.*

The City Manager will not

1. Change the City Manager's own compensation and benefits, except as those benefits are consistent with a package for all other employees.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Create obligations over a longer term than revenues can be safely projected.
5. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
  - a) Incur unfunded liabilities,
  - b) Provides less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited,
  - c) Allow any employee to lose benefits already accrued from any foregoing plan, and
  - d) Treat the City Manager differently from other key employees.

### **(I-I) COMMUNICATION AND SUPPORT TO THE CITY COUNCIL**

*The City Manager shall not cause or allow the city council to be uniformed or unsupported in its work.*

The City Manager will not

1. Neglect to submit monitoring data required by the Council according to its policy "Monitoring CM Performance" in a timely, accurate, and understandable fashion, directly addressing provisions of Council policies being monitored, and including City Manager interpretations consistent with the "Delegations to the City Manager" policy, as well as relevant data.
2. Let the Council be unaware of any significant incidental information it requires including anticipated adverse media coverage, threatened or pending lawsuits, and material internal and external changes.

## SECTION I: EXECUTIVE LIMITATIONS

3. Allow the Council to be unaware that, in the City Manager's opinion, the Council is not in compliance with its own policies on Governance Process and Council-Management Delegation, particularly in the case of Council behavior which is detrimental to the work relationship between the Council and the City Manager.
4. Allow the Council to be without decision information required periodically by the council or let the council be unaware of relevant trends.
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
6. Allow the Council to be without a workable mechanism for Council, officer, or committee communications.
7. Deal with the Council in a way that favors or privileges certain Council members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
8. Allow the Council to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Council regardless of the Council's monitoring schedule.
10. Endanger the city's public image, credibility, or its ability to accomplish Ends.

## SECTION II: THE GOVERNANCE PROCESS

### **(II-A) GLOBAL GOVERNANCE PROCESS**

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*The purpose of the City Council, on behalf of the residents of Corinth, is to see to it that the City of Corinth (a) achieves appropriate results for appropriate persons at an appropriate cost (as specified in council Ends policies), and (b) avoids unacceptable actions and situations as prohibited in Council Executive Limitations policies.*

### **(II-B) GOVERNING STYLE**

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*The City Council will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Council and city manager roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.*

Accordingly,

1. The Council will cultivate a sense of group responsibility. The council, not the staff, will be responsible for excellence in governing. The Council will normally be the initiator of policy, rather than reacting to staff's proposals. The Council will not use the expertise of individual members to substitute for the judgment of the Council, although the expertise of individual members may be used to enhance the understanding of the Council as a body.
2. The Council will direct, control, and inspire the organization through the careful establishment of broadly written policies reflecting the Council's values and perspectives. The Council's major policy focus will be on the intended long-term external impacts of the organization.
3. The Council will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring the continuance of governance capability. Although the council can change its governance process policies at any time, it will scrupulously observe those currently in force.
4. Continual Council development will include orientation of new members in the Council's governance process and periodic Council discussion of process improvement. The Council will provide mechanisms for educating others about their governance process.
5. The Council will monitor and discuss the Council's strategic (rather than administrative) process and performance at each meeting. Self-monitoring will include comparison of Council activity and discipline to policies in the Governance Process and Council-Management Delegation categories.
6. The Council will allow no officer, individual or committee of the Council to hinder or be an excuse for not fulfilling group obligations.

## SECTION II: THE GOVERNANCE PROCESS

### **(II-C) COUNCIL JOB DESCRIPTION**

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*Specific job outputs of the City Council, as an informed agent of the ownership, are those that ensure appropriate organizational performance.*

Accordingly, the Council will provide

1. The linkage between the ownership and the operational organization.
2. Written governing policies that realistically address the broadest levels of organizational decisions and situations.
  - a. *Ends*: Organizational impacts, benefits, outcomes, recipients, beneficiaries, impacted groups, and their relative cost or priority.
  - b. *Executive Limitations*: Constraints on executive authority that establish the prudence and ethical boundaries within which all executive activity and decisions must take place.
  - c. *Governance Process*: Specification of how the Council conceives, carries out, and monitors its own tasks.
  - d. *Council-Management Delegation*: How power is delegated and its proper use monitored; the City Manager's role, authority, and accountability.
3. Assurance of successful organizational performance on Ends and Executive Limitations.

### **(II-D) COUNCIL MEMBERS' CODE OF CONDUCT**

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The Council commits itself and its members to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as Council members.

1. Members must have loyalty to the resident's ownership, un-conflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
2. Members must avoid appearance of impropriety conflict of interest with respect to their fiduciary responsibility.
  - a. There must be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations, with vendors, or any associations that might be or might reasonably be seen as being a conflict.
  - b. When the Council is to decide upon an issue about which Council member has an unavoidable conflict of interest, that member shall withdraw without comment not only from the vote, but also from the deliberation.
  - c. Council members will not use their positions to obtain employment in the organization for themselves, family members or close associates. A Council member who applies for employment must wait two years following their service on the Council.

## SECTION II: THE GOVERNANCE PROCESS

3. Council members may not attempt to exercise individual authority over the organization.
  - a. Members' interaction with the City Manager or with staff must recognize the lack of authority vested in individuals except when explicitly Council authorized.
  - b. Members' interaction with public, press or other entities must recognize the same limitation and the inability of any Council member to speak for the Council except explicitly stated Council decisions.
  - c. Except for participation in Council deliberation about whether the City Manager has achieved any reasonable interpretation of Council policy, members will not express individual judgments of performance of employees of the City Manager.
4. Members will respect the confidentiality appropriate to issues of a sensitive nature.
5. Members will be properly prepared for Council deliberation.
6. Members will support the legitimacy and authority of the final determination of the Council on any matter, irrespective of the members' personal position on the issue.

### **(II-E) CITY COUNCIL ENGAGEMENT**

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*Based upon the necessity of regional, statewide and national involvement the council shall engage/participate in external organizations and activities which promote the ends of the City.*

Accordingly,

1. The Mayor shall at minimum, participate in the following activities: \_\_\_\_\_, NLC policy committee or council, etc.
2. The Mayor Pro-Tem shall at a minimum, participate in the following activities in place of Mayor when not available: \_\_\_\_\_, NLC policy committee or council, etc.
3. Councilmember's based upon availability shall participate in regional and national activities such as NLC, TML Regional meetings, TML legislative policies, State legislative activities, NCTCOG, Lake Cities Chamber Luncheon, North Texas Commission, DCTA.

## SECTION II: THE GOVERNANCE PROCESS

### **(II-F) ANNUAL PLANNING**

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*To accomplish its job with a governance style consistent with Council policies, the Council will follow an annual agenda that (a) Completes a re-exploration of Ends policies annually (b) Continually improves Council performance through Council education and enriched input and deliberation.*

1. The cycle will conclude each year no later than the last day of May so that administrative planning and budgeting can be based on accomplishing a one-year segment of the most recent statement of long-term Ends.
2. The cycle will start with the Council's development of its agenda for the next full year.
  - a. Consultations with selected groups in the ownership or other methods of gaining ownership input will be determined and arranged in the first quarter, to be held during the balance of the year.
  - b. Governance education and education related to Ends determination (e.g. presentations by industry experts, advocacy groups, staff and so on) will be arranged in the third quarter, to be held during the balance of the year.
  - c. Upon the request of two Council members, a request for an item for Council discussion may be submitted to the Mayor no later than ten days before the council meeting.
3. Throughout the year, the Council will attend to consent agenda items as expeditiously as possible.
4. City Manager compensation and evaluation will be decided during the month of March after a review of monitoring reports received in the previous year.
5. City Manager monitoring will be on the agenda based upon reports received since the previous meeting, or if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.

### **(II-G) MAYOR'S ROLE**

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*The Mayor, a specially empowered member of the City Council, assures the integrity of the Council's process and, secondarily, represents the Council to outside parties.*

1. The assigned result of the Mayor's job is that the Council behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - a. Meeting discussion content will be only those issues which, according to board policy, clearly belong to the Council to decide or to monitor.
  - b. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

## SECTION II: THE GOVERNANCE PROCESS

- c. Information that is for neither monitoring performance nor Council decisions will be avoided or minimized and always noted as such.
2. The authority of the Mayor consists of making decisions that fall within the topics covered by Council policies on Governance Process and Council-Management Delegation with the exception of (a) Employment or termination of the City Manager (b) Where the Council specifically delegates portions of this authority to others. The Mayor is authorized to use any reasonable interpretation of the provisions in these policies. The Mayor is authorized to use any reasonable interpretation of the provisions in these policies.
    - a. The Mayor is empowered to chair Council meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).
  3. The Mayor has no authority to make decisions about policies created by the Council within Ends and Executive Limitations policy areas. Therefore, the Mayor has no authority to supervise or unilaterally direct the City Manager.
    - a. The Mayor may represent the Council to outside parties in announcing Council-stated positions and in stating Mayoral decisions and interpretations within the areas delegated to him or her. It is expected that this latter authority would be exercised sparingly and only in such times as the Council cannot timely deliberate the issue and is subject ultimately to Council review.
    - b. The Mayor may delegate this authority, but will remain accountable for its use.

### **(II-H) COUNCIL COMMITTEE PRINCIPLES**

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*Council committees, when used, will be assigned to help the Council do its job, to reinforce the wholeness of the Council's job and so as never to interfere with delegation from Council to City Manager.*

1. Council committees are to help the Council do its job, not to help or advise the staff. Committees ordinarily will assist the Council by preparing policy alternatives and implications for Council deliberation. In keeping with the Council's broader focus, Council committees will normally not have direct dealings with current staff operations.
2. Council committees may not speak or act for the Council except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the City Manager.
3. Council committees cannot exercise authority over staff. The City Manager works for the full Council, and will therefore not be required to obtain approval of a Council committee before an executive action.
4. Committees will be used sparingly and ordinarily in an ad-hoc capacity.

## SECTION II: THE GOVERNANCE PROCESS

5. This policy applies to any group that is formed by Council action whether or not it is called a committee and regardless of whether the group includes Council members. It does not apply to committees formed under the authority of the City Manager.

### **(II-I) COST OF GOVERNANCE**

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*The Council will invest in its governance capacity.*

1. Council skills, methods, and supports will be sufficient to ensure governing with excellence.
  - a. Training and retraining will be used liberally to orient new Council members and candidates for Council membership, as well as to maintain and increase existing Council member skills and understandings.
  - b. Outside monitoring assistance will be arranged so that the Council can exercise confident control over organizational performance. This includes, but is not limited to, financial audit.
  - c. Outreach mechanisms will be used as needed to ensure the Council's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
3. The Council will establish its cost of governance budget for the next fiscal year during the month of August.

## **SECTION III: COUNCIL-MANAGEMENT DELEGATION**

### **(III-A) GLOBAL COUNCIL-MANAGEMENT DELEGATION**

*The Council's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer, titled the City Manager.*

### **(III-B) UNITY OF CONTROL**

*Only officially passed motions of the Council are binding on the City Manager.*

1. Decisions or instructions of individual Council members, officers, or committees are not binding on the City Manager except in rare instances when the Council has specifically authorized such exercise of authority.
2. In the case of Council members or committees requesting information or assistance without Council authorization, the City Manager can refuse such requests that require, in the City Manager's opinion, a material amount of staff time or funds, or are disruptive.

### **(III-C) ACCOUNTABILITY OF THE CITY MANAGER**

*The City Manager is the Council's only link to operational achievements and conduct, so that all authority and accountability of staff, as far as the Council is concerned, is considered the authority and accountability of the City Manager.*

1. The board will never give instructions to persons who report directly or indirectly to the City Manager.
2. The Council will not evaluate, either formally or informally, any staff other than the City Manager or other direct Council Appointees.
3. The Council will view City Manager performance as identical to organizational performance, so that organizational accomplishment of Council-stated Ends and avoidance of Council-proscribed means will be viewed as successful City Manager performance.

### **(III-D) DELEGATION TO THE CITY MANAGER**

*The Council will instruct the City Manager through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the City Manager to use any reasonable interpretation of these policies.*

1. The Council will develop policies instructing the City Manager to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not ends issues as defined here are means issues.

## SECTION III: COUNCIL-MANAGEMENT DELEGATION

2. The Council will develop policies that limit the latitude the City Manager may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions, and circumstances that would be unacceptable to the board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Council will never prescribe organizational means delegated to the City Manager.
3. As long as the City Manager uses *any reasonable interpretation* of the Council's Ends and Executive Limitations policies, the City Manager is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. Such decisions of the City Manager shall have full force and authority as if decided by the Council.
4. The Council may change its Ends and Executive Limitations policies, thereby shifting the boundary between Council and City Manager domains. By doing so, the Council changes the latitude of choice given to the City Manager. But so long as any particular delegation policy is in place, the Council and its members will respect and support the City Manager's choices.

### **(III-E) MONITORING EXECUTIVE PERFORMANCE**

*Systematic and rigorous monitoring of City Manager job performance will be solely against the only expected City Manager job products: organizational accomplishment of Council policies on Ends and organizational operation within the boundaries established in Council policies on Executive Limitations.*

1. Monitoring is simply to determine the degree to which Council policies are being met. Information that does not do this will not be considered to be monitoring data.
2. The Council will acquire monitoring information by one or more of three methods:
  - a. By INTERNAL REPORT: in which the City Manager discloses interpretations and compliance information to the Council.
  - b. By EXTERNAL REPORT: in which an external, disinterested third party selected by the council assess compliance with Council policies.
  - c. By DIRECT COUNCIL INSPECTION: in which a designated Council member or members of the Council assess compliance with the City Manager's interpretation of the appropriate policy criteria.
3. In every case, the Council will judge (a) the reasonableness of the City Manager's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
4. The standard for compliance shall be *any reasonable City Manager interpretation* of the Council policy being monitored. The Council is final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favored by Council members or by the Council as a whole.

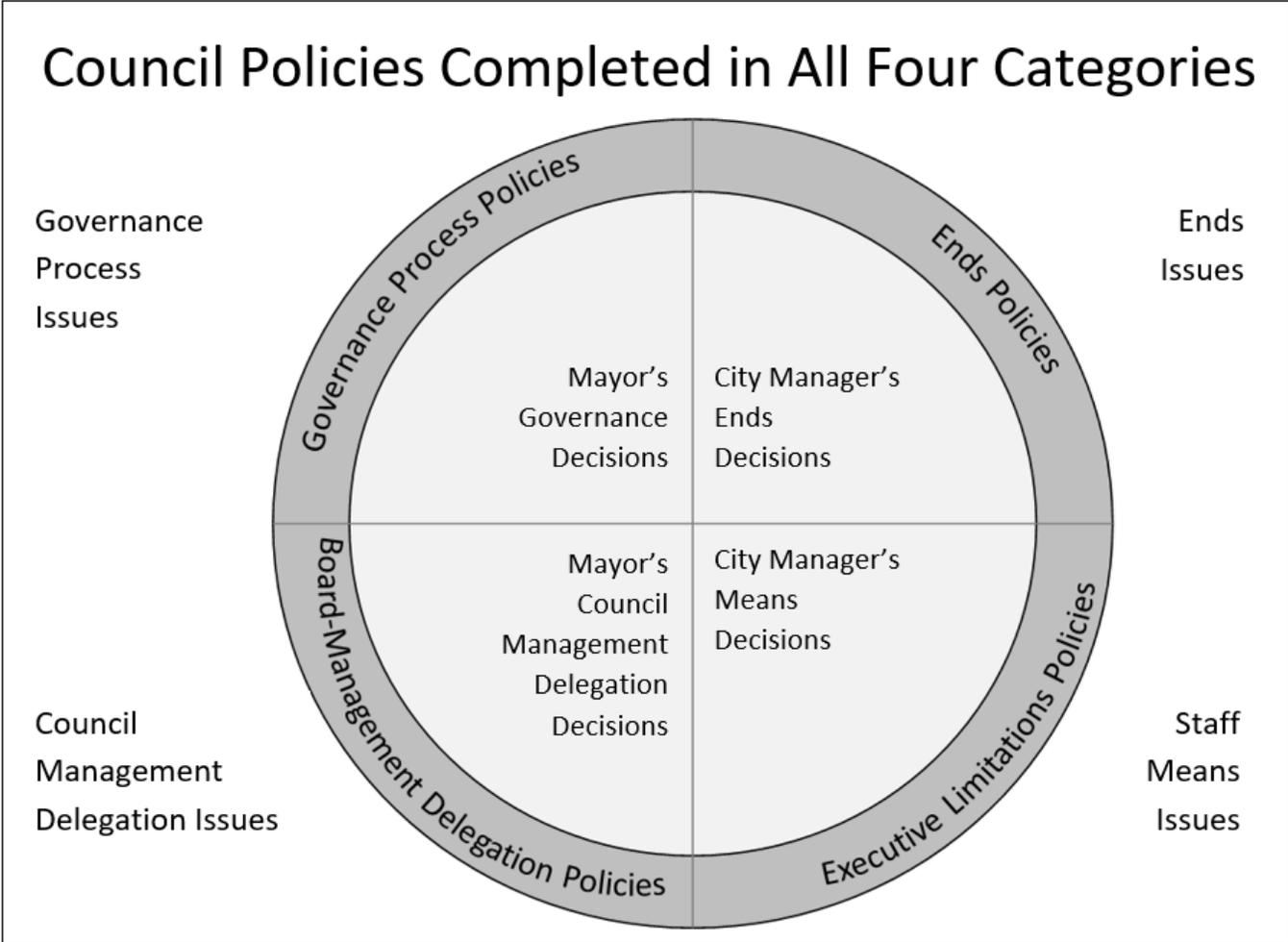
### SECTION III: COUNCIL-MANAGEMENT DELEGATION

5. All policies that instruct the City Manager will be monitored at a frequency and by a method chosen by the Council. The Council can monitor any policy at any time by any method, but will ordinarily

<b>Policy</b>	<b>Method</b>	<b>Frequency</b>	<b>Month</b>
<i>Global Executive Constraint</i>	Internal	Annually	March
<i>Emergency City Manager Succession</i>	Internal	Annually	March
<i>Treatment of Customers</i>	Internal	Annually	May
<i>Treatment of Staff</i>	Internal	Annually	May
<i>Ends</i>	Internal Balanced Scorecard reporting	Quarterly & Annually	May
<i>Communication and Support</i>	Direct Inspection	Annually	June
<i>Financial Planning/ Budgeting</i>	Internal	Quarterly	June - August
<i>Compensation and Benefits</i>	Internal External	Annually	June - August
<i>Asset Protection</i>	Internal	Annually	August
<i>Financial Condition and Activities</i>	Internal (Budget)  External (Audit)	Annually  Annually	August  March

depend on a routine schedule as follows:

**ATTACHMENT (A): CATEGORIZED BOARD POLICIES**



## ATTACHMENT (B): DOCUMENT UPDATE HISTORY

Date of Last Update	Pages Updated	Description
	All	Document restructure, policy numbers added, table of contents added, page numbers added

**WORKSHOP BUSINESS ITEM 2.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** Credit Card Fee Ordinance  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Lee Ann Bunselmeyer, Director  
**Finance Review:** **Legal Review:**  
**City Manager Review: Approval:** Bob Hart, City Manager  
**Strategic Goals:** Citizen Engagement & Proactive Government

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**AGENDA ITEM**

Receive a presentation, hold a discussion, and provide staff direction on amending the Master Fee Schedule to incorporate changes to the City's Credit Card Processing Fees.

**AGENDA ITEM SUMMARY/BACKGROUND**

The Master Fee Schedule includes a current credit card fee structure for Planning & Permitting of 2% for all transactions (face-to-face, phone and on-line). All other transactions for court, utility billing, police and fire currently charge \$3.95 per on-line and phone transaction.

Staff has been reviewing the credit card processing contract and available options, particularly to Utility Billing. Several options will be presented for consideration and possible adoption on February 4, 2021.

**RECOMMENDATION**

N/A

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**WORKSHOP BUSINESS ITEM 3.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** Director of Finance, Communication & Strategic Services  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Lee Ann Bunselmeyer, Director  
**City Manager Review: Approval:** Bob Hart, City Manager  
**Strategic Goals:** Citizen Engagement & Proactive Government

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**AGENDA ITEM**

Receive a report, hold a discussion and provide staff direction on a policy for Elected Officials and Appointed Boards, Commissions and Committees Using Personal or Professional Social Media Platforms, and providing an effective date.

**AGENDA ITEM SUMMARY/BACKGROUND**

While elected officials and City Council-appointed boards, commissions and committee members may maintain and use personal web pages and websites, blogs, and social networking sites, their status as elected/appointed officials requires that the content of any postings on those sites not be in violation of existing City by-laws, policies, directives, rules or regulations.

The proposed policy provides best practices and guidelines recommended to ensure that the personal and professional use of social media by elected and appointed officials is done so in a responsible manner.

**RECOMMENDATION**

Staff recommends approval of the policy for Elected Officials and Appointed Boards, Commissions and Committees Using Personal or Professional Social Media Platforms, effective February 1, 2021.

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**Attachments**

Presentation

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A person with long dark hair, wearing a light-colored top, is holding a smartphone. The background is a blurred office environment with computer monitors and desks. A dark semi-transparent box is overlaid on the right side of the image, containing the title and date.

# Social Media Policy for Public Officials

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JANUARY 2021

# Section I: Purpose

- City-related communications are considered a **public record subject to the Texas Public Information Act**.
- Officials that use social media accounts to carry out their official duties are bound by the First Amendment.
- The five freedoms the First Amendment protects: **speech, religion**, press, **assembly**, and the right to **petition** the government
- The proposed policy provides guidance to help City Council and Boards/Commissions the better utilize social media and navigate some of the challenges associated with social media, within the First Amendment.

# Section II: Professional and Personal Conduct Standards

- Conduct should be consistent with the City's policies and standards of conduct.
- Privileged or confidential information under Texas State Law is considered an exception to the public records law and may have specific penalties for inappropriate disclosure.
- Be honest and accurate when posting information or news, and should quickly correct any mistakes, misstatements and/or factual errors in content upon discovery.
- Officials should never represent themselves as a spokesperson for the City Council, a City board or committee, the City Administration, or any City department.
- Officials are prohibited from using social media to engage in any activity that constitutes a conflict of interest with their elected or appointed duties to the City.

# Standards

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- Officials are prohibited from using personal or professional social media to engage in any activity or conduct that violates federal, state, or local law.
- Officials are also prohibited from using professional social media accounts to circumvent election or campaign requirements, to campaign for re-election or endorse other candidates for public office.
- Social media content created by elected and appointed officials may be subject to the standards and requirements of the Texas Public Information Act and the City's records retention policy. Specific inquiries should be directed to the City Clerk or the City Attorney.
- Officials are subject to the Texas Open Meetings Act. As an example, Officials should be mindful that posting content regarding City-related matters could inadvertently result in the violation of the Open Meetings Law if other public officials engage on the post, resulting in a quorum.

# Section III: Best Practices and Guidelines for Elected and Appointed Officials

- Public officials are strongly encouraged to separate personal social media accounts from professional social media accounts so that City-related matters and all public records generated from those posts are easily archived and not intermingled with personal posts not related to City matters.
- Officials should refrain from using social media accounts to communicate with City employees about City-related matters as this creates a public record on employees' personal accounts that must be retained per the Texas Public Information Act.
- If elected officials want the City's official pages to respond to a social media inquiry, the following responses are suggested:
  - “Tagging @CityofCorinth on your inquiry so the Administration may respond to you directly.”

**If you want your social media account to remain “personal”, don’t use it for official purposes.**

- ❖ **Public officials don’t surrender their First Amendment rights by entering public service.**
  - You can maintain a social media account for personal use
  - You can block followers from a personal account for any reason you want to
  
- ❖ **If you use your social media account for official purposes, though, the First Amendment restricts you from doing some of the things you could do with a purely personal account.**
  
- ❖ **If you don’t want to be bound by the First Amendment, don’t use your social media account as an extension of your office.**
  - Don’t use it to make announcements about your official responsibilities or actions.
  - Don’t use it to solicit the public’s views about what legislation you should introduce or support, or whom you should appoint to an official government post
  - Don’t use it to carry out your duties—to call official meetings, for example, or to issue orders that you have the authority to issue only because of your government position

## How do you use your social media account?

Do you use your account to communicate information about your official duties and to solicit information from constituents and the general public related to those duties?

**If you want to maintain both a personal account and an official one, you should maintain a clear separation between the two.**

## Do you use government resources in connection with your social media account?

Does city staff help you with your account by, for example, drafting, reviewing, or posting social media messages, or otherwise managing the account?

Do you use government equipment or other government resources in operating your account?

Do you use your account while carrying out your official responsibilities—for example, while attending events in your official capacity?

## How do you present your social media account?

Do you associate the account with your official position by, for example, including your official title in your account description, or using a profile picture that shows you acting in your official capacity?

Do you refer to the account as “official,” or direct constituents or others to it in a way that suggests that the account is an extension of your office?

# Don't block users or delete comments just because they criticize you.

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**If you use your account as an extension of your office, the First Amendment prohibits you from blocking people from the account—or suppressing or deleting their comments, or otherwise penalizing them—because of their viewpoints.**

- Social media accounts used for official purposes are “**public forums**” within the meaning of the First Amendment.
- A “public forum” is established when the government invites members of the public to speak in a space that the government owns or controls.
- Courts have held that the interactive features of social media accounts used for official purposes make those accounts public forums for First Amendment purposes because they enable members of the public to speak by, for example, replying to tweets or posting comments.
- The government may not stop people from speaking on public forums on the basis of their viewpoints. The rule against viewpoint discrimination ensures that people aren't excluded from public discourse simply because their views are controversial or disagreeable to others.

# Have a social media policy, make it public, and follow it.

- ❖ If you use your social media account for official purposes, you should adopt policies for the account and post those policies publicly.
- ❖ Posting your policies publicly will let your followers (and others) know how you intend to use the account, and how you hope others will use the forum established by the account.
- ❖ Your policies should explain:
  - The general purposes you hope the account will serve;
  - Any limitations on what users may post in the comment threads; and
  - How you will address violations of those limitations.
- ❖ The First Amendment prohibits you from adopting a policy that discriminates on the basis of viewpoint, but it also prohibits you from enforcing a non-discriminatory policy in a way that discriminates on the basis of viewpoint.

# Section IV: Procedures for Requesting and Maintaining Social Media Accounts

- Boards must adhere to laws and policies regarding copyright, use of photographs, public records retention, personnel privacy, First Amendment, HIPAA privacy, the Americans with Disabilities Act, and information security policies established by the City of Corinth
- Board consideration of time, responsibility when establishing a social media account
- Required user guidelines
- Establishing a process for removing or re-assigning social media management duties.
- Procedures if the account is hacked

# Procedures for creating a Board social media account

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- All board/committee/commission social media accounts must be approved by the Director of Finance, Communication & Strategic Services.
- Board must submit a formal request for account creation.
- The following guidelines will always remain in place on the page:
  - The City will create the account and maintain administrative control.
  - Members of the board/commission will be provided editing privileges.
  - Social Media Sites must contain a link to the city website, and the board website.
  - Profile Photos will be determined by the City and must remain the same.
  - Cover Photos are at the discretion of the board.
  - If the account is inactive for 30 days, it will be deactivated by the Director of Finance, Communication & Strategic Services.

**WORKSHOP BUSINESS ITEM 4.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** Communication Strategic Plan  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Lee Ann Bunselmeyer, Director  
**City Manager Review: Approval:** Bob Hart, City Manager  
**Strategic Goals:** Citizen Engagement & Proactive  
Government  
Regional Cooperation  
Organizational Development

**AGENDA ITEM**

Receive a presentation, hold a discussion, and provide staff direction on the Communication Strategic Plan.

**AGENDA ITEM SUMMARY/BACKGROUND**

The Communication Strategic Plan was adopted in January 2019, to enhance transparency and communication methods with residents. The Plan outlined an overall communications' philosophy, structure, audience and platforms. Through consistent and engaged communication, Corinth has the ability to grow informed participation and enhance community pride.

The priorities identified serve as an overarching goals of the communication plan. Each Priority is followed by strategies and actionable tactics that can create a more engaged and informed community.

- Priority 1: Transparency & Accountability - Citizens perceive the city as an open, credible, and responsible Organization
- Priority 2: Timely & Accurate Information - Accurate, non-biased information is provided to residents in a timely manner
- Priority 3: Public Engagement - Communication between residents and the City is two-way; residents understand their input is valued and used in decisions
- Priority 4: Tell Our Story - Define and develop a community identity, and promote the community's unique characteristics

As communications technology and platforms for citizen engagement continue to advance, the plan is expected to change to meet the emerging needs. The Plan as it was adopted was a snapshot of the City's communication goals and objectives to achieve the goals to better serve, inform, and engage the residents of Corinth.

Staff will provide an overview of the communication efforts implemented in 2020 and seek council feedback to develop the expectations for 2021.

**RECOMMENDATION**

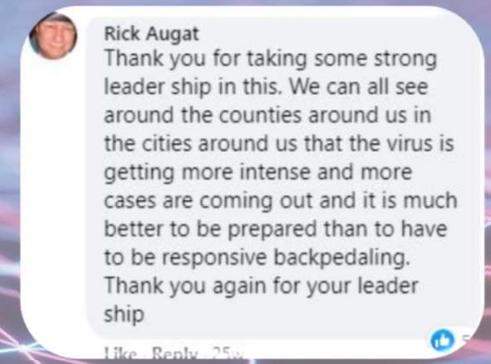
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# COMMUNICATIONS ANNUAL REVIEW

*JANUARY 28, 2021*

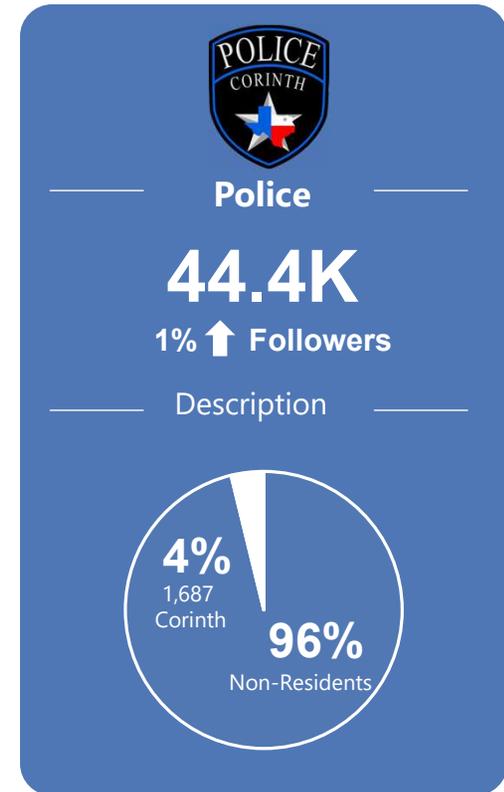
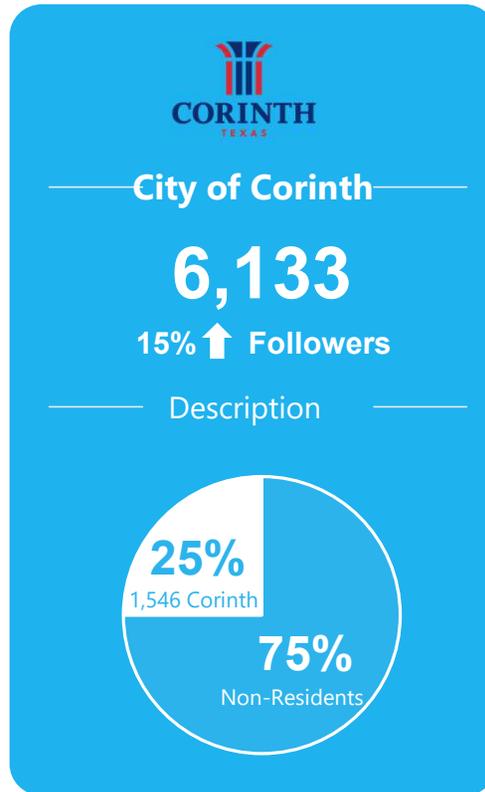


# TELL OUR STORY

- EMPHASIS ON TRANSPARENCY & ACCOUNTABILITY,
- TIMELY & ACCURATE INFORMATION
- PUBLIC ENGAGEMENT

# Community Engagement

## Social Media



# Community Engagement



**City Website**  
Cityofcorinth.com

### Top 5 Pages:

Utility Billing, Police, Permits, Municipal Court, & Trash & Recycling Services

**Growth 20% or 81,071**



Avg Time Spent on Site: 2 min 19 seconds  
Largest User Audience: 26-34 year-old male



**Mobile App**  
MyCorinth

### Top 5 Categories:

Inappropriately Parked Vehicles, Public Streets/Sidewalks, Code Enforcement, Water Breaks, Non-Emergency Police

**Growth 42% or 535**



Avg Monthly Visits: 508  
Avg Monthly Report a Concern: 93



**Bang the Table**  
Mycorinth.com

### Top 5 Projects:

Covid-19, Golf Cart Survey, Halloween in Corinth, Envision Corinth 2040, Let's Talk Corinth

**Growth 561 or 58%**



Avg Monthly Contributors: 79

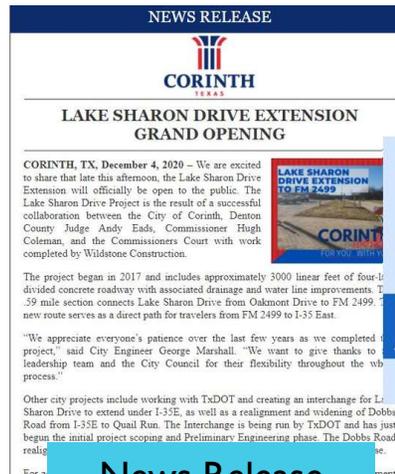
# Marketing Campaigns

- 2020 Campaigns

- Covid-19
  - Census 2020
  - Fire District Special Election
  - Broadband

- 2021 Campaigns

- Agora District
  - Agora Park and Event Space
  - Short Term Vehicle Tax Election
  - Utility Billing Platforms



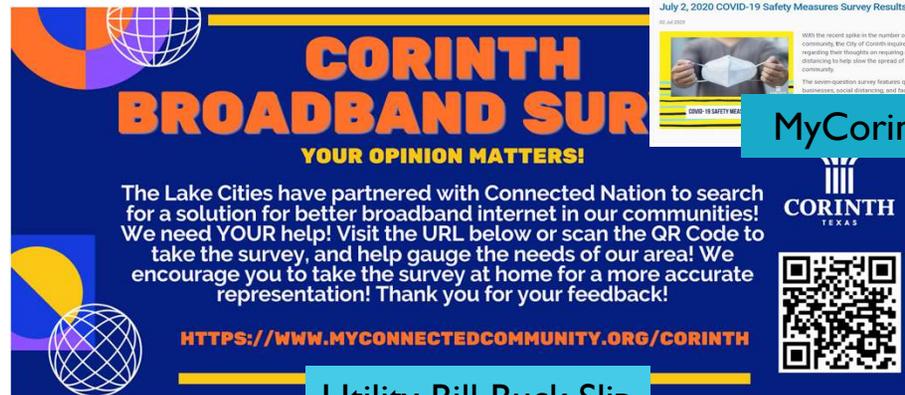
News Release



Social Media



Lake Cities Living



Utility Bill Buck Slip



MyCorinth.com

# Tell Our Story!



**Corinth Connection**  
Monthly Newsletter

2019

49.8% Average Open Rate  
20.2% Click Through Rate

2020

20% Average Open Rate  
15% Click Through Rate



**News Releases**

45% Average Open Rate

20% Average Open Rate  
250 New Subscribers

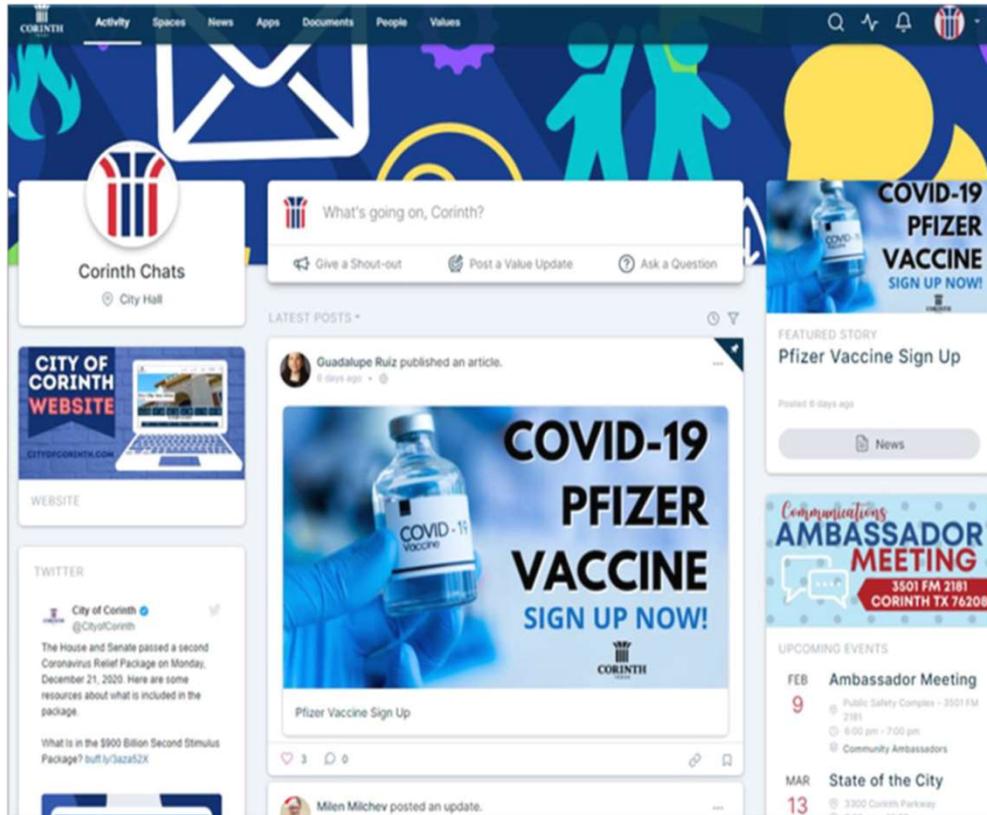


**Advertisements**  
Lake Cities Living

2 Feature Articles  
1 Advertisement per month

3 Feature Articles  
1 Advertisement per month

# Internal Communications



## WORKVIVO-INTRANET LAUNCHED DECEMBER 2020

- Values Based Intranet
- Created an Employee Ambassador Group
- Daily Content, News Articles and Information
- Engagement Projects
- Encourages interaction among departments.



# COMMUNITY EVENTS

# 2020 Community Events



## Trunk or Treat

Sponsored Special  
Edition Band

## Drive – In Movie

- 130 Cars
- 700 Burgers
- 3 Vendors
- 2 Elves
- 1 Santa



# 2021 COMMUNITY EVENTS

✓ **STATE OF THE CITY**  
Saturday, March 13

✓ **FISH N' FUN**  
May - Virtual

✓ **FIRE OPEN HOUSE**  
Saturday, October 23

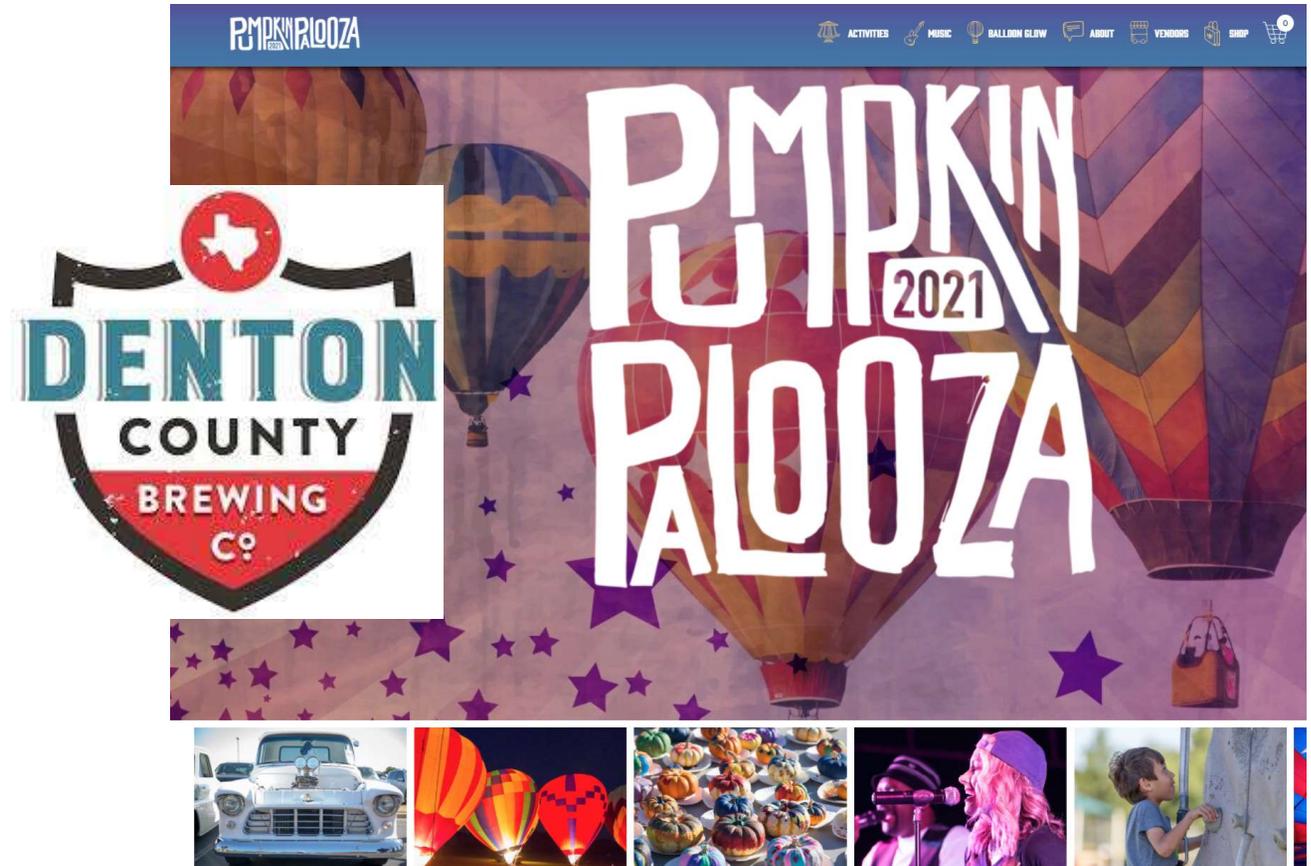
✓ **EASTER  
EGG-STRAVAGANZA**  
March - Virtual

✓ **PUMPKIN PALOOZA**  
Saturday, October 16

✓ **CHRISTMAS IN CORINTH**  
Monday, December 6

# Pumpkin Palooza 2021

- New Website Design will “Go-Live” February 2021
- Two stages
  - Main Stage (bands)
  - Festival Stage (community)
- Corn Hole Tournament
- Event Sponsor
  - Denton County Brewing Co.
- Band Line Up
  - Idol Job (Reggae band)
  - Lost Shaker of Salt (Jimmy Buffet tribute band)



# What's Next – Goals for 2021

## Community Engagement Plan

- Strong Social Media Presence
- Ambassador Program
- Video Communication and PSAs
- Revitalize Monthly Newsletter
- Develop Communication Policies
- Marketing Campaigns

## New Projects

- Citibot
  - Multi-channel communication platform– web chat, interactive text alerts and text chat
- Digital Ready Community Program
  - Create a Digital Asset Group (DAG)
  - Inventory Digital Assets
  - Develop a Community-wide and Internal digital engagement plan

**AGORA**  
AT CORINTH

## Creating a Digital Ready Community

### Overview:

The Digital Ready Community program empowers a community to increase civic engagement, trust, and local government responsiveness by leveraging digital platforms. A team of Purdue specialists and educators guides the community in forming a digital asset group (DAG), inventorying digital assets, and drafting a community-wide digital engagement plan.



**CONSENT ITEM 1.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** Director of Finance, Communication & Strategic Services  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Lee Ann Bunselmeyer, Director  
**City Manager Review: Approval:** Bob Hart, City Manager  
**Strategic Goals:** Citizen Engagement & Proactive Government

**AGENDA ITEM**

Consider and act on a resolution approving the policy for Elected Officials and Appointed Boards, Commissions and Committees Using Personal or Professional Social Media Platforms, and providing an effective date.

**AGENDA ITEM SUMMARY/BACKGROUND**

While elected officials and City Council-appointed boards, commissions and committee members may maintain and use personal web pages and websites, blogs, and social networking sites, their status as elected/appointed officials requires that the content of any postings on those sites not be in violation of existing City by-laws, policies, directives, rules or regulations.

The proposed policy provides best practices and guidelines recommended to ensure that the personal and professional use of social media by elected and appointed officials is done so in a responsible manner.

**RECOMMENDATION**

Staff recommends approval of the policy for Elected Officials and Appointed Boards, Commissions and Committees Using Personal or Professional Social Media Platforms, effective January 28, 2021.

**Attachments**

Resolution  
 Social Media Policy

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, APPROVING AND ADOPTING THE CITY OF CORINTH POLICY FOR ELECTED OFFICIALS AND APPOINTED BOARDS, COMMISSIONS, AND COMMITTEES USING PERSONAL OR PROFESSIONAL SOCIAL MEDIA PLATFORMS; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Corinth desires to provide for a social media policy for the City of Corinth's elected officials and appointed board, commission, and committee members; and

**WHEREAS**, the City Council finds it to be in the best interest of the City to implement such a policy.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS THAT:**

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

**SECTION 2.** The City Council does hereby approve and adopt the City of Corinth Policy for Elected Officials and Appointed Boards, Commissions, and Committees Using Personal or Professional Social Media Platforms, attached hereto and incorporated herein as Exhibit "A" for all purposes.

**SECTION 3.** This Resolution shall become effective immediately upon its passage and approval.

**PASSED AND APPROVED** on this the 28 day of January, 2021.

\_\_\_\_\_  
**BILL HEIDEMANN**  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**LANA WYLIE**  
**CITY SECRETARY**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**PATRICIA ADAMS**  
**CITY ATTORNEY**

**EXHIBIT A**

# CITY OF CORINTH

## POLICY/ADMINISTRATIVE PROCEDURE/ADMINISTRATIVE DIRECTIVE

SECTION: FINANCE/COMMUNICATIONS	REFERENCE NUMBER:
SUBJECT: SOCIAL MEDIA USE BY ELECTED OFFICIALS	INITIAL EFFECTIVE DATE: 01-28-20
TITLE: ELECTED OFFICIALS AND APPOINTED BOARDS, COMMISSIONS AND COMMITTEES USING PERSONAL OR PROFESSIONAL SOCIAL MEDIA PLATFORMS	LAST REVISION DATE: 01-28-20

### I. PURPOSE

While elected officials and City Council-appointed board, committee and commission members may maintain and use personal web pages and websites, blogs, and social networking sites, elected/appointed officials should keep their status in mind with regard to the content of any postings on those sites.

The City's image as a professional organization is critical to maintaining the respect of its constituents. Although the City recognizes that elected and appointed officials may choose to express themselves by posting personal information upon social media platforms or by making comments on sites hosted by other persons, groups or organizations, by accepting the responsibilities of public service, elected and appointed officials likewise have a duty to the City of Corinth and its operations.

If an elected or appointed official conducts any City business or communication as an official from a personal account, professional account, or an account created for a board/committee/commission, officials should assume that City-related communications will be considered a public record subject to the Texas Public Information Act.

If an elected/appointed official is found in violation of the Professional and Personal Conduct Standards #1-#8 below, they may be subject to censure as noted in the City Council Rules of Procedure, 2.14 Censuring Members.

### II. PROFESSIONAL AND PERSONAL CONDUCT STANDARDS

1. All officials are expected to conduct themselves in a manner consistent with the City's policies and standards of conduct.
2. It is anticipated that from time to time, officials will have access to information that is considered privileged or confidential under Texas State Law. Such information is typically considered an exception to the public records law and may have specific penalties for inappropriate disclosure. By way of example, such information may include but is not limited to certain personnel information, non-public information from criminal investigations, and business trade secrets. Officials must not reveal any confidential or privileged information about the City, its constituents, its employees, or its contractors. Officials must be particularly careful to protect against the inadvertent disclosure of confidential or privileged information.
3. Officials are encouraged to be honest and accurate when posting information or news, and should quickly correct any mistakes, misstatements and/or factual errors in content upon discovery. Officials should not post or share information known to be false about the City, its employees, constituents, other public officials, suppliers, vendors, or contractors.
4. Unless the official has been designated to serve as a spokesperson, officials should never represent themselves as a spokesperson for the City Council, a City board or committee, the City Administration, or any City department.

5. Officials are expressly prohibited from using personal or professional social media to engage in any activity or conduct that violates federal, state, or local law on behalf of the City of Corinth. Officials are also prohibited from using professional social media accounts to circumvent election or campaign requirements, to campaign for re-election or endorse other candidates for public office.

Social media content created by elected and appointed officials may be subject to the standards and requirements of the Texas Public Information Act and the City's records retention policy. Specific inquiries should be directed to the City Clerk or the City Attorney.

Officials are subject to the Texas Open Meetings Act. As an example, Officials should be mindful that posting content regarding City-related matters could inadvertently result in the violation of the Open Meetings Law if enough other public officials engage on the post, resulting in a quorum. If this occurs, the online conversation should immediately cease with no further posts by the officials and the City Clerk should be notified accordingly.

6. Officials are prohibited from using social media to engage in any activity that constitutes a conflict of interest with their elected or appointed duties to the City.

### III. BEST PRACTICES AND GUIDELINES FOR ELECTED AND APPOINTED OFFICIALS

The following best practices and guidelines are strongly recommended to ensure that the personal and professional use of social media by elected and appointed officials is done so in a responsible manner.

1. Public officials are strongly encouraged to separate personal social media accounts from professional social media accounts so that City-related matters and all public records generated from those posts are easily archived and not intermingled with personal posts not related to City matters.
  - a. If a professional social media account is created, then it becomes a Conduct Standard and the account must be archived. Officials are required to contact the City Secretary to connect the professional account to the archiving service contract.
2. Officials are encouraged to exercise caution with respect to comments they post, particularly those concerning the City and the business of the City.
3. Officials are strongly encouraged to consider the potential impact of social media statements prior to posting. The City strives to be professional in its operations and processes. Posts that express favoritism and/or bias for or against any individual or group of individuals (e.g., based upon race, gender, national origin, sexual orientation, political affiliation, etc.), reflect poorly on the public official, as well as the City and its residents. Further, comments suggesting such treatment can expose the City to liability and legal costs.
4. Officials should be mindful that members of the public who may appear before the City Council as well as boards, commissions or committees come from all walks of life. Public comments, in any forum –including on personal and professional social media accounts –that contain racial slurs, profane language or acronyms for profane language, express bigotry toward a group based on race, religion, national origin, sexual orientation, gender, gender identity or any other legally protected classification may be considered conduct unbecoming.
5. Officials should consider whether liking, sharing, retweeting, or commenting on any social media posts could be perceived as an endorsement of or about the City, its employees, constituents, other public officials, suppliers, vendors, or contractors.
6. Officials should refrain from using social media accounts to communicate with City employees about City-related matters as this creates a public record on employees' personal accounts that must be retained per the Texas Public Information Act. If elected officials want the City's official pages to respond to a social media inquiry, the following responses are suggested:

- a. Twitter: "Tagging @CityofCorinth on your inquiry so the Administration may respond to you directly."
  - b. Facebook: "Tagging @City of Corinth, TX Government on your inquiry so the Administration may respond to you directly."
  - c. Instagram: "Tagging @cityofCorinth on your inquiry so the Administration may respond to you directly."
  - d. Other platforms, such as Nextdoor: "Please contact the City of Corinth directly so the Administration may respond to you."
7. Public officials should be cautious in using official City-provided photographs on personal social media sites. Elected and appointed officials choosing to use official City-provided photographs and identifying themselves as elected officials on personal social media sites should tailor communications on those sites accordingly.

#### **IV. PROCEDURE FOR REQUESTING AND MAINTAINING SOCIAL MEDIA ACCOUNTS FOR BOARDS, COMMITTEES, AND COMMISSIONS**

Boards/Committees/Commissions that use social media are responsible for complying with applicable federal, state, and local laws, regulations and policies. This includes adherence to laws and policies regarding copyright, use of photographs, public records retention, personnel privacy, First Amendment, HIPAA privacy, the Americans with Disabilities Act, and information security policies established by the City of Corinth.

1. When creating a social media presence, the board/committee/commission should consider the following:
  - a. Why is this social media platform the appropriate outreach tool for the target audience?
  - b. Which appointed officials on the board will be responsible for developing the content and design of the platform?
  - c. Which appointed officials will be granted administrator access to the site and be responsible for the content management strategy and ongoing updates?
  - d. What will be the account's official name?
  - e. What type of information and images will be included on the site?
  - f. What is an estimate of the number of hours per week time will be dedicated to the site?
  - g. How will time be scheduled to maintain the site?
  - h. How will the site be monitored after hours, during weekends, over holidays, and during crisis events?
  - i. How often posts are anticipated?
  - j. How will a link back to the board/committee/commission official website be provided when appropriate?
2. All board/committee/commission social media accounts must be approved by the Director of Finance, Communication & Strategic Services. You must submit a formal request for account creation. The following guidelines will always remain in place on the page:
  - a. The City will create the account and maintain administrative control.
  - b. Members of the board/commission will be provided editing privileges.
  - c. Social Media Sites must contain a link to the city website, and the board website.
  - d. Profile Photos will be determined by the City and must remain the same.
  - e. Cover Photos are at the discretion of the board.
  - f. If the account is inactive for 30 days, it will be deactivated by the Director of Finance, Communication & Strategic Services.
3. The sites must allow others, such as members of the public, to post comments or other visitor-generated content directly to the site. However, user guidelines should clearly be posted on the site. Posted guidelines must include:
  - a. No comments will be allowed that use inappropriate or offensive language.
  - b. No comments will be allowed that discriminate or are derogatory based on race, color, national origin, religion, gender, age, disability, sexual orientation, or veteran's status.

- c. Any user who harasses another user, or who is in violation of the comment guidelines will be reported to the host site for violations of the host site's policies, rules, and regulations (i.e. the Terms of Service ("TOS")), without notice to the user.
  - d. Any profile that appears to violate any terms of the hosting site will be reported to host site administrators.
  - a. Any comments that appear to be spam or advertising solicitations not germane to the original post will be reported to the host site for violations of the host site's TOS, without notice to the user.
  - b. City of Corinth social media sites are subject to applicable Texas Public Records Law and can be disclosed to third parties.
4. Boards/Committees/Commissions should have a process for removing and re-assigning social media management duties when an appointed official ceases their service. Administrator privileges should be revoked on the official's last day of service and immediately re-assigned to a new administrator.
5. Visitors to board/committee/commission sites cannot be permanently banned or blocked. If visitor-generated content is in violation of the posted guidelines, each comment or post should be reviewed and reported to the host site for violations of the host site's TOS. Appointed officials administering social media platforms should be aware of the Terms of Service (TOS) of each social media site. Each has its own unique TOS that regulates how users interact using that form of media.
6. If a board/committee/commission social media account has unauthorized activity, i.e. is hacked, the authorized administrators should:
  - a. Immediately notify the Director of Finance, Communication & Strategic Services.
  - b. Immediately try to regain access to the account.
  - c. Once access to the account is obtained, change the password.
  - d. Delete messages posted by hackers.
  - e. Let followers know that the account was hacked and what is being done to fix the issue.
  - f. Review third-party apps. These could be used by hackers to gain access to accounts.
7. Communication on social media platforms is considered a public record. Posts by the account administrators and any feedback by members of the public will become part of the public record. Always provide links to the board/committee/commission official website for more information, forms, documents, or online services necessary to conduct business with the Board. It is strongly recommended that new or unique information or updates be contained on both the board/committee/commission official website and the social media site.

**CONSENT ITEM 2.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** Corinth Investment Policy  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Chris Rodriguez, Financial Services Manager  
**Finance Review:** N/A **Legal Review:** N/A  
**City Manager Review:** Bob Hart, City Manager

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**AGENDA ITEM**

Consider and act on a resolution reviewing and approving the Investment Policy for funds for the City of Corinth; and providing an effective date.

**AGENDA ITEM SUMMARY/BACKGROUND**

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual process, staff reviews the policy and may recommend revisions to the existing policy, if needed. recommended revision to the Investment policy is below.

1. Section VIII Diversification, (C) Diversification by Investment Instrument - recommend increasing the maximum percent (%) of the portfolio from 50% to 75% for the Authorized Local Government Investment Pool.

**RECOMMENDATION**

The Finance Audit Committee reviewed the Investment Policy on Thursday, December 17, 2020 and recommends approval.

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**Attachments**

Corinth Investment Policy  
Resolution - Corinth Investment Policy

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## **CITY OF CORINTH, TEXAS INVESTMENT POLICY**

### **PREFACE**

It is the policy of the City of Corinth (the "City") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The City will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

## I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the City in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

## II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the City and includes the following separately invested funds or fund types: Operating, Reserve, Bond, Special and Capital Project Funds and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. In addition to this policy, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

## III. INVESTMENT OBJECTIVES

Funds of the City shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the City’s investment activities shall be as follows (in the order of priority):

- A. Safety - Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City’s investments.
- B. Liquidity - The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the City’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The City’s investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above

market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

#### IV. **INVESTMENT STRATEGY**

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the City's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the City's investment activities shall be as follows:

##### **Strategy No. 1**

Diversifying the City's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the City. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the City calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

**Strategy No. 2**

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the City that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

**Strategy No. 3**

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, as well as, with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

**Strategy No. 4**

The City will utilize five general investment strategies designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s).
- C. Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund.
- D. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- E. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

**Strategy No. 5**

The City generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

**Strategy No. 6**

All demand deposits of the City will be concentrated with one central depository. The City's depository procedure will maximize the City's ability to pool cash for investment purposes and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the City may be eligible to bid on City investments.

**Strategy No. 7**

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

**Strategy No. 8**

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer(s). However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the City.

**Strategy No. 9**

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

**V. FINANCE AUDIT COMMITTEE**

- A. Members** - There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope** - The Finance Audit Committee shall meet at least once per calendar quarter to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures** - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the voting members shall constitute a quorum. The Finance Audit

Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

## VI. RESPONSIBILITY AND STANDARD OF CARE

- A. The responsibility for the daily operation and management of the City's investments shall be outlined within this section.
1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
  2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
    - a. The cost of control should not exceed the benefits likely to be derived; and,
    - b. The valuation of costs and benefits requires estimates and judgments by management.
  3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence - The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
  2. The investment decision was consistent with the written investment policy and procedures of the City.

- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.
- D. Ethical Standards and Conflicts of Interest**
1. All City Investment Officials having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
  2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest.
  3. An Investment Officer has a personal business relationship with a business organization if:
    - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
    - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officers gross income for the prior year; or
    - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
    - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- E. Training** - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officers and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of

instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

## VII. AUTHORIZED INVESTMENTS

- A. Generally - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to City funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the City is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments - The authorized list of investment instruments is as follows:
1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
  2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit - A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
  2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.

3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and
  4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools** - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements** - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the City and held in safekeeping with a third-party custodian approved by the City of Corinth. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE)** - These investments are authorized for the City to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the City invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds** - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A. and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the City with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) or the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- H. Unauthorized Securities** - State law specifically prohibits investment in the following securities:
1. An obligation whose payment represents the coupon payments on the outstanding

principal balance of the underlying mortgage-backed security and pays no principal.

2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## VIII. DIVERSIFICATION

- A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire City portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

- C. Diversification by Investment Instrument - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	<del>50%</del> -75%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury & Agency Callables	30%

#### IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the City. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and to improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the City before the trade decision is made, which will accompany the investment file for record keeping.

#### X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A. The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the City's investment policy.
- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
1. Financial conditions, strength and capability to fulfill commitments;
  2. Overall reputation with other dealers or investors;

3. Regulatory status of the dealer;
  4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the City's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the City, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.
- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the City's ability to meet payroll or other expenses.
- F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the City's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the City. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the City. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the City's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the City. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

- J. It is the policy of the City that all security transactions entered into with the City shall be conducted on a “Delivery-versus-Payment” basis through the Federal Reserve System. By doing this, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the City. The notification may be oral but shall be confirmed in writing.

## XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the City shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City’s name in the bank’s trust department, in a Federal Reserve Bank account in the City’s name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
1. The City may accept the following to insure or collateralize bank deposits:
    - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
    - b. United States Treasuries & Agencies
    - c. Other securities as approved by the Finance Audit Committee
  2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
  3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the

collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

C. Collateralized Deposits - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

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

## **XII. INTERNAL CONTROL**

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established investment policy.

## **XIII. PERFORMANCE**

The City's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the City. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

## **XIV. REPORTING**

A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics,

and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Council. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
  2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
  3. Additions and changes to the market value during the period;
  4. Fully accrued interest for the reporting period;
  5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
  6. Listing of investments by maturity date;
  7. The percentage of the total portfolio which each type of investment represents; and
  8. Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
  9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
  10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

**XV. INVESTMENT POLICY ADOPTION AND AMENDMENT**

The City's investment policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

## Attachment A

### CITY OF CORINTH, TEXAS Investment Strategy Statement

#### **Operating Funds**

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to three years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

#### **Reserve Funds**

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or three years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the

attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

#### **Special Project and Capital Project Funds**

1. Suitability - Any investment eligible in the investment policy is suitable for Special Project and Capital Project Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market fluctuations will however occur, by restricting the maximum maturity to three years, managing the weighted average days to less than 270 days, restricting the maximum allowable maturity to two years, and by managing Special Project and Capital Project Funds to balance the short term and long term anticipated cash flow requirements of the plant or equipment being depreciated, replaced or repaired, the market risk of the Fund portfolio will be minimized.
3. Marketability - The balancing of short-term and long-term cash flow needs requires the short-term portion of the Special Project and Capital Project Funds portfolio to have securities with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.
4. Liquidity - Special Project and Capital Project Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However unanticipated needs or emergencies may arise. Selecting Investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

5. Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective.

### **Bond Funds**

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of three years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month’s anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy’s risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

**Attachment B**

CITY OF CORINTH, TEXAS  
Investment Policy

[SAMPLE]  
TEXAS PUBLIC FUNDS INVESTMENT ACT  
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Corinth, Texas (the "City") and \_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: \_\_\_\_\_

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**RESOLUTION NO. 21-01-28-\_\_\_\_\_**

**A RESOLUTION REVIEWING AND APPROVING INVESTMENT  
POLICY FOR FUNDS FOR THE CITY OF CORINTH; AND  
PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, in accordance with Section 2256.005(e) of Chapter 2256 of the Texas Government Code, the City Council has reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, ("Chapter 2256") and

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:**

SECTION 1. That the City Council has reviewed the attached Investment Policy, which contain the investment strategies and policies, and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 28th day of January 2021.

\_\_\_\_\_  
Bill Heidemann, Mayor

ATTEST:

\_\_\_\_\_  
Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Patricia Adams, City Attorney

**EXHIBIT A- INVESTMENT POLICY**  
**Pages 1 through 20**

**CONSENT ITEM 3.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** CCD Investment Policy  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Chris Rodriguez, Financial Services Manager  
**Finance Review:** N/A **Legal Review:** N/A  
**City Manager Review:** Bob Hart, City Manager

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**AGENDA ITEM**

Consider and act on a resolution reviewing and approving the Investment Policy for funds for the Crime Control & Prevention District; and providing an effective date.

**AGENDA ITEM SUMMARY/BACKGROUND**

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revision to the Investment policy is listed below.

1. Section VIII Diversification, (C) Diversification by Investment Instrument - recommend increasing the maximum percent (%) of portfolio from 50% to 75% for the Authorized Local Government Investment Pool.

**RECOMMENDATION**

The Finance Audit Committee reviewed the Investment Policy on Thursday, December 17, 2020 and recommends approval.

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**Attachments**

Resolution - CCD Investment Policy  
Investment Policy

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**RESOLUTION NO. 21-01-28-\_\_\_\_\_**

**A RESOLUTION REVIEWING AND ADOPTING THE INVESTMENT POLICY FOR FUNDS FOR THE CORINTH CRIME CONTROL AND PREVENTION DISTRICT.**

**WHEREAS**, in accordance with Section 2256.005€ of Chapter 2256 of the Texas Government Code, the Board of Directors of the Corinth Crime Control and Prevention District have reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, ("Chapter 2256"); and

**WHEREAS**, the City Council has reviewed the Investment Policy and proposed changes for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256;

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:**

SECTION 1. That the City Council has reviewed the attached Corinth Crime Control and Prevention District Investment Policy, which contain the investment strategies and policies and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's and the Corinth Crime Control and Prevention District's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 28th day of January, 2021.

\_\_\_\_\_  
Bill Heidemann, Mayor

ATTEST:

\_\_\_\_\_  
Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Patricia Adams, City Attorney

**EXHIBIT A- INVESTMENT POLICY**  
**Pages 1 through 20**

**CORINTH, TEXAS  
CORINTH CRIME CONTROL AND PREVENTION DISTRICT  
INVESTMENT POLICY**

**PREFACE**

It is the policy of the City of Corinth (the "City") and the Corinth Crime Control and Prevention District (the "DISTRICT") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for DISTRICT funds. The DISTRICT's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The DISTRICT will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the DISTRICT.

Pursuant to Subchapter E of Chapter 363 of the Local Government Code, the DISTRICT designates the City of Corinth to invest its funds in accordance with the provisions and requirements of this policy and § 363.206(c) of the Texas Local Gov't Code.

## I. PURPOSE

The purpose of this investment policy (the "policy") is to set forth specific investment policy and strategy guidelines for the DISTRICT in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

## II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the DISTRICT and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the DISTRICT has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the DISTRICT by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

## III. INVESTMENT OBJECTIVES

Funds of the DISTRICT shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the DISTRICT's investment activities shall be as follows (in the order of priority):

- A. Safety – Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the DISTRICT. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the DISTRICT will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the DISTRICT's investments
- B. Liquidity -The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the DISTRICT's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the DISTRICT's portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the DISTRICT. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The DISTRICT's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The DISTRICT will not attempt to consistently attain an unrealistic above market rate-of-return as this objective will subject the overall portfolio to greater risk. Therefore, the DISTRICT's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the DISTRICT's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

#### IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all DISTRICT funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the DISTRICT's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the DISTRICT's investment activities shall be as follows:

##### **Strategy No. 1**

Diversifying the DISTRICT's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the DISTRICT. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the DISTRICT calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

##### **Strategy No. 2**

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the DISTRICT that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

**Strategy No. 3**

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

**Strategy No. 4**

The DISTRICT will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- C. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

**Strategy No. 5**

The DISTRICT generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

**Strategy No. 6**

All demand deposits of the DISTRICT will be concentrated with one central depository. The City's depository procedure will maximize the DISTRICT's ability to pool cash for investment purposes and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the DISTRICT may be eligible to bid on DISTRICT investments.

**Strategy No. 7**

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the DISTRICT, while allowing the DISTRICT to earn an appropriate return on idle demand deposits.

**Strategy No. 8**

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the DISTRICT.

**Strategy No. 9**

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

**V. FINANCE AUDIT COMMITTEE**

- A. Members - There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope - The Finance Audit Committee shall meet at least once per calendar quarter to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the DISTRICT's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the voting members shall constitute a quorum. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

**VI. RESPONSIBILITY AND STANDARD OF CARE**

- A. The responsibility for the daily operation and management of the DISTRICT's

investments shall be outlined within this section.

1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the DISTRICT and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
  2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the DISTRICT are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
    - a. The cost of control should not exceed the benefits likely to be derived; and,
    - b. The valuation of costs and benefits requires estimates and judgments by management.
  3. The Director of Finance shall be designated as the primary Investment Officer for the DISTRICT and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence** - The standard of prudence to be applied by the Investment Official shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
  2. The investment decision was consistent with the written investment policy and procedures of the DISTRICT.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely

manner and that appropriate action is taken to control adverse developments.

**D. Ethical Standards and Conflicts of Interest**

1. All DISTRICT Investment Officers having a direct or indirect role in the investment of DISTRICT funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the DISTRICT shall file a statement disclosing that personal business interest.
3. An Investment Officer has a personal business relationship with a business organization if:
  - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
  - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Official's gross income for the prior year; or
  - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
  - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the DISTRICT shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

- E. Training** - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the DISTRICT'S investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officials and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The

Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

## VII. AUTHORIZED INVESTMENTS

- A. Generally - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the DISTRICT's primary objective, only certain investments are authorized as acceptable investments for the DISTRICT. The following list of authorized investments for the DISTRICT intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to DISTRICT funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the DISTRICT is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments - The authorized list of investment instruments is as follows:
1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
  2. Direct obligations of the State of Texas, or its agencies and instrumentalities Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit – A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in “bundled” or “shared” CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
  2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
  3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and

4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools – AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined by Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
  - E. Repurchase Agreements – Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the DISTRICT and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
  - F. Bankers' Acceptances and Commercial Paper (LIMITED USE) – These investments are authorized for the DISTRICT to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the DISTRICT invests.
  - G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds – An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the DISTRICT with a prospectus and other information required by the SEC act of 1934 or the Investment Advisor Act of 1940 and which provides the DISTRICT with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) of the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
  - H. Unauthorized Securities – State law specifically prohibits investment in the following securities:
    1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.

2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## VIII. DIVERSIFICATION

- A. Generally** - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities** - The longer the maturity of investments, the greater their price volatility. Therefore, it is the DISTRICT's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The DISTRICT will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the DISTRICT will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The DISTRICT shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire DISTRICT portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

- C. Diversification by Investment Instrument** - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75% <del>100%</del>

Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	75%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury & Agency Callables	30%

## **IX. SECURITY SWAPS**

Security swaps may be considered as an investment option for the DISTRICT. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the DISTRICT before the trade decision is made, which will accompany the investment file for record keeping.

## **X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS.**

- A.** The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the DISTRICT's investment policy.
- C.** The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
  1. Financial conditions, strength and capability to fulfill commitments;
  2. Overall reputation with other dealers or investors;
  3. Regulatory status of the dealer;
  4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the DISTRICT's investment policy and acknowledges that reasonable procedures and controls have been

implemented to preclude imprudent investment activities arising out of transactions between the organization and the DISTRICT, except to the extent that this authorization is dependent on an analysis of the makeup of the DISTRICT's entire portfolio or requires an interpretation of subjective investment standards.

- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the DISTRICT's ability to meet payroll or other expenses.
- F.** All investment (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the DISTRICT's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the DISTRICT. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registration of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the DISTRICT invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the DISTRICT. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the CITY for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DISTRICT's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the DISTRICT. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J.** It is the policy of the City that all security transactions entered into with the DISTRICT shall be conducted on a "Delivery-versus-Payment basis through the Federal Reserve System. By doing this, DISTRICT funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the DISTRICT. The notification may be oral, but shall be confirmed in writing.
  - 1. Financial conditions, strength and capability to fulfill commitments;
  - 2. Overall reputation with other dealers or investors;
  - 3. Regulatory status of the dealer;
  - 4. Background and expertise of the individual representatives.

## XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the DISTRICT shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
1. The City may accept the following to insure or collateralize bank deposits:
    - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
    - b. United States Treasuries & Agencies
    - c. Other securities as approved by the Finance Audit Committee
  2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
  3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

C. Collateralized Deposits - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

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

## **XII. INTERNAL CONTROL**

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the DISTRICT's established investment policy.

## **XIII. PERFORMANCE**

The DISTRICT's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the DISTRICT. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

## **XIV. REPORTING**

A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Corinth Crime Control and Prevention District Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Corinth Crime Control and Prevention District Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the DISTRICT to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
  2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
  3. Additions and changes to the market value during the period;
  4. Fully accrued interest for the reporting period;
  5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
  6. Listing of investments by maturity date;
  7. The percentage of the total portfolio which each type of investment represents; and
  8. Statement of compliance of the DISTRICT's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
  9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
  10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

## **XV. INVESTMENT POLICY ADOPTION AND AMENDMENT**

The DISTRICT's investment policy shall be reviewed by the Corinth Crime Control and

Prevention District and formally adopted and amended by resolution by the City Council. The CITY's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the CITY. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

## Attachment A

CITY OF CORINTH, TEXAS  
Corinth Crime Control and Prevention District  
Investment Strategy Statement

### Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the DISTRICT. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

### Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the DISTRICT debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the

borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the DISTRICT's debt holders. The funds are "returned" to the DISTRICT at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the DISTRICT is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

### **Bond Funds**

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity – Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the DISTRICT is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
  
6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

**Attachment B**

CITY OF CORINTH, TEXAS  
Investment Policy

[SAMPLE]  
TEXAS PUBLIC FUNDS INVESTMENT ACT  
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the CITY of Corinth, Texas (the "CITY") and \_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the CITY and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the CITY; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the CITY that are not authorized by the CITY's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the CITY's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: \_\_\_\_\_

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CONSENT ITEM 4.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** EDC Investment Policy  
**Submitted For:** Lee Ann Bunselmeyer, Director  
**Submitted By:** Lee Ann Bunselmeyer, Director  
**Finance Review:** N/A **Legal Review:** N/A  
**City Manager Review:** Bob Hart, City Manager

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**AGENDA ITEM**

Consider and act on a resolution reviewing and approving the Investment Policy for funds for the Economic Development Corporation; and providing an effective date.

**AGENDA ITEM SUMMARY/BACKGROUND**

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revision to the Investment policies is listed below.

1. Section VIII Diversification, (C) Diversification by Investment Instrument - recommend increasing the maximum percentage (%) of portfolio from 50% to 75% for the Authorized Local Government Investment Pool.

**RECOMMENDATION**

The Finance Audit Committee reviewed the Investment Policy on Thursday, December 17, 2020 and recommends approval.

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**Attachments**

Resolution - EDC Investment Policy  
Investment Policy

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**RESOLUTION NO. 21-01-28-\_\_\_\_\_**

**A RESOLUTION REVIEWING AND APPROVING THE INVESTMENT POLICY FOR FUNDS FOR THE CORINTH ECONOMIC DEVELOPMENT CORPORATION.**

**WHEREAS**, in accordance with Section 2256.005(e) of Chapter 2256 of the Texas Government Code, the Board of Directors of the Corinth Economic Development Corporation has reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE Ch. 2256, ("chapter 2256"); and

**WHEREAS**, the City Council has reviewed the Investment Policy and proposed changes for compliance with the Public Funds Investment Act, TEX. GOV'T CODE Ch. 2256;

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:**

SECTION 1. That the City Council has reviewed the attached Corinth Economic Development Corporation Investment Policy, which contain the investment strategies and policies, and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's and the Corinth Economic Development Corporation's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 28<sup>th</sup> day of January 2021.

\_\_\_\_\_  
Bill Heidemann, Mayor

ATTEST:

\_\_\_\_\_  
Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Patricia Adams, City Attorney

**EXHIBIT A- INVESTMENT POLICY**  
**Pages 1 through 18**

**CITY OF CORINTH, TEXAS  
ECONOMIC DEVELOPMENT CORPORATION  
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Corinth the "City" and the Corinth Economic Development Corporation (the "EDC") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for EDC funds. The EDC's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The EDC will invest public funds in a manner which will provide the maximum security and a market rate of return while meeting the daily cash flow demands of the EDC.

The EDC is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

## I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the EDC in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

## II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the EDC and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the EDC has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the EDC by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

## III. INVESTMENT OBJECTIVES

Funds of the EDC shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the EDC’s investment activities shall be as follows (in the order of priority):

- A. Safety – Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the EDC. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the EDC will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the EDC’s investments.
- B. Liquidity - The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the EDC’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the EDC’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the EDC. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The EDC’s investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The EDC will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the EDC’s rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.
- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the EDC’s ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market

volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

#### **IV. INVESTMENT STRATEGY**

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all EDC funds to ensure maximum utilization and yield a market rate of return. The basic and underlying strategy of this program is that all of the EDC's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the EDC's investment activities shall be as follows:

##### **Strategy No. 1**

Diversifying the EDC's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the EDC Board, and the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the EDC. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the EDC calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

##### **Strategy No. 2**

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A.** It is straight-forward and easily understood;
- B.** It will assure the EDC that it will capture a reasonable portion of the yield curve; and,
- C.** It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

##### **Strategy No. 3**

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance,

security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

**Strategy No. 4**

The EDC will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- C. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

**Strategy No. 5**

The EDC generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the EDC Executive Director, or the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

**Strategy No. 6**

All demand deposits of the EDC will be concentrated with one central depository, so long as, the FDIC insurance limits are not exceeded. The City's depository procedure will maximize the EDC's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the EDC may be eligible to bid on EDC investments.

**Strategy No. 7**

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the EDC, while allowing the EDC to earn an appropriate return on idle demand deposits.

**Strategy No. 8**

A single pooled fund group of EDC funds, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the EDC.

**Strategy No. 9**

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

**V. FINANCE AUDIT COMMITTEE**

- A. Members** – There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope** – The Finance Audit Committee shall meet at least once per calendar quarter to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the EDC's funds, authorized brokers and dealers, and the target rate of return on the investment portfolio.
- C. Procedures** – The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting and a majority of the voting members shall constitute a quorum. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

**VI. RESPONSIBILITY AND STANDARD OF CARE**

- A.** The responsibility for the daily operation and management of the EDC's investments shall be outlined within this section.
1. **Delegation of Authority** - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.
  2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- a. The cost of control should not exceed the benefits likely to be derived; and,
  - b. The valuation of costs and benefits requires estimates and judgments by management.
3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence** - The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
  2. The investment decision was consistent with the written investment policy and procedures of the EDC.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and the citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.
- D. Ethical Standards and Conflicts of Interest**
1. All EDC Investment Officers having a direct or indirect role in the investment of EDC funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
  2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the EDC shall file a statement disclosing that personal business interest.
  3. An Investment Officer has a personal business relationship with a business organization if:

- a. The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
  - b. Funds received by the Investment Officer or person related to the investment officer by the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officer's gross income for the prior year; or
  - c. The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
  - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the EDC shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- E. Training - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the EDC's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). The Investment Officers and Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

## VII. AUTHORIZED INVESTMENTS

- A. Generally - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the EDC's primary objective, only certain investments are authorized as acceptable investments for the EDC. The following list of authorized investments for the EDC intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to EDC funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the EDC is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments - The authorized list of investment instruments is as follows:

1. Obligations of the United States or its agencies and instrumentalities, or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
  2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit – A certificate of deposit issued by a depository institution that has its main office or branch office in this state, and is secured in accordance with the specific collateralization requirements contained in section XI, B of this policy. -In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
  2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
  3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States;
  4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the EDC and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorized under this section includes flexible repurchase agreements which may be

used for specific investment of bond proceeds but *shall not include reverse purchase agreements*.

- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE) - These investments are authorized for the EDC to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the EDC invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the EDC with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the EDC with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC. Section 78a et. Seq.) & the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- H. Unauthorized Securities - State law specifically prohibits investment in the following securities:
  1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
  2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
  3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
  4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## VIII. DIVERSIFICATION

- A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the EDC's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The EDC will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the EDC will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be

collateralized using longer date instruments. The EDC shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire EDC portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

- C. Diversification by Investment Instrument - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75% 400%
Local Government Obligations	10%
Fully Insured Certificates of Deposit	75%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury & Agency Callables	30%

## IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the EDC. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the EDC before the trade decision is made, which will accompany the investment file for record keeping.

## X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A. The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the EDC's investment policy.
- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary

government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:

1. Financial conditions, strength and capability to fulfill commitments;
  2. Overall reputation with other dealers or investors;
  3. Regulatory status of the dealer;
  4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the EDC's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the EDC, except to the extent that this authorization is dependent on an analysis of the makeup of the EDC's entire portfolio or requires an interpretation of subjective investment standards.
- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the EDC's ability to meet payroll or other expenses.
- F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the EDC's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the EDC. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the EDC invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the EDC. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the EDC's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the EDC. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

- J. It is the policy of the City that all security transactions entered into with the EDC shall be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve System. By doing this, EDC funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the EDC. The notification may be oral, but shall be confirmed in writing.

## XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the EDC shall be held by a third-party safekeeping agent selected by the EDC's Investment Officer. Bank deposits will be held in the EDC's name in the bank's trust department, in a Federal Reserve Bank account in the EDC's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City and the EDC. The City and the EDC shall contract with a bank or banks for the safekeeping of securities either owned by the EDC as part of its investment portfolio or held as collateral to secure time deposits, if collateralized time deposits are specifically authorized by the board.
- B. Collateralized Deposits - Consistent with the requirements of State law, the EDC requires all bank deposits to be federally insured. If the board and the City do agree that collateralized accounts are acceptable in specific situations the provisions above may be amended for EDC accounts.

## XII. INTERNAL CONTROL

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the EDC's established investment policy.

## XIII. PERFORMANCE

The EDC's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the EDC. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

## XIV. REPORTING

- A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Economic Development Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the

assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Economic Development Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the EDC to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
  2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
  3. Additions and changes to the market value during the period;
  4. Fully accrued interest for the reporting period;
  5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
  6. Listing of investments by maturity date;
  7. The percentage of the total portfolio which each type of investment represents; and
  8. Statement of compliance of the EDC's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
  9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
  10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

**XV. INVESTMENT POLICY ADOPTION AND AMENDMENT**

The EDC's investment policy shall be reviewed by the Economic Development Board and formally adopted and amended by resolution by the City Council. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

## Attachment A

CITY OF CORINTH, TEXAS  
Economic Development Corporation  
Investment Strategy Statement

### Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the EDC. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

### Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the EDC's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the EDC at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the EDC is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of a bond issue, if any, be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

### **Bond Funds**

1. Suitability - Any investment eligible in the Investment Policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the EDC is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts.

At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

**Attachment B**

CITY OF CORINTH, TEXAS  
Investment Policy

[SAMPLE]  
TEXAS PUBLIC FUNDS INVESTMENT ACT  
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Corinth, Texas (the "City") and \_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: \_\_\_\_\_

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CONSENT ITEM 5.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** Fire Control, Prevention & Emergency Services District Investment Policy  
**Submitted By:** Lee Ann Bunselmeyer, Director  
**Finance Review:** N/A **Legal Review:** N/A  
**City Manager Review:** Bob Hart, City Manager

**AGENDA ITEM**

Consider and act on a resolution reviewing and approving the Investment Policy for funds for the Fire Control, Prevention & Emergency Services District; and providing an effective date.

**AGENDA ITEM SUMMARY/BACKGROUND**

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revision to the Investment policy is listed below.

1. Creation of the Fire Control, Prevention & Emergency Services District Policy
2. Section VIII Diversification, (C) Diversification by Investment Instrument - recommend increasing the maximum percent (%) of portfolio from 50% to 75% for the Authorized Local Government Investment Pool.

**RECOMMENDATION**

The Finance Audit Committee reviewed the Investment Policy on Thursday, December 17, 2020 and recommends approval.

**Attachments**

Resolution - Fire District Investment Policy  
Investment Policy

**RESOLUTION NO. 21-01-28-\_\_\_\_\_**

**A RESOLUTION REVIEWING AND ADOPTING THE INVESTMENT POLICY FOR FUNDS FOR THE CORINTH FIRE CONTROL, PREVENTION AND EMERGENCY SERVICES DISTRICT.**

**WHEREAS**, in accordance with Section 2256.005€ of Chapter 2256 of the Texas Government Code, the Board of Directors of the Corinth Fire Control, Prevention and Emergency Services District have reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, ("Chapter 2256"); and

**WHEREAS**, the City Council has reviewed the Investment Policy and proposed changes for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256;

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:**

SECTION 1. That the City Council has reviewed the attached Corinth Fire Control, Prevention and Emergency Services District Investment Policy, which contain the investment strategies and policies and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's and the Corinth Fire Control, Prevention and Emergency Services District's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 28th day of January, 2021.

\_\_\_\_\_  
Bill Heidemann, Mayor

ATTEST:

\_\_\_\_\_  
Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Patricia Adams, City Attorney

**EXHIBIT A- INVESTMENT POLICY**  
**Pages 1 through 20**

**CORINTH, TEXAS  
CORINTH FIRE CONTROL, PREVENTION AND  
EMERGENCY SERVICE DISTRICT  
INVESTMENT POLICY**

**PREFACE**

It is the policy of the City of Corinth (the "City") and the Corinth Fire Control, Prevention and Emergency Services District (the "DISTRICT") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for DISTRICT funds. The DISTRICT's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The DISTRICT will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the DISTRICT.

Pursuant to Subchapter E of Chapter 363 of the Local Government Code, the DISTRICT designates the City of Corinth to invest its funds in accordance with the provisions and requirements of this policy and § 363.206(c) of the Texas Local Gov't Code.

## I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the DISTRICT in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

## II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the DISTRICT and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the DISTRICT has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the DISTRICT by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

## III. INVESTMENT OBJECTIVES

Funds of the DISTRICT shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the DISTRICT’s investment activities shall be as follows (in the order of priority):

- A. Safety – Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the DISTRICT. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the DISTRICT will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the DISTRICT’s investments
- B. Liquidity -The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the DISTRICT’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the DISTRICT’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the DISTRICT. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The DISTRICT’s investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The DISTRICT will not attempt to consistently attain an unrealistic above market rate-of-return as this objective will subject the overall portfolio to greater risk. Therefore, the DISTRICT’s rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the DISTRICT's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

#### IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all DISTRICT funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the DISTRICT's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the DISTRICT's investment activities shall be as follows:

##### **Strategy No. 1**

Diversifying the DISTRICT's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the DISTRICT. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the DISTRICT calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

##### **Strategy No. 2**

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the DISTRICT that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

**Strategy No. 3**

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

**Strategy No. 4**

The DISTRICT will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- C. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

**Strategy No. 5**

The DISTRICT generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

**Strategy No. 6**

All demand deposits of the DISTRICT will be concentrated with one central depository. The City's depository procedure will maximize the DISTRICT's ability to pool cash for investment purposes and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the DISTRICT may be eligible to bid on DISTRICT investments.

**Strategy No. 7**

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the DISTRICT, while allowing the DISTRICT to earn an appropriate return on idle demand deposits.

**Strategy No. 8**

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the DISTRICT.

**Strategy No. 9**

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

**V. FINANCE AUDIT COMMITTEE**

- A. Members - There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope - The Finance Audit Committee shall meet at least once per calendar quarter to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the DISTRICT's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the voting members shall constitute a quorum. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

**VI. RESPONSIBILITY AND STANDARD OF CARE**

- A. The responsibility for the daily operation and management of the DISTRICT's

investments shall be outlined within this section.

1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the DISTRICT and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
  2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the DISTRICT are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
    - a. The cost of control should not exceed the benefits likely to be derived; and,
    - b. The valuation of costs and benefits requires estimates and judgments by management.
  3. The Director of Finance shall be designated as the primary Investment Officer for the DISTRICT and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence** - The standard of prudence to be applied by the Investment Official shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
  2. The investment decision was consistent with the written investment policy and procedures of the DISTRICT.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely

manner and that appropriate action is taken to control adverse developments.

**D. Ethical Standards and Conflicts of Interest**

1. All DISTRICT Investment Officers having a direct or indirect role in the investment of DISTRICT funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the DISTRICT shall file a statement disclosing that personal business interest.
3. An Investment Officer has a personal business relationship with a business organization if:
  - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
  - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Official's gross income for the prior year; or
  - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
  - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the DISTRICT shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

- E. Training** - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the DISTRICT'S investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officials and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The

Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

## VII. AUTHORIZED INVESTMENTS

- A. Generally - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the DISTRICT's primary objective, only certain investments are authorized as acceptable investments for the DISTRICT. The following list of authorized investments for the DISTRICT intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to DISTRICT funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the DISTRICT is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments - The authorized list of investment instruments is as follows:
1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
  2. Direct obligations of the State of Texas, or its agencies and instrumentalities Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit – A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in “bundled” or “shared” CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
  2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
  3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and

4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools – AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined by Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
  - E. Repurchase Agreements – Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the DISTRICT and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
  - F. Bankers' Acceptances and Commercial Paper (LIMITED USE) – These investments are authorized for the DISTRICT to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the DISTRICT invests.
  - G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds – An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the DISTRICT with a prospectus and other information required by the SEC act of 1934 or the Investment Advisor Act of 1940 and which provides the DISTRICT with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) of the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
  - H. Unauthorized Securities – State law specifically prohibits investment in the following securities:
    1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.

2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## VIII. DIVERSIFICATION

- A. Generally** - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities** - The longer the maturity of investments, the greater their price volatility. Therefore, it is the DISTRICT's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The DISTRICT will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the DISTRICT will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The DISTRICT shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire DISTRICT portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

- C. Diversification by Investment Instrument** - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75% <del>100%</del>

Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	75%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury & Agency Callables	30%

## **IX. SECURITY SWAPS**

Security swaps may be considered as an investment option for the DISTRICT. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the DISTRICT before the trade decision is made, which will accompany the investment file for record keeping.

## **X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS.**

- A.** The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the DISTRICT's investment policy.
- C.** The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
  1. Financial conditions, strength and capability to fulfill commitments;
  2. Overall reputation with other dealers or investors;
  3. Regulatory status of the dealer;
  4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the DISTRICT's investment policy and acknowledges that reasonable procedures and controls have been

implemented to preclude imprudent investment activities arising out of transactions between the organization and the DISTRICT, except to the extent that this authorization is dependent on an analysis of the makeup of the DISTRICT's entire portfolio or requires an interpretation of subjective investment standards.

- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the DISTRICT's ability to meet payroll or other expenses.
- F.** All investment (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the DISTRICT's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the DISTRICT. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registration of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the DISTRICT invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the DISTRICT. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the CITY for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DISTRICT's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the DISTRICT. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J.** It is the policy of the City that all security transactions entered into with the DISTRICT shall be conducted on a "Delivery-versus-Payment basis through the Federal Reserve System. By doing this, DISTRICT funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the DISTRICT. The notification may be oral, but shall be confirmed in writing.
  - 1. Financial conditions, strength and capability to fulfill commitments;
  - 2. Overall reputation with other dealers or investors;
  - 3. Regulatory status of the dealer;
  - 4. Background and expertise of the individual representatives.

## XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping** - All securities owned by the DISTRICT shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization** - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
1. The City may accept the following to insure or collateralize bank deposits:
    - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
    - b. United States Treasuries & Agencies
    - c. Other securities as approved by the Finance Audit Committee
  2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
  3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

**C. Collateralized Deposits** - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

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

## **XII. INTERNAL CONTROL**

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the DISTRICT's established investment policy.

## **XIII. PERFORMANCE**

The DISTRICT's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the DISTRICT. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

## **XIV. REPORTING**

**A. Quarterly** - The Director of Finance shall prepare and submit a signed quarterly investment report to the Corinth Fire Control, Prevention and Emergency Services District Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Corinth Fire Control, Prevention and Emergency Services District Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the DISTRICT to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
  2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
  3. Additions and changes to the market value during the period;
  4. Fully accrued interest for the reporting period;
  5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
  6. Listing of investments by maturity date;
  7. The percentage of the total portfolio which each type of investment represents; and
  8. Statement of compliance of the DISTRICT's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
  9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
  10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

## **XV. INVESTMENT POLICY ADOPTION AND AMENDMENT**

The DISTRICT's investment policy shall be reviewed by the Corinth Fire Control,

Prevention and Emergency Services District and formally adopted and amended by resolution by the City Council. The CITY's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the CITY. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

## Attachment A

CITY OF CORINTH, TEXAS  
Corinth Fire Control, Prevention and Emergency Services District  
Investment Strategy Statement

### Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the DISTRICT. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

### Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the DISTRICT debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the

borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the DISTRICT's debt holders. The funds are "returned" to the DISTRICT at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the DISTRICT is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

### **Bond Funds**

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity – Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the DISTRICT is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

**Attachment B**

CITY OF CORINTH, TEXAS  
Investment Policy

[SAMPLE]  
TEXAS PUBLIC FUNDS INVESTMENT ACT  
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the CITY of Corinth, Texas (the "CITY") and \_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the CITY and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the CITY; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the CITY that are not authorized by the CITY's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the CITY's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: \_\_\_\_\_

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CONSENT ITEM 6.****City Council Special Session****Meeting Date:** 01/28/2021**Title:** Ambulance Purchase Agreement**Submitted For:** Bob Hart, City Manager**Submitted By:** Michael Ross, Fire Chief**City Manager Review: Approval:** Bob Hart, City Manager**Strategic Goals:** Citizen Engagement & Proactive  
Government  
Regional Cooperation**AGENDA ITEM**

Authorize the acquisition of an ambulance to replace the existing reserve unit.

**AGENDA ITEM SUMMARY/BACKGROUND**

This Item is to replace the 2010 Ambulance. It currently has over 91,000 miles. The replacement will be placed in front line service and the older of the two ambulances (2014) will go into reserve status. The financing terms are set for a 5-year payoff. The replacement was approved in the 2020-2021 Budget. The request is to move forward with the order and purchase of the Ambulance. Attached is the quote and Financing contract.

**RECOMMENDATION**

Staff recommends approval of the Item.

**Attachments**

Ambulance Quote

Ambulance Financing

**Siddons Martin Emergency Group, LLC**  
**3500 Shelby Lane**  
**Denton, TX 76207**  
**GDN P115891**  
**TXDOT MVD No. A115890**



December 31, 2020

**Michael Ross, Chief**  
**LAKE CITIES FIRE DEPARTMENT**  
**3101 GARRISON RD**  
**CORINTH, TX 76210**

**Proposal For: 2021 Road Rescue Ultramedic 2**

Siddons-Martin Emergency Group, LLC is pleased to provide the following proposal to LAKE CITIES FIRE DEPARTMENT. Unit will comply with all specifications attached and made a part of this proposal. Total price includes delivery FOB LAKE CITIES FIRE DEPARTMENT and training on operation and use of the apparatus.

Description	Amount												
<p><b>Qty. 1 - 0018B - Road Rescue Dodge Ram 5500 Type 1</b>  <b>(Unit Price - \$305,309.00)</b>                      Delivery within 12-13 months of order date                      QUOTE # - SMEG-0001305-2</p>	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Vehicle Price</td> <td style="text-align: right;">\$305,309.00</td> </tr> <tr> <td style="text-align: right;"><b>0018B - UNIT TOTAL</b></td> <td style="text-align: right;"><b>\$305,309.00</b></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="text-align: right;">SUB TOTAL</td> <td style="text-align: right;">\$305,309.00</td> </tr> <tr> <td style="text-align: right;">HGAC AM10-20(EMS)</td> <td style="text-align: right;">\$1,000.00</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$306,309.00</b></td> </tr> </table>	Vehicle Price	\$305,309.00	<b>0018B - UNIT TOTAL</b>	<b>\$305,309.00</b>			SUB TOTAL	\$305,309.00	HGAC AM10-20(EMS)	\$1,000.00	<b>TOTAL</b>	<b>\$306,309.00</b>
Vehicle Price	\$305,309.00												
<b>0018B - UNIT TOTAL</b>	<b>\$305,309.00</b>												
SUB TOTAL	\$305,309.00												
HGAC AM10-20(EMS)	\$1,000.00												
<b>TOTAL</b>	<b>\$306,309.00</b>												

Price guaranteed until 2/5/2021

**Additional:** The delivery of this unit(s) is subject to chassis availability and signed work order confirmation by the Lake Cities Fire Department and Siddons-Martin Emergency Group.

**Taxes:** Tax is not included in this proposal. In the event that the purchasing organization is not exempt from sales tax or any other applicable taxes and/or the proposed apparatus does not qualify for exempt status, it is the duty of the purchasing organization to pay any and all taxes due. Balance of sale price is due upon acceptance of the apparatus at the factory.

**Late Fee:** A late fee of .033% of the sale price will be charged per day for overdue payments beginning ten (10) days after the payment is due for the first 30 days. The late fee increases to .044% per day until the payment is received. In the event a prepayment is received after the due date, the discount will be reduced by the same percentages above increasing the cost of the apparatus.

**Cancellation:** In the event this proposal is accepted and a purchase order is issued then cancelled or terminated by <sup>172</sup> Customer before completion, Siddons-Martin Emergency Group may charge a cancellation fee. The following charge schedule based on costs incurred may be applied:

- (A) 10% of the Purchase Price after order is accepted and entered by Manufacturer;
- (B) 20% of the Purchase Price after completion of the approval drawings;
- (C) 30% of the Purchase Price upon any material requisition.

The cancellation fee will increase accordingly as costs are incurred as the order progresses through engineering and into manufacturing. Siddons-Martin Emergency Group endeavors to mitigate any such costs through the sale of such product to another purchaser; however, the customer shall remain liable for the difference between the purchase price and, if applicable, the sale price obtained by Siddons-Martin Emergency Group upon sale of the product to another purchaser, plus any costs incurred by Siddons-Martin to conduct such sale.

**Acceptance:** In an effort to ensure the above stated terms and conditions are understood and adhered to, Siddons-Martin Emergency Group, LLC requires an authorized individual from the purchasing organization sign and date this proposal and include it with any purchase order. Upon signing of this proposal, the terms and conditions stated herein will be considered binding and accepted by the Customer. The terms and acceptance of this proposal will be governed by the laws of the state of Texas. No additional terms or conditions will be binding upon Siddons-Martin Emergency Group, LLC unless agreed to in writing and signed by a duly authorized officer of Siddons-Martin Emergency Group, LLC.

Sincerely,

*Randy Overton*

**Randy Overton**

I, \_\_\_\_\_, the authorized representative of LAKE CITIES FIRE DEPARTMENT, agree to purchase the proposed and agree to the terms of this proposal and the specifications attached hereto.

\_\_\_\_\_  
Signature & Date

## PUBLIC PROPERTY FINANCE ACT CONTRACT

THIS Public Property Finance Act Contract **No.9365** (hereafter referred to as the "Finance Contract") is dated as of **February 10, 2021**, by and between **Government Capital Corporation**, a Texas corporation (herein referred to as "GCC"), and the **City of Corinth**, a political sub-division or agency of the State of Texas (hereinafter referred to as the "Issuer").

WITNESSETH: In furtherance of the providing by GCC of financing to the Issuer in connection with the Issuer's acquisition from Siddons-Martin Emergency Group, LLC that is more fully described on EXHIBIT A attached hereto (the "Property"), and in consideration of the mutual covenants and conditions hereinafter set forth, pursuant to the provisions of the Public Property Finance Act, Chapter 271, Subchapter A, Texas Local Government Code, as amended (the "Act"), the parties agree as follows:

**1. Term and Payments.** The Issuer hereby covenants and agrees to pay to the order of GCC and GCC's successors and assigns those principal and interest installment amounts in those sums set forth on EXHIBIT B attached hereto (the "Payments") on or before those dates per installment that are more fully set forth on EXHIBIT B (the "Payment Dates"). It is acknowledged and understood that GCC may assign its rights hereunder to a third party and that notice of said assignment shall be provided to the Issuer and that the Issuer, thereafter, shall look to and consider said assignee as the party to whom all of the Issuer's duties hereunder are owed. The obligation of the Issuer to make the Payments shall not be subject to set-off, counterclaim, or recoupment to the extent permitted by law. The interest is calculated on the basis of a 30/360-day year on the unpaid principal amounts from the Schedule Date of the EXHIBIT B.

**2. Security, Levy of Taxes, Budgeting.**

**(a)** During the term of this Finance Contract, the Issuer covenants that prior to adopting a budget for any ensuing fiscal year it shall place in its proposed budget for such ensuing fiscal year an amount necessary to pay the Finance Contract Payments for such ensuing fiscal year, and that the final budget for each fiscal year shall set aside and appropriate out of Ad Valorem Taxes and other revenues and funds lawfully available therefore an amount sufficient to pay the Finance Contract Payments. The Issuer hereby agrees to assess and collect, a continuing direct annual Ad Valorem Tax on all taxable property within the boundaries of the Issuer, within the limitations prescribed by law, at a rate from year to year sufficient, together with such other revenues and funds lawfully available to the Issuer for the payment of the Payments, to provide funds each year to pay the Payments, full allowance being made for delinquencies and costs of collection. Such taxes and such revenues and funds in an amount sufficient to make the Payments are pledged to GCC and GCC's successors and assigns for such purpose as the same shall become due and payable under this Finance Contract.

**(b)** The Issuer waives all rights of set-off, recoupment, counterclaim and abatement against GCC and GCC's successors and assigns with respect to the amounts due under this Finance Contract, and the Issuer's obligation to pay amounts due under this Finance Contract is absolute and unconditional and not subject to set-off, recoupment, counterclaim or abatement for any reason whatsoever.

**3. Deposit into the Payment Fund.**

**(a)** Upon this Finance Contract taking effect the Issuer shall establish a Payment Fund, which shall be maintained by the Issuer as long as any Payments are unpaid. The Issuer hereby pledges the Payment Fund for the exclusive purpose of securing the Payments and shall apply the funds therein to the payment of Payments as such payments come due.

**(b)** Each year in which Payments come due, the Issuer shall, not later than the day preceding any such due date, deposit into the Payment Fund, from the Issuer's Ad Valorem taxes or other lawfully available funds (within the limits prescribed by law) an amount sufficient to make such payment. To the extent permitted by law, the Issuer hereby pledges its Ad Valorem tax as security for this obligation. To the extent required by the Texas Constitution the Issuer agrees during each year of the term of this Finance Contract to assess and collect annually a sufficient sum to pay the greater of (1) interest on the debt created by this Finance Contract and a sinking fund of at least two percent of the principal amount of such debt, or (2) the payments required by Exhibit B attached hereto.

**(c)** The Payment Fund shall be depleted at least once a year except for a carryover amount not to exceed one twelfth (1/12) of the amount of the Payments expected to come due in the following year.

**4. Taxes.** The Issuer agrees to directly pay all taxes, insurance and other costs of every nature associated with its ownership of the Property.

**5. The Issuer's Covenants and Representations.** The Issuer covenants and represents as follows:

**(a)** The Issuer will provide an opinion of its counsel to the effect that, it has full power and authority to enter into this Finance Contract which has been duly authorized, executed, and delivered by the Issuer and is a valid and binding obligation enforceable in accordance with its terms, and all requirements for execution, delivery and performance of this Finance Contract have been, or will be, complied with in a timely manner;

**(b)** All Payments hereunder for the current fiscal period have been duly authorized and will be paid when due;

**(c)** There are no pending or threatened lawsuits or administrative or other proceedings contesting the authority for, authorization of performance of, or expenditure of funds pursuant to this Finance Contract;

**(d)** The information supplied and statements made by the Issuer in any financial statement or current budget prior to or contemporaneously with this Finance Contract are true and correct;

**(e)** The Issuer has complied or will comply with all bidding/proposal laws applicable to this transaction and the purchase of the Property.

**(f)** No contract, rental agreement, lease-purchase agreement, payment agreement or contract for purchase under the Act to which the Issuer has been a party at any time during the past ten (10) years has been terminated by the Issuer as a result of insufficient funds being appropriated in any Fiscal Year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which the Issuer has issued during the past ten (10) years.

**(g)** The Issuer will pay the Contract Payment Due by check, wire transfer, or ACH only.



**6. Use and Licenses.** The Issuer shall pay and discharge all operating and other expenses of every nature associated with its use of the Property. The Issuer shall obtain, at its expense, all registrations, permits and licenses, if any, required by law for the installation and operation of the Property.

**7. Maintenance.** The Issuer agrees to be solely responsible for all maintenance and operating costs of every nature associated with its ownership of the Property and the Issuer acknowledges that GCC or GCC's successors or assigns shall have no responsibility for the payment of any such costs.

**8. Damage to or Destruction of Property.** The Issuer shall bear the entire risk of loss, damage, theft, or destruction of the Property from any and every cause whatsoever, and no loss, damage, destruction, or other event shall release the Issuer from the obligation to pay the full amount of the payments or from any other obligation under this Finance Contract.

**9. No Warranty.** EXCEPT FOR REPRESENTATIONS, WARRANTIES, AND SERVICE AGREEMENTS RELATING TO THE PROPERTY MADE OR ENTERED INTO BY THE MANUFACTURERS OR SUPPLIERS OF THE PROPERTY, IF ANY, ALL OF WHICH ARE HEREBY ASSIGNED TO THE ISSUER, GCC HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND ASSUMES NO OBLIGATION WITH RESPECT TO THE TITLE, MERCHANTABILITY, CONDITION, QUALITY OR FITNESS OF THE PROPERTY DESCRIBED IN EXHIBIT A FOR ANY PARTICULAR PURPOSE OR THE CONFORMITY OF THE PROPERTY TO SPECIFICATION OR PURCHASE ORDER. All such risks shall be borne by the Issuer without in any way excusing it from its obligations under this Finance Contract, and GCC shall not be liable for any damages on account of such risks. All claims or actions on any warranty so assigned shall be made or prosecuted by the Issuer, at its sole expense, upon prior written notice to GCC. GCC or its assigns may, but shall have no obligation whatsoever to, participate in a claim on any warranty. Any recovery under such a warranty shall be made payable jointly to both parties.

**10. Evidence of Indebtedness and Security Agreement.**

**(a)** An executed copy of this Finance Contract shall evidence the indebtedness of the Issuer as provided herein and shall constitute a security agreement pursuant to applicable law, with GCC, its successors or assigns as the secured party. The grants, lien, pledge and security interest of GCC, its successors or assigns created herein shall become effective immediately upon and from the Delivery Date, and the same shall be continuously effective for so long as any Finance Contract Payments are outstanding.

**(b)** A fully executed copy of this Finance Contract and the proceedings authorizing same shall be kept at all times and shall be filed and recorded as a security agreement among the permanent records of the Issuer. Such records shall be open for inspection to any member of the general public and to any individual, firm, corporation, governmental entity or other person proposing to do or doing business with, or having or asserting claims against the Issuer, at all times during regular business hours.

**(c)** If, in the opinion of counsel to the Issuer or to GCC, its successors or assigns, applicable law ever requires filings additional to the filing pursuant to subsection (b) of this section in order to preserve and protect the priority of the grants, assignments, lien, pledge and security interest of GCC, its successors or assigns created herein as to all Payments, then the Issuer shall diligently and regularly make such filings to the extent required by law to accomplish such result.

**11. Default and Remedies.**

**(a)** Each of the following occurrences or events for the purpose of this Finance Contract is hereby declared to be an Event of Default:

**(1)** the failure to make payment of the Payment when the same becomes due and payable; or

**(2)** default in the performance or observance of any other covenant agreement or obligation of the Issuer, which default materially, adversely affects the rights of GCC or its successors or assigns, including, but not limited to, its prospect or ability to be repaid in accordance with this Finance Contract, and the continuation thereof for a period of 20 days after notice of such default is given by GCC or any successors or assigns of GCC to the Issuer.

**(b) Remedies for Default.**

**(1)** Upon the happening of any Event of Default, then and in every case GCC or its successors or assigns, or an authorized representative thereof, including, but not limited to, an attorney or trustee therefore, may proceed against the Issuer for the purpose of protecting and enforcing the rights of GCC or its successors or assigns under this Finance Contract, 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 GCC or its successors or assigns or any combination of such remedies; provided that none of such parties shall have any right to declare the balance of the Finance Contract Payments to be immediately due and payable as a remedy because of the occurrence of an Event of Default.

**(2)** The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy, and no delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or be construed to be a waiver thereof and all such rights and powers may be exercised as often as may be deemed expedient.

**(c) Remedies Not Exclusive.**

**(1)** 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 this Finance Contract or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Finance Contract, the right to accelerate the debt evidenced by this Finance Contract shall not be available as a remedy because of the occurrence of an Event of Default.

**12. Assignment.** Without GCC's prior written consent, the Issuer will not either **(a)** assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Finance Contract or the Property or any interest in this Finance Contract or the Property; or **(b)** sublet or lend the Property or permit it to be used by anyone other than the Issuer or the Issuer's employees and other authorized users. GCC may assign its rights, title and interest in and to this Finance Contract, and any other documents executed with respect to this Finance Contract and/or grant or assign a security interest in this Finance Contract, in whole or in part. Such successors and assigns of GCC shall have the right to further grant or assign a security interest in this Finance Contract, as well as the rights to Payments hereunder, in whole or in part, to any third party. No assignment or reassignment of GCC's rights, title or interest in this Finance Contract shall be effective with regard to the Issuer unless and until the Issuer shall have received a copy of the document by which the assignment or reassignment is made, disclosing the name and address of such assignee. The Issuer shall maintain written records of any assignments of the Finance Contract.

**13. Personal Property.** The Property is and shall at all times be and remain personal property, and will not be considered a fixture to any real property.

**14. GCC's Right to Perform for The Issuer.** If the Issuer fails to make any payment or perform or comply with any of its covenants or obligations hereunder, GCC or GCC's successors or assigns may, but shall not be required to, make such payment or perform or comply with such covenants and obligations on behalf of the Issuer, and the amount of any such payment and the expenses (including but not limited to reasonable attorneys' fees) incurred by GCC or GCC's successors or assigns in performing or complying with such covenants and obligations, as the case may be, together with interest thereon at the highest lawful rate under the State of Texas law, shall be payable by the Issuer upon demand.

**15. Interest on Default.** If the Issuer fails to pay any Payment specified herein within twenty (20) days after the due date thereof, the Issuer shall pay to GCC or any successor or assigns of GCC, interest on such delinquent payment at the highest rate allowed by Texas law.

**16. Notices.** Any notices to be given or to be served upon any party hereto in connection with this Finance Contract must be in writing and may be given by certified or registered mail, and shall be deemed to have been given and received forty-eight (48) hours after mailing. Such notice shall be given to the parties at their respective addresses designated on the signature page of this Finance Contract or at such other address as either party may hereafter designate.

**17. Prepayment.**

**(a)** The Issuer shall have the right, at its option, to prepay the Finance Contract in whole, on any payment date, in accordance with the Early Redemption Value stated on Exhibit B of the Contract. Any additional principal payments will be applied to reduce the early redemption values as shown in Exhibit B to this Finance Contract.

**(b)** As condition precedent to the Issuer's right to make, and GCC or any successor or assigns of GCC's obligation to accept, any such prepayment, GCC or any successor or assigns of GCC shall have actually received notice at least thirty (30) days in advance of the Issuer's intent to exercise its option to prepay.

**18. Continuing Disclosure.** Specifically and without limitation, the Issuer agrees to provide audited financial statements, prepared by a certified public accountant not later than six (6) months after and as of the end of each fiscal year. Periodic financial statements shall include a combined balance sheet as of the end of each such period, and a combined statement of revenues, expenditures and changes in fund balances, from the beginning of the then fiscal year to the end of such period. These reports must be certified as correct by one of the Issuer's authorized agents. If the Issuer has subsidiaries, the financial statements required will be provided on a consolidated and consolidation basis.

**19. Tax Exemption.**

**(a)** The Issuer certifies that it does not reasonably anticipate more than \$10,000,000 of "tax-exempt obligations", including this Finance Contract will be issued by it and any subordinate entities during the 2021 calendar year. Further, the Issuer designates this Finance Contract as "qualified tax exempt obligations" under Section 265 (b) 3 of the Internal Revenue Code of 1986, as amended (the "Code") eligible for the exception contained in Section 265 (b) 3 (D) of the Code allowing for an exception to the general rule of the Code which provides for a total disallowance of a deduction for interest expense allocable to the carrying of tax exempt obligations.

**(b)** The Issuer hereby represents and covenants that the proceeds of this Finance Contract are needed at this time to provide funds for the Issuer's purchase of the property for which this Finance Contract was executed and delivered, as specified in this Finance Contract; that (i) final disbursement of the proceeds of this Finance Contract will occur within three years from the Delivery Date, (ii) substantial binding obligations to expend at least five (5) percent of the net proceeds will be incurred within six months after the Delivery Date and (iii) the acquisition of such property will proceed with due diligence to completion; and that, except for the Escrow Agreement, if applicable, and the Payment Fund, no other funds or accounts have been or will be established or pledged to the payment of this Finance Contract.

**(c)** The Issuer will not directly or indirectly take any action or omit to take any action, which action or omission would cause the Finance Contract to constitute a "private activity bond" within the meaning of Section 141(a) of the Code.

**(d)** The Issuer will not take any action or fail to take any action with respect to the investment of the proceeds of this Finance Contract or any other funds of the Issuer, including amounts received from the investment of any of the foregoing, that would cause this Finance Contract to be an "arbitrage bond" within the meaning of such section 148 of the Code.

**(e)** There are no other obligations of the Issuer which are sold at substantially the same time as the Finance Contract, sold pursuant to the same plan of financing with the Finance Contract and are reasonably expected to be paid from substantially the same source of funds as the Finance Contract.

**(f)** The Issuer will not take any action, or as the case may be, knowingly omit to take any action within its control that, if taken or omitted, as the case may be, would cause the Finance Contract to be treated as "federally guaranteed" obligations for purposes of Section 149(b) of the Code.

**(g)** The Issuer will take all necessary steps to comply with the requirement that certain amounts earned by the Issuer on the investment of the "gross proceeds" of the Finance Contract (within the meaning of Section 148(f)(6)(B) of the Code), if any, be rebated to the federal government. Specifically, the Issuer will (i) maintain records regarding the investment of the gross proceeds of the Finance Contract as may be required to calculate and substantiate the amount earned on the investment of the gross proceeds of the Finance Contract and retain such records for at least six years after the day on which the last outstanding Finance Contract is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, including any specified method of accounting required by applicable regulations to be used for all or a portion of the gross proceeds, (iii) calculate, at such times as are required by applicable regulations, the amount earned from the investment of the gross proceeds of the Finance Contract and (iv) timely pay all amounts required to be rebated to the federal government. In addition, the Issuer will correct any errors within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, including interest thereon and penalty, if any, as may be necessary or appropriate to assure that interest on the Finance Contract is not includable in the gross income for federal income tax purposes.

**(h)** The Issuer will timely file with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Finance Contract on such form and in such place as the Secretary may prescribe. Notwithstanding any other provision of this Finance Contract, the Issuer's obligation under the covenants and provisions of this Section 19 shall survive the defeasance and discharge of this Finance Contract.

**20. Miscellaneous.**

**(a)** Time is of the essence. No covenant or obligations hereunder to be performed by the Issuer are waived, except by the written consent of GCC or its successors or assigns. GCC's or its successors or assigns' rights hereunder are cumulative and not alternative.

**(b)** This Finance Contract shall be construed in accordance with, and governed by the state of Texas laws.

**(c)** This Finance Contract constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, altered or changed in any respect except by a written document signed by both GCC and the Issuer.

**(d)** Any term or provision of this Finance Contract found to be prohibited by law or unenforceable shall not affect the legality the remainder of this Finance Contract.

**(e)** Use of the neuter gender herein is for purposes of convenience only and shall be deemed to mean and include the masculine or feminine gender whenever appropriate.

**(f)** The captions set forth herein are for convenience of reference only, and shall not define or limit any of the terms or provisions hereof.

**(g)** Issuer agrees to equitably adjust the payments payable under this Finance Contract if there is a determination by the IRS that the interest payable pursuant to this Finance Contract (as incorporated within the schedule of payments) is not excludable from income in accordance with the Internal Revenue Code of 1986, as amended, such as to make GCC and its assigns whole.

**(h)** Except as otherwise provided, this Finance Contract shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, where permitted by this Finance Contract.

**(i)** THIS CONTRACT IS EVIDENCE OF A PRIVATELY PLACED BANK LOAN, IS NOT IN REGISTERED FORM, AND MAY NOT BE TRANSFERRED TO BEARER. TRANSFERS OF THIS CONTRACT ARE NOT REGISTERED ON BOOKS MAINTAINED FOR THAT PURPOSE BY THE ISSUER.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Finance Contract as of the \_\_\_\_ day of \_\_\_\_\_ in the year 2021.

Government Capital Corporation

\_\_\_\_\_  
Authorized Signature  
345 Miron Drive  
Southlake, Texas 76092

Witness Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Print Title \_\_\_\_\_

**The Issuer:** City of Corinth

\_\_\_\_\_  
Bob Hart, City Manager  
3300 Corinth Parkway  
Corinth, Texas 76208

Witness Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Print Title \_\_\_\_\_

**EXHIBIT A**Public Property Finance Act Contract **No.9365** (THE "FINANCE CONTRACT")

By And Between

Government Capital Corporation and **the Issuer**, City of Corinth

Dated as of February 10, 2021

**QTY                      DESCRIPTION**

Personal Property

Property Cost: \$306,309.00

Payback Period: Five (5) Annual Payments

**Ambulance**

**One (1)                      Road Rescue Dodge Ram 5500 Type 1**  
 -     **Unit #0018B**

PROPERTY LOCATION:  
 Lake Cities Fire Department  
 3101 South Garrison Road  
 Corinth, Texas 76210

**EXHIBIT B****>> SCHEDULE OF PAYMENTS & EARLY REDEMPTION VALUE <<**Public Property Finance Act Contract **No.9365** ("THE FINANCE CONTRACT")

BY AND BETWEEN

Government Capital Corporation and the **Issuer** City of Corinth

Schedule dated as of February 10, 2021

PMT NO.	PMT DATE MO. DAY YR	TOTAL PAYMENT	INTEREST PAID	PRINCIPAL PAID	EARLY REDEMPTION VALUE after pmt on this line
1	2/10/2022	\$65,922.56	\$7,642.41	\$58,280.15	N/A
2	2/10/2023	\$65,922.56	\$6,188.32	\$59,734.24	N/A
3	2/10/2024	\$65,922.56	\$4,697.95	\$61,224.61	\$128,463.21
4	2/10/2025	\$65,922.56	\$3,170.40	\$62,752.16	\$64,788.76
5	2/10/2026	\$65,922.56	\$1,604.72	\$64,317.84	\$0.00
Grand Totals		\$329,612.80	\$23,303.80	\$306,309.00	

Interest Rate: 2.495%

**INCUMBENCY CERTIFICATE**

Public Property Finance Act Contract **No.9365** (THE "FINANCE CONTRACT")

By And Between

Government Capital Corporation and **the Issuer**, City of Corinth

Dated as of February 10, 2021

I, Lana Wylie, do hereby certify that I am the duly elected or appointed and acting City Secretary, of the City of Corinth, Issuer, a political subdivision or agency of the State of Texas, duly organized and existing under the laws of the State of Texas, that I or my designee have custody of the records of such entity, and that, as of the date hereof, the individual(s) named below are the duly elected or appointed officer(s) of such entity holding the office(s) set forth opposite their respective name(s). I further certify that (i) the signature(s) set opposite their respective name(s) and title(s) are their true and authentic signature(s), and (ii) such officers have the authority on behalf of such entity to enter into that certain Public Property Finance Act Contract No.9365, between City of Corinth (the "Issuer") and Government Capital Corporation ("GCC").

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Bob Hart	City Manager	_____

IN WITNESS WHEREOF, I have duly executed this certificate hereto this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

By: \_\_\_\_\_  
Lana Wylie, City Secretary

***[to be retyped on letterhead of the Issuer counsel]***

Government Capital Corporation  
345 Miron Drive  
Southlake, Texas 76092

RE: Public Property Finance Act Contract No.9365

I have examined the Public Property Finance Act Contract No.9365 (the "Finance Contract") between the City of Corinth (the "Issuer") and Government Capital Corporation ("GCC"). The Finance Contract provides financing for the purchase by the City of Corinth of certain Property as identified in the Finance Contract and provides that the Issuer shall finance the Property by making Payments as specified in the Public Property Finance Act Contract No.9365.

I have also examined other certificates and documents as I have deemed necessary and appropriate under the circumstances.

Based upon the foregoing examination, I am of the opinion that:

1. The Issuer is a political subdivision or agency of the State of Texas with the requisite power and authority to incur obligations, the interest on which is exempt from taxation by virtue of Section 103(a) of the Internal Revenue Code of 1986, as amended;
2. The execution, delivery and performance by the Issuer of the Finance Contract have been duly authorized by all necessary action on the part of the Issuer; and
3. The Finance Contract constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms.

The opinion expressed above is solely for the benefit of the Issuer, GCC and/or its subsequent successors or assigns.

Sincerely,

Attorney at Law

**RESOLUTION # \_\_\_\_\_**

A RESOLUTION REGARDING A CONTRACT FOR THE PURPOSE OF FINANCING AN **"AMBULANCE"**.

WHEREAS, City of Corinth (the "Issuer") desires to enter into that certain Finance Contract No.9365, by and between the Issuer and Government Capital Corporation ("GCC") for the purpose of financing an "Ambulance". The Issuer desires to designate this Finance Contract as a "qualified tax exempt obligation" of the Issuer for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF CORINTH:

Section 1. That the Issuer will enter into a Finance Contract with GCC for the purpose of financing an "Ambulance".

Section 2. That the Finance Contract dated as of February 10, 2021, by and between the City of Corinth and GCC is designated by the Issuer as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That the Issuer will designate Bob Hart, City Manager, as an authorized signer of the Finance Contract dated as of February 10, 2021, by and between the City of Corinth and GCC.

PASSED AND APPROVED by the Board of the City of Corinth in a meeting held on the \_\_\_\_day of \_\_\_\_\_, 2021.

**Issuer:** City of Corinth

Witness Signature

\_\_\_\_\_  
Bill Heidemann, Mayor

\_\_\_\_\_  
Lana Wylie, City Secretary



Form **8038-G**

# Information Return for Tax-Exempt Governmental Bonds

(Rev. September 2018)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury  
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to [www.irs.gov/F8038G](http://www.irs.gov/F8038G) for instructions and the latest information.

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <u>City of Cornith</u>		2 Issuer's employer identification number (EIN) <u>75-1453222</u>	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) <u>Michael Ross, Fire Chief</u>		3b Telephone number of other person shown on 3a <u>940-321-2141</u>	
4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>3300 Corinth Parkway</u>		5 Report number (For IRS Use Only) <u>3</u>	
6 City, town, or post office, state, and ZIP code <u>Corinth, Texas 76208</u>		7 Date of issue <u>February 10, 2021</u>	
8 Name of issue <u>Finance Contract No. 9365</u>		9 CUSIP number <u>None</u>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <u>Lee Ann Bunselmeyer, Finance Director</u>		10b Telephone number of officer or other employee shown on 10a <u>940-321-2141</u>	

<b>Part II Type of Issue (enter the issue price).</b> See the instructions and attach schedule.			
11 Education		11	
12 Health and hospital		12	
13 Transportation		13	
14 Public safety		14	\$306,309 00
15 Environment (including sewage bonds)		15	
16 Housing		16	
17 Utilities		17	
18 Other. Describe ►		18	
19a If bonds are TANs or RANs, check only box 19a	<input type="checkbox"/>		
b If bonds are BANs, check only box 19b	<input type="checkbox"/>		
20 If bonds are in the form of a lease or installment sale, check box	<input checked="" type="checkbox"/>		

<b>Part III Description of Bonds.</b> Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	<u>02/10/2026</u>	<u>\$ 306,309.00</u>	<u>\$ 306,309.00</u>	<u>3.0492</u> years	<u>2.495</u> %

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>					
22	Proceeds used for accrued interest		22		N/A
23	Issue price of entire issue (enter amount from line 21, column (b))		23		\$306,309 00
24	Proceeds used for bond issuance costs (including underwriters' discount)		24		N/A
25	Proceeds used for credit enhancement		25		N/A
26	Proceeds allocated to reasonably required reserve or replacement fund		26		N/A
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V		27		N/A
28	Proceeds used to refund prior taxable bonds. Complete Part V		28		N/A
29	Total (add lines 24 through 28)		29		N/A
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30		\$306,309 00

<b>Part V Description of Refunded Bonds.</b> Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	<u>N/A</u> years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	<u>N/A</u> years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	<u>N/A</u>
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2018)

**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions . . . . .	<b>36a</b>	
<b>b</b>	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____		
<b>c</b>	Enter the name of the GIC provider ▶ _____		
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
<b>b</b>	Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____		
<b>c</b>	Enter the EIN of the issuer of the master pool bond ▶ _____		
<b>d</b>	Enter the name of the issuer of the master pool bond ▶ _____		
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .		<input checked="" type="checkbox"/>
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .		<input type="checkbox"/>
<b>41a</b>	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
<b>b</b>	Name of hedge provider ▶ _____		
<b>c</b>	Type of hedge ▶ _____		
<b>d</b>	Term of hedge ▶ _____		
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .		<input type="checkbox"/>
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .		<input type="checkbox"/>
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .		<input type="checkbox"/>
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____		
<b>b</b>	Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____		

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ \_\_\_\_\_ Date

▶ Bob Hart, City Manager  
Type or print name and title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

## WIRE TRANSFER FORM

\*\*\* FINANCIAL INSTITUTION INFORMATION \*\*\*

Bank's Name: \_\_\_\_\_

Bank's Address: \_\_\_\_\_

Bank's Phone#: \_\_\_\_\_

Bank's Fed Routing#: \_\_\_\_\_

(Please confirm with bank since it may be different from routing number on deposit slip)

Bank Account Name: \_\_\_\_\_

Bank Account #: \_\_\_\_\_

Ref (if needed): \_\_\_\_\_

\_\_\_\_\_

**Please note that while there will not be a charge for our outgoing wire, your Bank may charge a fee for the incoming wire**

I hereby authorize Government Capital Corporation to transfer any monies due via wire transfer directly to our bank.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**BUSINESS ITEM 7.****City Council Special Session**

**Meeting Date:** 01/28/2021  
**Title:** AWIA Risk-Resiliency Assessment  
**Submitted For:** Bob Hart, City Manager **Submitted By:** Lana Wylie, City Secretary  
**City Manager Review:** **Approval:** Bob Hart, City Manager  
**Strategic Goals:** Infrastructure Development  
Citizen Engagement & Proactive  
Government

**AGENDA ITEM**

Consider authorizing the engagement of Kimley-Horn and Associates to prepare the Risk Assessment and Emergency Response Plan on the water infrastructure and authorize the City Manager to sign the contract with an amount not to exceed \$56,000.

**AGENDA ITEM SUMMARY/BACKGROUND**

On October 23, 2018, America's Water Infrastructure Act (AWIA) was signed into law. AWIA Section 2013 requires community (drinking) water systems serving more than 3,300 people to develop or update risk assessments and emergency response plans (ERPs). The law specifies the components that the risk assessments and ERPs must address and establishes deadlines by which water systems must certify to EPA completion of the risk assessment and ERP.

**Risk and Resilience Assessment Requirements and Assistance Resources**

Each community water system serving a population of greater than 3,300 persons shall assess its system's risks and resilience. Such an assessment shall include:

1. the risk to the system from malevolent acts and natural hazards;
2. the resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, electronic, computer, or other automated systems (including the security of such systems) which are utilized by the system;
3. the monitoring practices of the system;
4. the financial infrastructure of the system;
5. the use, storage, or handling of various chemicals by the system; and
6. the operation and maintenance of the system.

**Emergency Response Plan Requirements and Assistance Resource**

No later than six months after certifying completion of its risk and resilience assessment, each system must prepare an emergency response plan that incorporates the findings of the assessment. The plan shall include:

1. strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system;
2. plans and procedures that can be implemented, and identification of equipment that can be utilized in the event of a malevolent act or natural hazard that threatens the ability of the community water system to deliver safe drinking water;
3. actions, procedures, and equipment that can obviate or significantly lessen the impact of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and individuals, including the development of alternative source water options, relocation of water intakes and construction of flood protection barriers; and
4. strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system.

The City of Corinth submitted for RFQs in October 2020, and the following submittals were received:

1. AARC Consultants, LLC.
2. Freese and Nichols, Inc.
3. IMEG Corp.
4. Kimley-Horn and Associates, Inc.

Kimley-Horn and Associates, Inc. was selected as the most qualified firm to perform the City of Corinth services.

#### **RECOMMENDATION**

Staff recommends awarding the contract with Kimley-Horn and Associates, Inc. and authorizing the City Manager to execute all necessary documents.

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#### **Attachments**

Contract AWIA Risk-Resiliency Assessment-ERP Kimley-Horn

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STATE OF TEXAS           §  
   §  
 COUNTY OF DENTON       §                                   **AGREEMENT FOR CONSULTING SERVICES**

This agreement (“Agreement”) is made by and between the City of Corinth, Texas, a home-rule municipal corporation (“City”) and Kimley-Horn and Associates, Inc., a corporation (“Consultant”), (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

**RECITALS:**

**WHEREAS**, the City desires to engage the services of the Consultant as an independent contractor, and not as an employee, to provide the services described in **Exhibit “A”** (the “Scope of Services” or “Services”) to assist the City with the following project: **AWIA RISK & RESILIENCY ASSESSMENT AND EMERGENCY RESPONSE PLAN** (the “Project”) on the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Consultant desires to render services for the City on the terms and conditions set forth in this Agreement; and

**WHEREAS**, City published a request for Statement of Qualifications for the Project and Consultant provided a response; and

**WHEREAS**, City determined Consultant to be the most qualified respondent and entered into negotiations for Consultant to provide the Services set forth in this Agreement; and

**WHEREAS**, City Council approved the award of this Agreement to Consultant in accordance with the terms set forth herein;

**NOW THEREFORE**, in consideration of the foregoing recitals, the mutual covenants set forth herein, and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

**Article I**  
**Incorporation of Recitals/Agreement Documents/Term**

1.1 Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein.

1.2 Agreement. This Agreement shall be comprised of the following documents: (1) this Agreement; (2) **Exhibit “A”**, “Scope of Services”; (3) **Exhibit “B”**, “Project Schedule”; (4) **Exhibit “C”**, “Fee Schedule”; (5) City’s Request for Statement of Qualifications for AWAI Risk & Resiliency Assessment and Emergency Response Plan (“City SOQ”), a copy of which is attached hereto and incorporated herein as **Exhibit “D”**

hereto; and (6) Consultant's response to City SOQ, a copy of which is attached hereto and incorporated herein as **Exhibit "E"** hereto. In the event of a conflict between one or more of the terms and provisions contained within the foregoing documents, in order to resolve any such conflict, priority of interpretation shall be given in the order that those documents are listed in this section.

1.3 Term. This Agreement shall commence on the last date of execution hereof ("Effective Date") and continue until completion of the Services, unless sooner terminated as provided herein.

## **Article II Scope of Service**

2.1 The Consultant shall perform the Services in connection with the Project as set forth in the Scope of Services. The Consultant, if a licensed engineer or registered architect shall perform the Services: (i) with the prevailing professional skill and care ordinarily provided by competent engineers or architects, as the case may be, practicing in the same or similar locality and under the same or similar circumstances and professional license but not limited to the exercise of reasonable, informed judgments and prompt, timely action; and (ii) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect, as the case may be. If the Consultant is not a licensed engineer or registered architect, the Consultant shall perform the Services: (i) with the professional skill and care ordinarily provided by similar consultants practicing in the same or similar locality and under the same circumstances and applicable licenses or certifications; and (ii) as expeditiously as is prudent considering the ordinary skill and care of similar competent consultants.

2.2 The City shall, prior to commencement of Services, provide the Consultant with the information set forth in the Scope of Services, if any.

2.3 The Parties acknowledge and agree that any and all opinions provided by the Consultant in connection with the Scope of Services represent the professional judgment of the Consultant, in accordance with the standard of care applicable by law to the Services performed hereunder.

2.4 All information, documents, records and reports developed as a result of the Services provided under this Agreement shall be the property of the City (hereinafter "Documents"). Any use by Consultant of the Documents developed hereunder, whether for publication or for work with other clients, must receive prior written permission from the City. During the term and all renewals of this Agreement, all such Documents generated, compiled, collected or collated shall be maintained in the format required by City. Further, all such Documents shall be returned to City upon termination of this Agreement, and upon such termination shall be returned in the format required by City.

### **Article III Schedule of Work – Project Completion**

The Consultant agrees to complete the required Services and submit all work required by the City in accordance with the Project Schedule, a copy of which is attached hereto and incorporated herein as **Exhibit “B”**, and as outlined in the Scope of Services. The Parties hereto agree and understand that time is of the essence and that failure to timely perform obligations as required under this Agreement will result in damages to the other Party. Times for performance may be extended as necessary for any delay caused by any factor outside the reasonable control of a Party, by mutual agreement of the Parties, provided that all required Services are completed by the deadlines set forth in the 2018 America’s Water Infrastructure Act (AWIA).

### **Article IV Compensation and Method of Payment**

4.1 Consultant will be compensated in accordance with the Fee Schedule, a copy of which is attached hereto and incorporated herein as **Exhibit “C”**. Unless otherwise provided herein, payment to the Consultant shall be monthly based on the Consultant’s monthly progress report and detailed monthly itemized statement for Services that shows the names of the Consultant’s employees, agents, contractors performing the Services, the time worked, the actual Services performed, the rates charges for such service, reimbursable expenses, the total amount of fee earned to date, percentage of work completed on the Project through the end of the then submitted billing period, and the amount due and payable as of the current statement, in a form reasonably acceptable to the City. Monthly statements shall include authorized non-salary expenses with supporting itemized invoices and documentation. The City shall pay such approved monthly statements within thirty (30) days after receipt and City verification of the Services and expenses unless otherwise provided herein. The final payment of the compensation shall be made after satisfactory completion of the Services following the City acceptance of the study, report, recommendation or other work set forth in the Scope of Services. Nothing contained in this Agreement shall require City to pay for any work that is unsatisfactory as determined by City or which is not submitted in compliance with the terms of this Agreement, nor shall failure to withhold payment pursuant to the provisions of this section constitute a waiver of any right, at law or in equity, which City may have if Consultant is in default, including the right to bring legal action for damages or for specific performance of this Agreement. Waiver of any default under this Agreement shall not be deemed a waiver of any subsequent default.

4.2 Unless otherwise provided in the Scope of Services, the Consultant shall be responsible for all expenses related to the Services provided pursuant to this Agreement including, but not limited to, travel, copying and facsimile charges, telephone, internet and email charges. If additional services, trips or expenses are requested, Consultant will not provide such additional services until authorized by City in writing to proceed. The Scope of Services shall be strictly limited. City shall not be required to pay

any amount in excess of the amount identified in the preceding paragraph unless City shall have approved in writing in advance (prior to the performance of additional work) the payment of additional amounts.

4.3 The hourly rates set forth in the Scope of Services, if any, shall remain in effect during the term of this Agreement. Any changes to established hourly rates shall require the prior written consent of the City.

4.4 Consultant shall keep accurate records of its Services and expenses incurred in the performance of this Agreement and shall make the same available to City for inspection and copying upon five (5) days' notice thereof. These records shall be kept by Consultant for two (2) years following the expiration of this Agreement.

### **Article V Devotion of Time; Personnel; and Equipment**

5.1 The Consultant shall devote such time as reasonably necessary for the satisfactory performance of the Services under this Agreement. Should the City require additional services not included under this Agreement, the Consultant shall make reasonable effort to provide such additional services within the time schedule without decreasing the effectiveness of the performance of services required under this Agreement and shall be compensated for such additional services on a time and materials basis, in accordance with Consultant's standard hourly rate schedule, or as otherwise agreed between the Parties. When Consultant is directed to revise or expand the Scope of Services under this Section of the Agreement, Consultant shall provide City a written proposal for the entire costs involved in performing such additional services. Prior to Consultant undertaking any revised or expanded services as directed by City under this Agreement, City must authorize in writing the nature and scope of such services and accept the method and amount of compensation and the time involved in all phases of the Project. It is expressly understood and agreed by Consultant that any compensation not specified in Article IV herein above may require Corinth City Council approval and is subject to the current budget year limitations.

5.2 To the extent reasonably necessary for the Consultant to perform the Services under this Agreement, the Consultant shall be authorized to engage the services of any agents, assistants, persons, or corporations that the Consultant may deem proper to aid or assist in the performance of the Services under this Agreement. The Consultant shall provide written notice to and obtain written approval from the City prior to engaging services not referenced in the Scope of Services. The cost of such personnel and assistance shall be included as part of the total compensation to be paid Consultant hereunder and shall not otherwise be reimbursed by the City unless otherwise provided herein.

5.3 The Consultant shall furnish the facilities, equipment and personnel necessary to perform the Services required under this Agreement unless otherwise provided herein.

5.4 The City may require that Consultant submit monthly progress reports and attend monthly progress meetings scheduled by the City or more frequently as may be required by the City from time to time based upon Project demands. Each progress report shall detail the work accomplished and special problems or delays experienced on the Project during the previous report period, and the planned work activities and special problems or delays anticipated for the next report period.

## **Article VI Miscellaneous**

6.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

6.2 Assignment. The Consultant may not assign this Agreement without the prior written consent of City. In the event of an assignment by the Consultant to which the City has consented, the assignee shall agree in writing with the City to personally assume, perform, and be bound by all the covenants and obligations contained in this Agreement.

6.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

6.4 Governing Law and Venue. The Agreement is entered into subject to the Corinth City Charter and ordinances of City, as same may be amended from time to time, and is subject to and is to be construed, governed and enforced under all applicable State of Texas and federal laws. Consultant will make any and all reports required per federal, state or local law including, but not limited to, proper reporting to the Internal Revenue Service, as required in accordance with Consultant's income. Situs of this Agreement is agreed to be Denton County, Texas, for all purposes, including performance and execution. The parties to this Agreement agree and covenant that this Agreement will be enforceable in Corinth, Texas; and that if legal action is necessary to enforce this Agreement, exclusive venue will lie in Denton County, Texas.

6.5 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

6.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions,

and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

6.7 Independent Contractor. It is understood and agreed by and between the Parties that the Consultant, in satisfying the conditions of this Agreement, is acting independently, and that the City assumes no responsibility or liabilities to any third party in connection with these actions. All Services to be performed by Consultant pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of the City. Consultant will have exclusive control of and the exclusive right to control the details of the work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, subcontractors and engineers and the doctrine of respondeat superior shall not apply as between City and Consultant, its officers, agents, employees, contractors, subcontractors and engineers, and nothing herein shall be construed as creating a partnership or joint enterprise between City and Consultant.

6.8 Right-of-Access. The Consultant shall not enter onto private property without lawful right-of-access to perform the required surveys, or other necessary investigations. The Consultant will take reasonable precautions to minimize damage to the private and public property in the performance of such surveys and investigations. Any right-of-access to public or private property shall be obtained in accordance with the Scope of Services.

6.9 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, courier, or by confirmed telefax or facsimile to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery or on the day actually received if sent by courier or otherwise hand delivered:

If intended for City:

Attn: Melissa Dolan  
 Address:  
 City of Corinth, Texas  
 3300 Corinth Parkway  
 Corinth, Texas 76208  
 Telephone: 940-498-7540

Email: [Melissa.Dolan@cityofcorinth.com](mailto:Melissa.Dolan@cityofcorinth.com)

If intended for Consultant:

Attn: M. Anthony Samarripas, P.E.  
 Address:  
 13455 Noel Road

Two Galleria Office Tower, Suite 700  
 Dallas, Texas 75240  
 Telephone: 972-770-1300  
 Fax: 972-239-3820  
 Email: Anthony.samarripas@kimley-horn.com

6.10 Insurance. Before commencing work, Consultant shall, at its own expense, procure, pay for and shall maintain during the term of this Agreement insurance in accordance with the requirements set forth in the City SOQ, Exhibit "D", entitled "Insurance Requirements", and written by companies approved by the state of Texas and acceptable to the City. Consultant shall furnish to the City certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Certificates shall reference the Project and be provided to the City.

6.11 Debarment and Suspension.

- (a) In accordance with 2 CFR section 180.300, the principal of this Agreement as described in 2 CFR section 180.995 being duly sworn or under penalty of perjury under the laws of the United States, certifies that neither this company nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, the State of Texas or any of its departments or agencies.
- (b) If during the Agreement Term the principal becomes debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation, the principal shall immediately inform the City.
- (c) For contracts that are financed by Federal or State grants, the principal agrees that this section will be enforced on each of its subcontractors, and will inform the City of any violations of this section by subcontractors to the contract.
- (d) The certification in this section is a material representation of fact relied upon by the City in entering into this contract.

6.12 Indemnification. **CONSULTANT DOES HEREBY COVENANT AND CONTRACT TO WAIVE ANY AND ALL CLAIMS, RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS CITY COUNCIL, OFFICERS, EMPLOYEES, AND AGENTS, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST ALL LIABILITY, CAUSES OF ACTION, CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, ARE CAUSED BY OR RESULT FROM CONSULTANT'S PERFORMANCE UNDER THIS AGREEMENT OR**

**WHICH ARE CAUSED BY INTENTIONAL WRONGFUL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF CONSULTANT, ITS SUBCONTRACTORS, ANY OFFICERS, AGENTS OR EMPLOYEES OF EITHER CONSULTANT OR ITS SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH CONSULTANT IS LEGALLY RESPONSIBLE (THE "INDEMNIFIED ITEMS") THE NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY CONSULTANT, ITS AGENT, ITS CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE CONSULTANT EXERCISES CONTROL SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE § 271.904 AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002 (B).**

**BY WAY OF EXAMPLE, THE INDEMNIFIED ITEMS MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY.**

**INDEMNIFIED ITEMS SHALL INCLUDE ATTORNEYS' FEES AND COSTS, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING ATTORNEYS' FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.**

**IN ITS SOLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE COUNSEL TO BE RETAINED BY CONSULTANT IN FULFILLING ITS OBLIGATION TO DEFEND AND INDEMNIFY THE CITY. CONSULTANT SHALL RETAIN CITY'S APPROVED COUNSEL FOR THE CITY WITHIN SEVEN (7) BUSINESS DAYS AFTER RECEIVING WRITTEN NOTICE FROM THE CITY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF CONSULTANT DOES NOT RETAIN COUNSEL FOR THE CITY WITHIN THE REQUIRED TIME, THEN THE CITY SHALL HAVE THE RIGHT TO RETAIN COUNSEL AND THE CONSULTANT SHALL PAY THESE ATTORNEYS' FEES AND EXPENSES. THE CITY RETAINS THE RIGHT TO PROVIDE AND PAY FOR ANY OR ALL COSTS OF DEFENDING INDEMNIFIED ITEMS, BUT IT SHALL NOT BE REQUIRED TO DO SO.**

**THE CONSULTANT'S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY CONSULTANT UNDER THIS AGREEMENT.**

**THIS INDEMNIFICATION PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

6.13 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

6.14 Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

6.15 Consultant's Liability. Acceptance of the Documents by the City shall not constitute nor be deemed a release of the responsibility and liability of Consultant, its employees, associates, agents or Consultants for the accuracy and competency of their designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by City for any defect in the designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by City for any defect in the designs, working drawings, specifications or other documents and work prepared by said Consultant, its employees, associates, agents or sub-Consultants.

6.16 Right to Inspect Records. Consultant agrees that City shall have access to and the right to examine any directly pertinent books, documents, papers and records of Consultant involving transactions relating to this Agreement. Consultant agrees that City shall have access during normal working hours to all necessary Consultant facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. City shall give Consultant reasonable advance notice of intended audits. Consultant further agrees to include in subcontract(s), if any, a provision that any subcontractor or engineer agrees that City shall have access to and the right to examine any directly pertinent books, documents, papers and records of such engineer or sub-contractor involving transactions to the subcontract, and further, that City shall have access during normal working hours to all such engineer or sub-contractor facilities and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with the provisions of the paragraph. City shall give any such engineer or sub-contractor reasonable advance notice of intended audits.

6.17 Default/Termination. If at any time during the term of this Agreement, Consultant shall fail to commence the work in accordance with the provisions of this Agreement or fail to diligently provide Services in an efficient, timely and careful manner and in strict accordance with the provisions of this Agreement or fail to use an adequate number or quality of personnel to complete the work or fail to perform any of its obligations under this Agreement in accordance with its terms, including without limitation the Scope of Services and/or the Project Schedule, then City shall have the right, if Consultant shall not cure any such default after ten (10) days written notice thereof, to terminate this Agreement on the eleventh (11<sup>th</sup>) day following the date of City's written notice of default. Any such act by City shall not be deemed a waiver of any other right or remedy of City.

6.18 Termination Without Cause. In addition to termination for default as set forth in Section 6.17 of this Agreement, the City may terminate this Agreement at any time by

City without cause by providing Consultant thirty (30) days written notice of such termination.

6.19 Payment Obligations Upon Termination. Upon receipt of termination notice under either Section 6.17 or Section 6.18, Consultant shall immediately terminate working on, placing orders or entering into contracts for supplies, assistance, facilities or materials in connection with this Agreement and shall proceed to promptly cancel all existing contracts insofar as they are related to this Agreement. Upon termination, City shall pay all money owed to Consultant based upon tasks satisfactorily completed as of the date of notice of termination. If Consultant has not met one or more percentage benchmarks as identified in **Exhibit “B”**, **“Project Schedule”**, Consultant shall submit an invoice containing an itemized list of tasks performed with the associated hourly fee. In no event shall individual fees or the cost of such itemized list exceed the Lump Sum payment for the specific service provided by Consultant as listed in **Exhibit “C”**, **“Fee Schedule”**. Consultant shall be entitled to compensation for any Services completed to the reasonable satisfaction of the City in accordance with this Agreement prior to such termination.

In addition to the foregoing, If after exercising any such remedy due to Consultant’s nonperformance under this Agreement, the cost to City to complete the work to be performed under this Agreement is in excess of that part of the Agreement sum which has not theretofore been paid to Consultant hereunder, Consultant shall be liable for and shall reimburse City for such excess. City’s remedies for Consultant’s default or breach under this Agreement shall include monetary damages as allowed by law, re-performance of this Agreement at no extra charge to City, or equitable remedies, including without limitation specific performance of this Agreement.

6.20 Confidential Information. Consultant hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Agreement, which is of a confidential, non-public or proprietary nature. Consultant shall treat any such information received in full confidence and will not disclose or appropriate such Confidential Information for its own use or the use of any third party at any time during or subsequent to this Agreement. As used herein, “Confidential Information” means all oral and written information concerning City, its affiliates and subsidiaries, and all oral and written information concerning City or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies or other documents, whether prepared by Consultant or others, which contain or otherwise reflect such information. The term “Confidential Information” shall not include such materials that are or become generally available to the public other than as a result of disclosure of Consultant or are required to be disclosed by a governmental authority.

6.21 Conflict of Interest. Consultant covenants and agrees that Consultant and its associates and employees will have no interest, and will acquire no interest, either

direct or indirect, which will conflict in any manner with the performance of the Services called for under this Agreement. All activities, investigations and other efforts made by Consultant pursuant to this Agreement will be conducted by employees, associates or subcontractors of Consultant.

6.22 No Third-Party Beneficiary. For purposes of this Agreement, including its intended operation and effect, the parties (City and Consultant) specifically agree and contract that: (1) the Agreement only affects matters/disputes between the parties to this Agreement, and is in no way intended by the parties to benefit or otherwise affect any third person or entity notwithstanding the fact that such third person or entity may be in contractual relationship with City or Consultant or both; and (2) the terms of this Agreement are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either City or Consultant.

6.23 Prohibition regarding Israel. Pursuant to the requirements of Texas Government Code Chapter 2270, Consultant verifies that it does not boycott Israel, and it will not boycott Israel during the term of this Agreement.

***(Signature Page to Follow)***

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**CITY OF CORINTH, TEXAS**

By: \_\_\_\_\_  
Bob Hart, City Manager

**Attest:**

By: \_\_\_\_\_  
Lana Wylie, City Secretary

Approved As To Form:

By: \_\_\_\_\_  
Patricia A. Adams, City Attorney

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**CONSULTANT**

Kimley-Horn and Associates, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENTS**

**CONSULTANT**

**STATE OF TEXAS**        )  
                                  )  
**COUNTY OF \_\_\_\_\_**    )

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, by \_\_\_\_\_, \_\_\_\_\_ of Kimley-Horn and Associates, Inc., a \_\_\_\_\_ corporation, on behalf of such entity.

\_\_\_\_\_  
Notary Public, State of Texas

**CITY**

**STATE OF TEXAS**        )  
                                  )  
**COUNTY OF DENTON**    )

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2021 by **BOB HART**, City Manager of the City of Corinth, a home rule municipal corporation, on behalf of such corporation.

\_\_\_\_\_  
Notary Public, State of Texas

## **EXHIBIT "A"**

### **SCOPE OF SERVICES**

Consultant shall conduct an assessment of the risks to and the resilience of the City of Corinth's water system for the preparation and implantation of an Emergency Response Plan that incorporates the findings of the Assessment. The Assessment and Emergency Response Plan must comply with the requirements of America's Water Infrastructure Act of 2018, 42 U.S.C.A. 300i-2.

#### **Project Understanding:**

AWIA legislation requires that community water systems serving populations greater than 3,300 shall assess the risks to, and resilience of, its water system and submit certification to the United States Environmental Protection Agency (EPA). No later than six (6) months after certifying this Risk and Resiliency Assessment, ("RRA"), each community water system serving populations greater than 3,300 shall conduct an Emergency Response Plan, ("ERP"), and send provide certification to the EPA. AWIA compliance deadlines for the Client are as follows:

- Certify RRA prior to June 30, 2021; and
- Certify ERP within six (6) months of RRA certification, but no later than December 30, 2021.

At a minimum, the RRA must consider the following risks to, and resilience of, its system:

- Malevolent acts and natural hazards;
- Resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, electronic, computer, or other automated systems;
- Monitoring practices of the system;
- Financial infrastructure of the system;
- Use, storage, or handling of various chemicals by the system; and
- Operation and maintenance of the system.

The RRA may include an evaluation of capital and operational needs for risk and resilience management for the system.

At a minimum, the ERP must consider the following:

- Strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system;
- Plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act or natural hazard that threatens the ability of the community water system to deliver safe drinking water; and
- Actions, procedures and equipment which can obviate or significantly lessen the impact of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and individuals, including the development of alternative source water options, relocation of water intakes, and construction of flood protection barriers; and
- Strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system.

Community water systems shall to the extent possible, coordinate with local emergency planning committees established under the Emergency Planning and Community Right-To-Know Act of 1986 when preparing or revising an assessment or emergency response plan under the AWIA. Further, systems must maintain a copy of the assessment and emergency response plan for five years after certifying the plan to the EPA.

**The Scope of Services includes the following basic services:**

Task 1 - General Items and Meetings

- A. Kick-off Meeting - Conduct kick-off meeting with the City to develop the goals, schedule, and deliverables for the project.
- B. Risk and Resilience Assessment Review Meeting - Conduct meeting with City to review draft Risk and Resilience Assessment prior to submitting certification to EPA.
- C. Emergency Response Plan Workshop Meeting – Conduct meeting with emergency response planning stakeholders at the City to workshop City’s Emergency Response Plan.
- D. Emergency Response Plan Review Meeting – Conduct meeting with City to review draft Emergency Response Plan prior to submitting certification to EPA.

Task 2 - Data Collection

The City will provide the Consultant the following information, if available (digital or hard copy) for applicable water facilities:

- A. Record drawings of existing City facilities: custody transfer, treatment, pumping, storage and distribution facilities.
- B. Construction plans for any proposed City water facilities.
- C. Water demand figures: average daily demand (ADD), maximum daily demand (MDD).
- D. Water purchase contracts.
- E. Operation data including: daily pumping rates, well production rates, storage tank operating levels, etc.
- F. Quantitative information regarding billing practices.
- G. Previously completed assessments, studies, reports or evaluations.
- H. Previous and/or existing emergency response plan and associated planning documents.

Task 3 - Risk and Resilience Assessment

The Risk and Resilience Assessment will be conducted to fulfill the EPA’s requirements. The EPA’s Small System Guidance and Template will be utilized. The following sub-tasks are required in order to complete the RRA in accordance with AWIA requirements:

- A. Identify Water System Assets
- B. Identify Water System Threats
- C. Assign Consequence Outcomes

- D. Identify Water System Vulnerabilities
- E. Assess Water System Resilience
- F. Prepare Risk and Resiliency Assessment Report
- G. Provide Risk and Resiliency Assessment Certification to EPA

#### Task 4 - Emergency Response Plan

The Emergency Response Plan will be conducted to fulfill the EPA's requirements. The EPA's Emergency Response Plan Template will be utilized. The following sub-tasks will be conducted in order to complete the ERP in accordance with AWIA requirements:

- A. Utility Overview
- B. Scope of Emergency Response Plan
- C. List of Applicable Standards and References
- D. Summary of RRA Risks
- E. Identify Emergency Response Roles
- F. Identify Mutual Aid Organizations and Relationships
- G. Prepare Emergency Response Plan Document
- H. Provide Emergency Response Plan Certification

**EXHIBIT "B"**  
**PROJECT SCHEDULE**

**A. Risk and Resiliency Assessment – Due to the City by June 15, 2021 and due to the EPA by June 30, 2021.**

**B. Emergency Response Plan – Due to the City by December 7, 2021 and due to the EPA by December 31, 2021.**

No later than six months after certifying completion of its Risk and Resilience Assessment, each system must prepare or revise, where necessary, an Emergency Response Plan that incorporates the findings of the Assessment.

**Responsibilities of City:**

City shall perform the following in a timely manner so as not to delay the services of Consultant:

- A. Designate in writing a person to act as City's representative with respect to the services to be rendered under this Agreement. Such person shall have contract authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to Consultant's services.
- B. Provide available information as to City's requirements for the Project, including objectives and constraints, performance requirements, and any budgetary limitations.
- C. Assist Consultant by placing at Consultant's disposal available information pertinent to the Project including previous reports and any other data relative to the Project.
- D. Arrange for access to and make all provisions for Consultant to enter upon public and private property as required for Consultant to perform services under this Agreement.
- E. Examine all studies, reports, sketches, drawings, proposals and other documents presented by Consultant, obtain advice of an attorney, insurance counselor and other consultants as City deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of Consultant.
- F. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
- G. Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any development that affects the scope or timing of Consultant's services.

**EXHIBIT "C"**  
**FEE SCHEDULE**

For Tasks 1 thru 4 included in Exhibit "A" (Scope of Services), the City agrees to pay the Consultant an amount not to exceed the following fee schedule:

**Basic Services**

**Task 1 – General Items and Meetings: \$7,500**

**Task 2 – Data Collection: \$10,000**

**Task 3 – Risk and Resiliency Assessment: \$18,500**

**Task 4 – Emergency Response Plan: \$20,000**

**Total Basic Services Fee: \$56,000**

If the City requests the Consultant to provide additional services that are not included in the scope of services as specified in Exhibit "A", an equitable adjustment will be made through an amendment to this Agreement with appropriate City approval.

For Tasks 1 thru 4, the City shall compensate the Consultant for the professional engineering services included in this Exhibit on a lump sum basis. The lump sum fee includes labor costs and direct expenses identified in this contract, as well as items such as in-house duplicating, printing, facsimile, local mileage, telephone, postage, and computer expenses.

The Consultant shall be paid monthly based on statements submitted to the City for the work accomplished during the preceding month. Monthly statements for lump sum services will be based upon a reasonable estimation of percent complete for each task.

Additional services if requested will be negotiated at the time of request.



**REQUEST FOR STATEMENTS OF QUALIFICATIONS FOR  
AMERICA'S WATER INFRASTRUCTURE ACT (AWIA) RISK & RESILIENCY  
ASSESSMENT AND EMERGENCY RESPONSE PLAN**

**SOQ #1137  
CITY OF CORINTH, TEXAS**

**IMPORTANT DATES:**

SOQ Issue Date:	Thursday, October 22, 2020
SOQ Publication Dates:	October 22, 2020 & October 29, 2020
Questions Deadline:	Thursday, November 5, 2020 @ 10:00 AM CST
Submittal Due Date and Time:	Thursday, November 12, 2020 @ 11:00 AM CST

Sealed proposals for the materials or services specified will be received by the City of Corinth until the date and time as indicated above.

Proposals will be received electronically through Bonfire, the City's e-procurement system at <https://cityofcorinth.bonfirehub.com>.

Electronic submittals must include all required information and attachments; with required signatures. All response documents must be uploaded and included with your submittal in order to be considered.

**Bid Contact:**

Cindy Troyer  
Purchasing Agent  
3300 Corinth Parkway, 2<sup>nd</sup> Floor  
Corinth, Texas 76208  
[purchasing@cityofcorinth.com](mailto:purchasing@cityofcorinth.com)  
(940) 498-3286

Additional instructions for preparing a response are provided within. **All forms in Appendix B must be completed, signed and returned with the proposal.**

**Requests for additional information should be made no later than the questions deadline above and shall be directed to <https://cityofcorinth.bonfirehub.com>, or to the Purchasing Agent at [purchasing@cityofcorinth.com](mailto:purchasing@cityofcorinth.com). All requests must be made in writing. Oral explanations will not be binding.**

Any interpretations, corrections, clarifications, or changes to this Request for Statements of Qualifications or specifications will be made by addenda. Addenda will be posted at <https://cityofcorinth.bonfirehub.com>. It is the responsibility of the respondent to monitor the Bonfire website for addenda. Respondents shall acknowledge receipt of all addenda by submitting a signed copy with their proposal.

The City of Corinth reserves the right to reject any and all proposals and to waive defects in proposals. No officer or employee of the City of Corinth shall have a financial interest, direct or indirect, in this or any contract with the City of Corinth. Minority and small business vendors are encouraged to submit a bid on any and all City of Corinth projects.

The City appreciates your time and effort in preparing a response. **Please note that proposals must be received by the due date and time shown above.** Proposals received later than the date and time above will not be considered. The City does not accept oral, telephone, or faxed proposals. **Proposals submitted orally, by phone, or fax will be disqualified and will not be considered in the evaluation process.** Proposals will be accepted only if submitted online through Bonfire. The City will not be responsible for, or consider missing, lost, or late deliveries.

## **1. INTRODUCTION**

The City of Corinth is accepting Statements of Qualifications from qualified firms to provide engineering services to conduct a risk and resiliency assessment and form an emergency response plan as described in this Request for Statements of Qualifications (SOQ). The successful Respondent shall execute a contract with the City to furnish all equipment, materials, supplies, labor, permits, insurance and licenses in accordance with the instructions, specifications, terms and conditions set forth in this Request for Statements of Qualifications (SOQ). The successful Respondent will be considered the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

The contract shall commence upon the issuance of a Notice to Proceed by the City and shall automatically expire upon completion of the work and acceptance by the City.

## **2. SPECIFICATIONS/SCOPE OF SERVICES**

The successful firm will conduct an assessment of the risks to and the resilience of Corinth's water system and for the preparation and implantation of an Emergency Response Plan that incorporates the findings of the Assessment. The Assessment and Emergency Response Plan must comply with the requirements of America's Water Infrastructure Act of 2018, 42 U.S.C.A. 300i-2.

### **2018 Water Infrastructure Act Requirements**

Requirements for the 2018 America's Water Infrastructure Act (AWIA) are summarized below but can be found at the following web address:

<https://www.epa.gov/waterresilience/americas-water-infrastructure-act-risk-assessments-and-emergency-response-plans>

### **Key Project Tasks**

#### **A. Risk and Resiliency Assessment – Due to the EPA by June 30, 2021:**

Each community water system serving a population of greater than 3,300 persons shall assess the risks to, and resilience of, its system. Assessment shall include:

1. The risk to the system from malevolent acts and natural hazards;
2. The resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, electronic, computer, or other automated systems (including the security of such systems) which are utilized by the system;
3. The monitoring practices of the system;
4. The financial infrastructure of the system;
5. The use, storage, or handling of various chemicals by the system; and
6. The operation and maintenance of the system.

The assessment may include an evaluation of capital and operational needs for risk and resilience management for the system.

#### **B. Emergency Response Plan – Due to the EPA by December 31, 2021:**

No later than six months after certifying completion of its risk and resilience assessment, each system must prepare or revise, where necessary, an emergency response plan that incorporates the findings of the assessment. The plan shall include:

1. Strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system;
2. Plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act or natural hazard that threatens the ability of the community water system to deliver safe drinking water;
3. Actions, procedures and equipment which can obviate or significantly lessen the impact of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and

individuals, including the development of alternative source water options, relocation of water intakes and construction of flood protection barriers; and

4. Strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the **security** or resilience of the system.

Community water systems shall to the extent possible, coordinate with local emergency planning committees established under the Emergency Planning and Community Right-To-Know Act of 1986 when preparing or revising an assessment or emergency response plan under the AWIA. Further, systems must maintain a copy of the assessment and emergency response plan for five years after certifying the plan to the EPA.

Respondent shall comply with all requirements herein. Exceptions or deviations from the specifications shall be noted on the Submittal Exception Form.

### **3. SUBMITTAL REQUIREMENTS AND INSTRUCTIONS**

#### **A. FORMAT AND REQUIREMENTS FOR TECHNICAL PROPOSAL SUBMITTAL (PRICE/COST RELATED INFORMATION SHALL NOT BE INCLUDED IN THE SUBMITTAL)**

The technical proposal shall contain the following information at a minimum to be considered responsive and shall be in the following order:

##### **1. VENDOR QUESTIONNAIRE**

Complete the electronic vendor questionnaire on the Bonfire portal at <https://cityofcorinth.bonfirehub.com>

The following information will be required to complete the questionnaire:

##### **2. COMPLIANCE WITH THE REQUIREMENTS OF THE RISK ASSESSMENT AND EMERGENCY RESPONSE PLAN**

##### **3. PROJECT APPROACH**

- a) Describe the firm's proposed project management approach to fulfill the scope of services as required in this SOQ.
- b) Describe the firm's technical approach to complete the scope of services

##### **4. PROJECT SCHEDULE**

- a) Provide a proposed project schedule.

##### **5. PROJECT EXPERIENCE**

- a) Provide verifiable information, regarding three studies similar in size and scope and completed within the last ten years in the State of Texas including:
  - Owner Name
  - Point of Contact
  - Contact telephone number
  - Contact email address

##### **6. PROJECT TEAM**

- a) Provide an organization chart showing key members of the project team and sub-consultants; including team member names.

- b) Provide resumes of key personnel, including sub-consultants. Include background experience, and project responsibilities of each key member

**7. DISCLOSURES**

- a) Respondents must disclose any pending litigation or lawsuits.
- b) Provide copy of Form 1295 Certificate of Interested Parties. All respondents must file the form electronically at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm) and submit a signed copy of the form to the City with their proposal. (See sample in Appendix B)
- c) All respondents must complete the Conflict of Interest Questionnaire and submit a signed copy with their proposal. (Form provided on the Bonfire portal)

**8. ACKNOWLEDGMENT OF ADDENDA, IF APPLICABLE**

- a) Acknowledge and sign all addenda, if applicable.

**9. SUBMITTAL FORMS - APPENDIX B**

- a) Complete and sign all forms included in Appendix B.

**10. SAMPLE PROFESSIONAL SERVICES AGREEMENT – APPENDIX C**

- a) The successful Respondent will be required to execute a substantial copy of the City’s form contract included as a sample in Appendix C to this SOQ.

Proposals may not be withdrawn or canceled for a period of (120) days following the date designated for the receipt of proposals, and respondents so agree upon the submission of their proposal. Respondents are expected to examine the instructions, specifications, terms and conditions prior to submitting their SOQ. Failure to do so will be at the respondent’s risk. At the City’s request, Respondents may be selected for in-person presentations. All proposals and related materials become the property of the City. The City reserves the right to reject any or all proposals submitted.

**4. EVALUATION PROCEDURES**

**A. Consultant Selection Process**

In fairness to all firms, requests for interviews prior to the closing time and date will not be permitted. Interviews with selected firms may or may not be requested by the City after the closing date.

The following is the anticipated SOQ review and consultant selection process:

1. City Staff will review SOQ responses and compile a shortlist of qualified firms for further evaluation. Only those firms who are placed on the shortlist on the basis of the evaluation criteria will be considered. Cost-related or price-related evaluation factors will not be used. Written notification will be provided to shortlisted firms and to those not selected for the shortlist.
2. City Staff may or may not conduct interviews with the shortlisted firms. Selection may be made strictly from the information provided in the SOQ response. However, the City reserves the right to conduct interviews and request presentations from any Respondent. City Staff will contact each shortlisted firm to arrange a date and time for the interviews, if applicable.
3. City Staff will select the highest ranked firm based upon final review of the SOQ responses, and the shortlist interviews, if applicable.
4. City Staff will enter into negotiations with the highest ranked firm on the basis of the SOQ response, and interview, if applicable.

5. Negotiations will continue until terms, conditions, and a fair and reasonable price are agreed upon. If a successful contract cannot be negotiated with the most qualified firm, the City shall formally end negotiations with that provider, select the next highest ranked firm, and begin negotiations, and continue this process until successful negotiations are completed. Once negotiations have ceased with a firm, reopening negotiations with that firm is not allowed.
6. Upon completion of the approval process and approval of the contract terms and conditions by the City's Legal consultant, the contract will be signed by the successful Respondent and the City.

**B. Evaluation Criteria**

The City will review all SOQs for completeness based on the requirements in this SOQ. Those found to be incomplete or fail to address the needs of the City will not be evaluated.

A selection committee will review the SOQs received in accordance with the requirements defined in the SOQ. The objective of the selection committee will be to select the firm that is the most highly qualified to service the City's needs.

Proposals will be evaluated on, but not limited to, the following criteria and will be awarded points in each category up to the maximum number of points listed:

<b>FACTOR</b>	<b>POINTS</b>
Compliance with requirements of Risk Assessment & Emergency Response Plan	75
Respondent's qualifications and experience	25
<b>TOTAL</b>	<b>100</b>

The City reserves the right to:

- require additional technical and pricing information and;
- have discussions with Respondents regarding all elements which comprise the Respondent's proposal;
- to accept all or part of any proposal;
- to reject any or all proposals; and
- to re-solicit for proposals.



# **APPENDIX A**

## **INSURANCE REQUIREMENTS STANDARD TERMS & CONDITIONS**

**A. GENERAL INFORMATION**

1. **Confidentiality:** All proposals, data, and information submitted to the City of Corinth are subject to public release under the Texas Public Information Act (“Act”) unless exempt from release under the Act. If the proposal contains trade secrets or confidential information, the Respondent must specifically list that portion as confidential. Confidential information, as noted by the Respondent, will not be released unless ordered by a court or the Attorney General pursuant to the Act.
2. **Proposal Preparation Cost:** All costs associated with the preparation of the proposal will be borne by the respondent.
3. **Withdrawal of Proposal:** Proposals may be withdrawn prior to the closing time for SOQs, as long as the request is submitted in writing by an authorized representative. Thereafter, all proposals shall remain open and valid for a period of 120 days.
4. **Authorized Signature:** All proposal forms must be signed by persons who have the legal authority to bind the respondent to the proposed services.
5. **Conflicts:** To the extent any portion of this section conflicts with the Standard Terms and Conditions, the provisions of this section shall be controlling.
6. **Insurance**
  - A. It is highly recommended that respondents confer with their respective insurance carriers or brokers to determine in advance of proposal submission the availability of insurance certificates and endorsements as prescribed and provided herein. If a respondent fails to comply strictly with the insurance requirements, that respondent may be disqualified from award of the contract. Upon contract award, all insurance requirements shall become contractual obligations, which the successful respondent shall have a duty to maintain throughout the course of this contract.
  - B. Respondent may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Respondents are strongly advised to make such requests prior to proposal opening, since the insurance requirements may not be modified or waived after proposal opening unless a written exception has been submitted with the proposal.
  - C. Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Corinth.
  - D. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the bid to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

## 7. Insurance Requirements

Vendors/Contractors shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the vendor, his agents, representatives, employees, or subcontractors. The cost of such insurance shall be borne by the vendor. A certificate of insurance meeting all requirements and provisions shall be provided to the City prior to any services being performed or rendered. Renewal certificates shall also be supplied upon expiration.

**A. Minimum Scope of Insurance:** Coverage shall be at least as broad as:

1. ISO Form Number GL 00 01 (or similar form) covering Commercial General Liability. "Occurrence" form only, "claims made" forms are unacceptable. Policy must include coverage for:
  - a. Premises/Operations
  - b. Broad Form Contractual Liability
  - c. Products and Completed Operations
  - d. Personal Injury
  - e. Broad Form Property Damage
2. Workers' Compensation insurance as required by the Labor Code of the State of Texas, including Employers' Liability Insurance.
3. Automobile Liability as required by the State of Texas, covering all owned, hired, or non-owned vehicles. Automobile Liability is only required if vehicle(s) will be used under the contract.
4. Professional Liability, also known as Errors and Omissions Coverage. Professional Liability is only required for Professional Services contracts.

**B. Deductibles and Self-Insured Retentions:** Any deductible or self-insured retention in excess of \$10,000 must be declared to and approved by the City.

**C. Other Insurance Provisions:** The policies are to contain, or be endorsed to contain the following provisions.

1. General Liability and Automobile Liability Coverage:
  - a. The City, its officers, officials, employees, boards and commissions, and volunteers are to be added as "Additional Insured's" relative to liability arising out of activities performed by or on behalf of the vendor/contractor, products and completed operations of the vendor, premises owned, occupied or used by the vendor/contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, or volunteers.
  - b. The vendor/contractor insurance coverage shall be primary insurance in respects to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be in excess of the vendor's insurance and shall not contribute with it.
  - c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the City, its officers, officials, employees, boards and commissions or volunteers.
  - d. The vendor/contractor insurance shall apply separately to each insured against whom the claim is made or suit is brought, except to the limits of the insured's limit of liability.

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2. Workers' Compensation and Employer's Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees, and volunteers for losses arising from work performed by the vendor for the City.
  3. All Coverage: Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given the City.
- D. Acceptability of Insurers:** The City prefers that insurance be placed with insurers with an A.M. Best's rating of no less than A-VI, or better.
- E. Verification of Coverage:** Vendor/Contractor shall provide the City certificates of insurance indicating the coverage required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance similar to the ACORD Form are acceptable. City will not accept Memoranda of Insurance or Binders as proof of insurance. The City reserves the right to require complete, certified copies of all required insurance policies at any time.
- F. Insurance Waiver Request.** Vendors/contractors requesting a waiver of the minimum limits of insurance identified in section 7.1.B must submit the request in writing. Please note that commercial general liability cannot be waived. Requests to waive other coverage requirements will be considered in the evaluation process. The vendor/contractor must also complete, sign, and return the Release Agreement form to the Purchasing Office prior to authorization to perform services for the City.

### 7.1 Professional Services Requirements

- A. Definition:** Professional Services are defined as services performed by consultants or other professionals, including but not limited to: Accountants, Attorneys, Architects, Engineers, Surveyors, Veterinarians, Real Estate Appraisal, Optometry, Landscape Architects, Medical Doctors, and Materials Testing.
- B. Minimum Limits of Insurance:**
1. Commercial General Liability: \$500,000 per occurrence / \$2,000,000 in the aggregate for third party bodily injury, personal injury, and property damage. Policy must include coverage listed in Section 7.A.1.
  2. Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease - Policy Limit, and \$100,000 Disease – Each Employee.
  3. Automobile Liability: \$500,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos. Automobile Liability is only required if vehicle(s) will be used under the contract.
  4. Professional Liability: Also known as Errors and Omissions: \$500,000 per occurrence and in the aggregate. "Claims made" policy is acceptable coverage which must be maintained during the course of the project, and up to two (2) years after completion and acceptance of the project by the City.

**STANDARD TERMS AND CONDITIONS**

The terms and conditions shall apply to all goods or services procured by the City and shall be incorporated into and be a part of any bids/proposals submitted to the City of Corinth for the goods and/or services specified. No other terms and conditions shall apply unless approved in writing by the City of Corinth, Texas.

1. **ADDENDA:** Any interpretations, corrections or changes to the information or specifications will be made by addenda. Sole issuing authority of addenda shall be vest in the City of Corinth Purchasing Agent. Addenda will be posted at <https://cityofcorinth.bonfirehub.com>. It is the responsibility of the Respondent to check the Bonfire website for addenda. Respondents shall acknowledge receipt of all addenda by submitting a signed copy with their bid/proposal.
2. **ADVERTISING:** The successful Respondent shall not advertise or publish, without the City's prior approval, the fact that the City has entered into a contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the Federal, State, or local government.
3. **ALTERING BID/PROPOSAL PRICING:** Prices offered shall be submitted for units of quantity as specified in the bid/proposal document, extended and totaled. In the case of a discrepancy in the extended price, the unit price shall govern and control. Any alteration, strike-through or erasure made prior to bid/proposal opening shall be initialed by the signer of the bid/proposal, guaranteeing authenticity.

**FOR BIDS ONLY:** Prices offered **cannot** be altered or amended after the submission deadline. Bids may not be changed for the purpose of correcting an error in bid price after bid opening.

4. **ASSIGNMENT:** The successful respondent shall not sell, assign, transfer or convey the awarded contract, in whole or in part, without the prior written consent of the City.
5. **AWARD:** The City reserves the right to award by line item, section, or by entire bid/proposal; whichever is most advantageous to the City. The City may also consider administration costs when awarding to multiple vendors.

The City may award bids/proposals to the lowest responsive responsible vendor(s), or to the vendor(s) who provides goods or services at the best value to the City. If using the best value method, the selection criteria will be clearly identified in the bid/proposal document. The best value method may take into consideration, in whole or in part, by way of illustration and not limitation, the following criteria:

- A. The purchase price;
- B. The reputation of the respondent and of the respondent's goods or services;
- C. The quality of the respondent's goods or services;
- D. The extent to which the goods or services meet the City's needs;
- E. The respondent's past relationship with the City;
- F. The total long-term cost to the City to acquire the respondent's goods or services;
- G. Any relevant criteria specifically listed herein.

6. **BID/PROPOSAL SUBMITTAL:** The City utilizes Bonfire to advertise and receive bids/proposals electronically. Bids will be received in hard copy; or electronically through Bonfire as specified in the bid/proposal packet.

Electronic submittals must be submitted through the Bonfire portal at <https://cityofcorinth.bonfirehub.com>; and must include all required information and attachments; with required signatures. All response documents must be uploaded and included with your submittal in order to be considered.

Hard copy bids must include all required information and attachments; with required signatures; and must be submitted in a sealed envelope or package to the office of the Purchasing Agent, 3300 Corinth Parkway, Corinth, Texas 76208.

7. **BRAND NAME, CATALOG OR MANUFACTURER'S REFERENCE:** Any reference to brand name, catalog or manufacturer's reference is used to be descriptive, not restrictive, and is indicative of the type and quality the City desires to purchase. Bids/proposals on similar items of like quality may be considered if the bid/proposal is noted and fully descriptive brochures are enclosed. If notation of substitution is not made, it is assumed the respondent is proposing exact item specified. Successful respondent will not be allowed to make unauthorized substitutions after award.
8. **CHANGE ORDERS:** No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. The City of Corinth's Purchasing Agent will make all change orders to the contract in writing as allowed by law.
9. **COMMUNICATION:** The successful respondent shall direct all contact with the City through the Contract Administrator identified in the Contract. The Respondent will not directly respond to, make inquiries of, survey or solicit information from, or otherwise interact with any departments, divisions, employees, or agents of the City unless specifically approved, or requested by the Contract Administrator.
10. **COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATION:** Pursuant to Texas Government Code Chapter 2252, Subchapter F, Seller affirms that it is not identified on a list created by the Texas Comptroller of Public Accounts as a company known to have contracts with or provide supplies or services to a foreign terrorist organization.
11. **CONFLICT OF INTEREST:** In compliance with Local Government Code §176.006, all vendors shall file a completed Conflict of Interest Questionnaire with the City's Purchasing Office.
12. **CONTRACT ADMINISTRATOR:** Under the contract, the City may appoint a contract administrator with designated responsibility to ensure compliance with contract requirements, such as but not limited to, acceptance, inspection and delivery. If appointed, the administrator will serve as liaison between the City and the successful contractor.

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**13. CONTRACT ENFORCEMENT:**

- A. The City reserves the right to enforce the performance of any contract that results from an award of this bid/proposal packet. Enforcement shall be in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of the contract. Breach of contract authorizes the City to make an award to another respondent, purchase the service elsewhere and to charge the full increase in cost and handling to the defaulting contractor. Additionally, the City will remove the defaulting contractor from the City's list of approved vendors for a period of two years.
- B. Respondents who submit proposals for this service agree that the City shall not be liable to prosecution for damages in the event that the City declares the successful contractor in default.
- C. Any notice provided by this bid/proposal packet (or required by law) to be given to the successful Respondent by the City shall be conclusively deemed to have been given and received on the next day after such written notice has been deposited in the mail at the City of Corinth, by Registered or Certified mail with sufficient postage affixed thereto, addressed to the successful Respondent at the address provided in the bid/proposal; this shall not prevent the giving of actual notice in any other manner.
- D. The successful Respondent and the City agree that both parties have all rights, duties and remedies available as stated in the Uniform Commercial Code (UCC). In case of a conflict between the terms of this bid/proposal packet and the UCC, the bid/proposal packet will control.

**14. DELIVERY:**

- A. Delivery date is important to the City and may be required to be a part of each bid/proposal. The City considers delivery time to be that period elapsing from the time the individual order is placed until that order is received by the City at the specified delivery location. The delivery date indicates a guaranteed delivery to the City of Corinth. Failure of the respondent to meet guaranteed delivery dates or service performance could affect future City orders.
- B. The City may reject and refuse any delivery, which falls below the quality designated in the specifications. The cost of return and/or replacement will be at the Respondent's expense.
- C. The City reserves the right to demand bond or penalty to guarantee delivery by the date indicated. If order is given and the Respondent fails to furnish the materials by the guaranteed date, the City reserves the right to cancel the order without liability on its part. Pricing shall include all charges for freight, F.O.B. inside to specified delivery location.
- D. Whenever the Contractor encounters any difficulty which is delaying or threatens to delay timely performance (including actual or potential labor disputes), the Contractor shall immediately give notice thereof in writing to the Purchasing Agent, stating all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery or performance schedule or be construed as a waiver by the City of any rights or remedies to which it is entitled by law or pursuant to provisions herein. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery or performance schedule because of such delivery.

- 15. **ETHICS:** The Respondent shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, official, or agent of the City except in accordance with City Policy.
- 16. **EXCEPTIONS/SUBSTITUTIONS:** All proposals meeting the intent of this bid/proposal packet will be considered for award. Respondents taking exception to the instructions, specifications, terms and conditions or offering substitutions, shall state these exceptions in the section provided or by attachment as part of their bid/proposal. The absence of such a list shall indicate that the Respondent has not taken exceptions and shall hold the Respondent responsible to perform in strict accordance with the instructions, specifications, terms and conditions of the bid/proposal packet. The City of Corinth reserves the right to accept any and all or none of the exception(s)/substitution(s) deemed to be in the best interest of the City.
- 17. **FELONY CRIMINAL CONVICTIONS:** The Respondent represents and warrants that neither the Respondent nor the Respondent's employees have been convicted of a felony criminal offense, or under investigation of such charge, or that, if such a conviction has occurred, the Respondent has fully advised the City as to the facts and circumstances surrounding the conviction.
- 18. **FORCE MAJEURE:** *Force majeure* is defined as an act of God, war, strike, fire or explosion. Neither the successful Respondent nor the City is liable for delays or failures of performance due to *force majeure*. Each party must inform the other in writing with proof of receipt within three (3) business days of the occurrence of an event of *force majeure*.
- 19. **INDEMNITY AGREEMENT:** The Contractor hereby agrees to and shall indemnify, hold harmless, and defend the City, its officers, agents and employees from and against any and all claims, losses, damages, demands, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorneys' fees, for injury to or death of any person, for loss of use or revenue, or for damage to any property arising out of or in connection with the actual or alleged malfunction, design or workmanship in the manufacture of equipment, the fulfillment of this Contract, or the breach of any express or implied warranties under this Contract. Such indemnity shall apply where the claims, losses, damages, causes of action, suits or liability arise in part from (i) the negligence of the Contractor, and/or their respective officers, agents and/or employees or (ii) the negligence of the Contractor, its officers, agents and employees. It is the expressed intention of the parties hereto, both Contractor and the City, that the indemnity provided for in this paragraph is indemnity by Contractor to indemnify and protect the City from the consequence of (i) the Contractor's own negligence where that negligence is the cause of the injury, death, or damage. Furthermore, the indemnity provided for in this paragraph shall have no application to any claim, loss, damage, cause of action, suit and liability where in injury, death or damage results from the negligence of the City. In the event any action or proceeding is brought against the City by reason of any of the above, the Contractor agrees and covenants to defend the action or proceeding by counsel acceptable to the City. The indemnity provided for herein shall survive the termination or expiration of this Contract.

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- 20. INVOICES:** Each invoice shall be fully documented as to the Contractor's/vendor's name and address, receiving department's name and address, labor, materials and equipment provided, if applicable, and must reference the City of Corinth purchase order number in order to be processed. No payments shall be made on invoices not listing a purchase order number. Invoices shall be mailed directly to the City of Corinth, Attention: Accounts Payable, 3300 Corinth Pkwy., Corinth, Texas, 76208.
- 21. LATE SUBMITTALS:** The City will reject late bids/proposals. The City is not responsible for lateness or non-delivery of mail, carrier, etc. and the date/time stamp in the Purchasing Office shall be the official time of receipt. The Respondent is responsible for ensuring that packets are delivered to the Purchasing Office. Respondents may confirm receipt of packets by contacting Cindy Troyer, Purchasing Agent at 940-498-3286.
- 22. MINIMUM STANDARDS FOR RESPONSIBILITY:** A prospective vendor must affirmatively demonstrate responsibility. The City may request representation and other information sufficient to determine respondent's ability to meet the minimum standards including but not limited to:
- A. Have adequate financial resources or the ability to obtain such resources.
  - B. Ability to comply with the required or proposed delivery schedule.
  - C. Have a satisfactory record of performance.
  - D. Have a satisfactory record of integrity and ethics.
  - E. Be otherwise qualified and eligible to receive an award.
- 23. NO BOYCOTT OF ISRAEL:** Pursuant to Texas Government Code Chapter 2270, the successful Respondent agrees that acceptance of these Terms & Conditions serves as written verification that Contractor: (i) either meets an exemption criteria under Section 2270.002; or it does (1) does not boycott Israel, as defined by Texas Government Code Section 808.001; and (2) will not boycott Israel during the term of the contract. This requirement does not apply to sole proprietorships, companies with fewer than ten employees; or contracts that are less than \$100,000.00.
- 24. NON-APPROPRIATION CLAUSE:** If the governing body of the City fails to specifically appropriate sufficient funds to make the payments due in any Fiscal Year under this Contract, an event of non-appropriation ("Event of Non-appropriation") will have occurred, the terms of this Contract will not be renewed, and Contractor or City may terminate this Contract at the end of the then current Fiscal Year, whereupon City will be obligated to pay those amounts then due subject to the provisions herein. Nothing in this Section or elsewhere in this Contract will be deemed in any way to obligate the City or create a debt of City beyond its current Fiscal Year. **CONTRACTOR HAS NO RIGHT TO COMPEL CITY TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR OF CITY.**
- 25. PATENTS/COPYRIGHTS:** The successful Respondent agrees to protect the City from claims involving infringements of patents and/or copyrights.
- 26. PAYMENT:** Will be made upon receipt and acceptance by the City for item(s) and/or service(s) ordered and delivered after receipt of a valid invoice, in accordance with the State of Texas Prompt Payment Act, Chapter 2251, Government Code.
- 27. PRICES HELD FIRM:**
- A. All prices quoted in the proposals will remain firm for a minimum of 90 days from the date of the proposal unless it is otherwise specified by the City of Corinth.
  - B. If during the life of the contract, the successful Respondent's net prices to other customers for the items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to the City.
- 28. PURCHASE ORDER:** The City shall generate a purchase order(s) to the successful Respondent. The purchase order number must appear on all itemized invoices.
- 29. QUANTITIES:** Quantities indicated on the Bid/Proposal Form are estimates based upon the best available information. The City reserves the right to increase or decrease quantities to meet its actual needs without any adjustments in bid/proposal price. Individual purchase orders will be issued on an as-needed basis.
- 30. REFERENCES:** The City requests each Respondent to supply, with its bid/proposal, a list of at least three (3) references where their firm supplied like services within the last three to five years. It is preferred that the list identify municipalities that are customers of Respondent. For each reference, include the name of firm, address, contact employee of firm, with telephone number and e-mail address, what services are provided to this reference, and how long your firm has provided this service to the reference entity.
- 31. RELEASE OF INFORMATION AND PUBLIC INSPECTION:** After sealed bids have been opened, bids are open for public viewing upon request. If the bid contains trade secrets or confidential information, the Respondent must specifically list that portion as confidential. All other parts of the bid are open for public viewing upon request.
- For processes other than low bid or best value bid, only the names of respondents will be read aloud at the scheduled opening. Pricing information will not be released until after award of the contract.
- 32. REQUIRED DOCUMENTATION:** In response to this bid/proposal packet, all required documentation must be provided.
- 33. SALES TAX:** The City is exempt by law from payment of Texas Sales Tax and Federal Excise Tax. Our taxpayer identification number is 75-1453222.

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34. **SEVERABILITY:** If any section, subsection, paragraph, sentence, clause, phrase or word of these instructions, specifications, terms and conditions, shall be held invalid, such holding shall not affect the remaining portions of these instructions, specifications, terms and conditions and it is hereby declared that such remaining portions would have been included in these instructions, specifications, terms and conditions as though the invalid portion had been omitted.
35. **SILENCE OF SPECIFICATIONS:** The apparent silence of specifications as to any detail or to the apparent omission from it of a detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of the specifications shall be made based on this statement.
36. **SUBCONTRACTORS:** The Contractor shall be the sole source of contact for the Contract. The City will not subcontract any work under the contract to any other firm and will not deal with any subcontractors. The Contractor is totally responsible for all actions and work performed by its subcontractors. All terms, conditions and requirements of the Contract shall apply without qualification to any services performed or goods provided by any subcontractor.
37. **TAX/DEBT ARREARAGE:** The City shall pay no money upon any claim, debt, demand, or account whatsoever, to any person, firm or corporation, who is in arrears to the City for taxes or otherwise; and, the City shall be entitled to a counter-claim and offset against any such debt, claim, demand, or account, in the amount of taxes or other debt in arrears, and no assignment or transfer of such debts are due, shall affect the right, authority, and power of the City to offset the taxes or other debts against the same.
38. **TERMINATION FOR DEFAULT:** The City reserves the right to enforce the performance of the contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of the contract. The City reserves the right to terminate the contract in the manner set forth in the attached Contract.
- As soon as practicable after receipt of notice of termination, the Company shall submit a statement showing in detail the pro-rated payment, in a form satisfactory to the City, that reflects the appropriate charges. The City shall then pay the charges as required by law.
39. **TERMINATION OF CONTRACT:** The contract shall remain in effect until contract expires, delivery and acceptance of products and/or performance of services ordered or terminated by either party with a ten (10) day written notice prior to any cancellation. The successful Respondent must state therein the reasons for such cancellation. The City may, by written notice to the selected company, cancel this contract immediately without liability to the selected company if it is determined by the City that gratuities or bribes in the form of entertainment, gifts, or otherwise contrary to City Policy, were offered or given by the successful proposing party, or its agent or representative to any City officer, employee or elected representative with respect to the performance of the contract.
40. **TRAVEL AND DIRECT CHARGES:** The City shall not compensate the Respondent for any travel costs incurred in delivery of services under the contract.
41. **VENUE:** Respondent shall comply with all Federal and State laws and City Ordinances and Codes applicable to the Respondent's operation under this contract. The resulting specifications and the contract herefrom shall be fully governed by the laws of the State of Texas, and shall be fully performable in Denton County, Texas, where venue for any proceeding arising hereunder will lie.
42. **WITHDRAWAL OF PROPOSAL:** A proposal may be withdrawn any time prior to the official opening, as long as the request is received in writing from an authorized representative.



# **APPENDIX B**

## **SUBMITTAL FORMS**



**FOR DISADVANTAGED BUSINESS ENTERPRISES ONLY**

**Disadvantaged Business Enterprises (DBE)** are encouraged to participate in the City of Corinth's bid process. The Purchasing Department will provide additional clarification of specifications, assistance with Bid Proposal Forms, and further explanation of bidding procedures to those DBEs who request it.

Representatives from DBE companies should identify themselves as such and submit a copy of the Certification.

The City recognizes the certifications of the State of Texas Procurement and Support Services HUB Program (TPASS). All companies seeking information concerning DBE certification are urged to contact:

State of Texas HUB Program  
Texas Procurement and Support Services  
1711 San Jacinto  
Austin, TX 78701  
(512) 463-5872

If your company is already certified, attach a copy of your certification to this form and return with bid.

COMPANY NAME: \_\_\_\_\_

REPRESENTATIVE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE, ZIP: \_\_\_\_\_

TELEPHONE NO. \_\_\_\_\_ FAX NO. \_\_\_\_\_

**Indicate all that apply:**

- \_\_\_\_\_ Minority-Owned Business Enterprise
- \_\_\_\_\_ Women-Owned Business Enterprise
- \_\_\_\_\_ Disadvantaged Business Enterprise

**COPY OF SIGNED FORM MUST BE INCLUDED WITH YOUR PROPOSAL**

Certificate of Interested Parties

In 2015, the Texas Legislature adopted House Bill 1295, which added Section 2252.908 of the Government Code.

Effective January 1, 2016 all contracts presented to City Council will require awarded vendors to electronically file Form 1295 "Certificate of Interested Parties" and submit a certificate of filing to the City, before the contract can be awarded. "Contract" includes contract amendments, extensions, or renewals; as well as purchase orders. The form will be included in every Bid, RFP, SOQ, and RFQ issued by the City and will be required to be completed as part of the solicitation requirements.

**Bidders/vendors must file the form electronically at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm) and submit a signed copy of the form to the City with their bid.**

Bidders/vendors will need to create an account on the Texas Ethics Commission website. For assistance on how to register and how to complete Form 1295, you may view the short "Logging In the First Time – Business User" and "How To Create a Certificate" videos that are posted on the website noted above. In addition, there are several other links on the website posted above that may be helpful in understanding and completing Form 1295.

The City is required to notify the Texas Ethics Commission, in an electronic format prescribed by the commission, of receipt of those documents not later than the 30<sup>th</sup> day after the date the contract for which the form was filed binds all parties to the contract.

**Bidders must also complete the Conflict of Interest Questionnaire (Form CIQ) included on the next page of this solicitation.**



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**CERTIFICATION FORM**

**In submitting this proposal, the respondent agrees and certifies to the following conditions:**

1. The undersigned agrees that after the official opening this proposal becomes the property of the City of Corinth.
2. The undersigned affirms he has familiarized himself with the local conditions under which the work is to be performed; satisfied himself of the conditions of delivery, handling and storage of equipment and all other matters that may be incidental to the work, before submitting a proposal.
3. The undersigned agrees, if this proposal is accepted, to furnish any and all items/services upon which prices are offered, at the price(s) and upon the terms and conditions contained in the Specifications. The period for acceptance of this Proposal will be 120 calendar days unless a different period is noted by the respondent.
4. The undersigned affirms that they are duly authorized to execute this contract, that this proposal has not been prepared in collusion with any other Respondent, nor any employee of the City of Corinth, and that the contents of this bid have not been communicated to any other respondent or to any employee of the City of Corinth prior to the official opening of this proposal.
5. The respondent certifies that no employee, representative, or agent of the firm offered or gave gratuities in any form (i.e. gifts, entertainment, etc.) to any council Member, official, or employee of the city of Corinth in order to secure favorable treatment or consideration in awarding, negotiating, amending or concluding a final agreement for this proposal. The respondent agrees that and warrants that no employee, official, or member of the City Council is, or will be, peculiarly benefited, directly or indirectly, in this proposal or any ensuing contract that may follow.
6. The respondent hereby certifies that he/she is not included on the U.S. Comptroller General's Consolidated List of Persons or Firms currently debarred for violations of various contracts incorporating labor standards/provisions.
7. Respondent verifies that it does not Boycott Israel, and agrees that during the term of this Agreement (Contract as applicable) will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.
8. Respondent affirms, pursuant to Texas Government Code Chapter 2252, Subchapter F, that it is not identified on a list created by the Texas Comptroller of Public Accounts as a company known to have contracts with or provide supplies or services to a foreign terrorist organization.
9. Respondent/Vendor hereby assigns to purchaser any and all claims for overcharges associated with this Contract which arise under the antitrust laws of the United States, 15 USCA Section 1 et seq., and which arise under the antitrust laws of the State of Texas, Tex. Bus. & Com. Code, Section 15.01, et seq.
10. The undersigned affirms that he/she has read and understands the specifications, terms and conditions, all exhibits and attachments contained in this proposal package.
11. The undersigned understands they are responsible for monitoring the City of Corinth's website at <https://www.cityofcorinth.com/Bids.aspx> to ensure they have downloaded and signed all addenda required for submission with their response.
12. The Contract is not valid until approved by Council, if applicable. When an award letter is issued, it becomes a part of this Contract.

If an addendum to this proposal is issued, acknowledge addendum by initialing beside the addendum number:

Add. No. 1 \_\_\_\_\_ Add. No. 2 \_\_\_\_\_ Add. No. 3 \_\_\_\_\_ Add. No. 4 \_\_\_\_\_ Add. No. 5 \_\_\_\_\_

Company Name: \_\_\_\_\_

Principal Place of Business Address, City, State, Zip: \_\_\_\_\_

Principal Place of Business Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

**AUTHORIZED REPRESENTATIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Phone



**APPENDIX C**

**SAMPLE PROFESSIONAL SERVICES AGREEMENT**

STATE OF TEXAS                   §  
   §  
 COUNTY OF DENTON §                   AGREEMENT FOR CONSULTING SERVICES

This agreement (“Agreement”) is made by and between the City of Corinth, Texas, a home-rule municipal corporation (“City”) and \_\_\_\_\_, a \_\_\_\_\_ (“Consultant”) (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

**RECITALS:**

**WHEREAS**, the City desires to engage the services of the Consultant as an independent contractor, and not as an employee, to provide the services described in **Exhibit “A”** (the “Scope of Services” or “Services”) to assist the City with the following project: **AWIA RISK & RESILIENCY ASSESSMENT AND EMERGENCY RESPONSE PLAN** (the “Project”) on the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Consultant desires to render services for the City on the terms and conditions set forth in this Agreement; and

**WHEREAS**, City published a request for Statement of Qualifications for the Project and Consultant provided a response; and

**WHEREAS**, City determined Consultant to be the most qualified respondent and entered into negotiations for Consultant to provide the Services set forth in this Agreement; and

**WHEREAS**, City Council approved the award of this Agreement to Consultant in accordance with the terms set forth herein;

**NOW THEREFORE**, in consideration of the foregoing recitals, the mutual covenants set forth herein, and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

**Article I**  
**Incorporation of Recitals/Agreement Documents/Term**

1.1 Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein.

1.2 Agreement. This Agreement shall be comprised of the following documents: (1) this Agreement; (2) **Exhibit “A”**, “Scope of Services”; (3) **Exhibit “B”**, “Project Schedule”; (4) **Exhibit “C”**, “Fee Schedule”; (5) City’s Request for Statement of Qualifications for AWIA Risk & Resiliency Assessment and Emergency Response Plan (“City SOQ”), a copy of which is attached hereto and incorporated herein as **Exhibit “D”** hereto; and (6) Consultant’s response to City SOQ, a copy of which is attached hereto and incorporated herein as **Exhibit “E”** hereto. In the event of a conflict between one or more of the terms and provisions contained within the foregoing documents, in order to resolve any such conflict, priority of interpretation shall be given in the order that those documents are listed in this section.

1.3 Term. This Agreement shall commence on the last date of execution hereof (“Effective Date”) and continue until completion of the Services, unless sooner terminated as provided herein.

## **Article II Scope of Service**

2.1 The Consultant shall perform the Services in connection with the Project as set forth in the Scope of Services. The Consultant, if a licensed engineer or registered architect shall perform the Services: (i) with the prevailing professional skill and care ordinarily provided by competent engineers or architects, as the case may be, practicing in the same or similar locality and under the same or similar circumstances and professional license but not limited to the exercise of reasonable, informed judgments and prompt, timely action; and (ii) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect, as the case may be. If the Consultant is not a licensed engineer or registered architect, the Consultant shall perform the Services: (i) with the professional skill and care ordinarily provided by similar consultants practicing in the same or similar locality and under the same circumstances and applicable licenses or certifications; and (ii) as expeditiously as is prudent considering the ordinary skill and care of similar competent consultants.

2.2 The City shall, prior to commencement of Services, provide the Consultant with the information set forth in the Scope of Services, if any.

2.3 The Parties acknowledge and agree that any and all opinions provided by the Consultant in connection with the Scope of Services represent the professional judgment of the Consultant, in accordance with the standard of care applicable by law to the Services performed hereunder.

2.4 All information, documents, records and reports developed as a result of the Services provided under this Agreement shall be the property of the City (hereinafter "Documents"). Any use by Consultant of the Documents developed hereunder, whether for publication or for work with other clients, must receive prior written permission from the City. During the term and all renewals of this Agreement, all such Documents generated, compiled, collected or collated shall be maintained in the format required by City. Further, all such Documents shall be returned to City upon termination of this Agreement, and upon such termination shall be returned in the format required by City.

## **Article III Schedule of Work – Project Completion**

The Consultant agrees to complete the required Services and submit all work required by the City in accordance with the Project Schedule, a copy of which is attached hereto and incorporated herein as **Exhibit "B"**, and as outlined in the Scope of Services within [REDACTED] consecutive calendar days, exclusive of any review time by City, from the date of written Notice to Proceed from City to Consultant. The Parties hereto agree and understand that time is of the essence and that failure to timely perform obligations as required under this Agreement will result in damages to the other Party.

## **Article IV Compensation and Method of Payment**

4.1 Consultant will be compensated in accordance with the Fee Schedule, a copy of which is attached hereto and incorporated herein as **Exhibit "C"**. Unless otherwise provided herein, payment to the Consultant shall be monthly based on the Consultant's monthly progress report and detailed monthly itemized statement for Services that shows the names of the Consultant's employees, agents, contractors performing the Services, the time worked, the actual Services performed, the rates charges for such service, reimbursable expenses, the total amount of fee earned to date, percentage of work completed on the Project through the end of the then submitted billing period, and the amount due and payable as of the current statement, in a form reasonably acceptable to the City. Monthly statements shall include authorized non-salary expenses with supporting itemized invoices and documentation. The City shall pay such approved monthly statements within thirty (30) days after receipt and City verification of the Services and expenses unless otherwise provided herein. The final payment of the compensation shall be made after

satisfactory completion of the Services following the City acceptance of the study, report, recommendation or other work set forth in the Scope of Services. Nothing contained in this Agreement shall require City to pay for any work that is unsatisfactory as determined by City or which is not submitted in compliance with the terms of this Agreement, nor shall failure to withhold payment pursuant to the provisions of this section constitute a waiver of any right, at law or in equity, which City may have if Consultant is in default, including the right to bring legal action for damages or for specific performance of this Agreement. Waiver of any default under this Agreement shall not be deemed a waiver of any subsequent default.

4.2 Unless otherwise provided in the Scope of Services, the Consultant shall be responsible for all expenses related to the Services provided pursuant to this Agreement including, but not limited to, travel, copying and facsimile charges, telephone, internet and email charges. If additional services, trips or expenses are requested, Consultant will not provide such additional services until authorized by City in writing to proceed. The Scope of Services shall be strictly limited. City shall not be required to pay any amount in excess of the amount identified in the preceding paragraph unless City shall have approved in writing in advance (prior to the performance of additional work) the payment of additional amounts.

4.3 The hourly rates set forth in the Scope of Services, if any, shall remain in effect during the term of this Agreement. Any changes to established hourly rates shall require the prior written consent of the City.

4.4 Consultant shall keep accurate records of its Services and expenses incurred in the performance of this Agreement and shall make the same available to City for inspection and copying upon five (5) days notice thereof. These records shall be kept by Consultant for two (2) years following the expiration of this Agreement.

#### **Article V Devotion of Time; Personnel; and Equipment**

5.1 The Consultant shall devote such time as reasonably necessary for the satisfactory performance of the Services under this Agreement. Should the City require additional services not included under this Agreement, the Consultant shall make reasonable effort to provide such additional services within the time schedule without decreasing the effectiveness of the performance of services required under this Agreement, and shall be compensated for such additional services on a time and materials basis, in accordance with Consultant's standard hourly rate schedule, or as otherwise agreed between the Parties. When Consultant is directed to revise or expand the Scope of Services under this Section of the Agreement, Consultant shall provide City a written proposal for the entire costs involved in performing such additional services. Prior to Consultant undertaking any revised or expanded services as directed by City under this Agreement, City must authorize in writing the nature and scope of such services and accept the method and amount of compensation and the time involved in all phases of the Project. It is expressly understood and agreed by Consultant that any compensation not specified in Article IV herein above may require Corinth City Council approval and is subject to the current budget year limitations.

5.2 To the extent reasonably necessary for the Consultant to perform the Services under this Agreement, the Consultant shall be authorized to engage the services of any agents, assistants, persons, or corporations that the Consultant may deem proper to aid or assist in the performance of the Services under this Agreement. The Consultant shall provide written notice to and obtain written approval from the City prior to engaging services not referenced in the Scope of Services. The cost of such personnel and assistance shall be included as part of the total compensation to be paid Consultant hereunder, and shall not otherwise be reimbursed by the City unless otherwise provided herein.

5.3 The Consultant shall furnish the facilities, equipment and personnel necessary to perform the Services required under this Agreement unless otherwise provided herein.

5.4 The City may require that Consultant submit monthly progress reports and attend monthly progress meetings scheduled by the City or more frequently as may be required by the City from time to time based upon Project demands. Each progress report shall detail the work accomplished and special

problems or delays experienced on the Project during the previous report period, and the planned work activities and special problems or delays anticipated for the next report period.

## **Article VI** **Miscellaneous**

6.1 **Entire Agreement.** This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

6.2 **Assignment.** The Consultant may not assign this Agreement without the prior written consent of City. In the event of an assignment by the Consultant to which the City has consented, the assignee shall agree in writing with the City to personally assume, perform, and be bound by all the covenants and obligations contained in this Agreement.

6.3 **Successors and Assigns.** Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

6.4 **Governing Law and Venue.** The Agreement is entered into subject to the Corinth City Charter and ordinances of City, as same may be amended from time to time, and is subject to and is to be construed, governed and enforced under all applicable State of Texas and federal laws. Consultant will make any and all reports required per federal, state or local law including, but not limited to, proper reporting to the Internal Revenue Service, as required in accordance with Consultant's income. Situs of this Agreement is agreed to be Denton County, Texas, for all purposes, including performance and execution. The parties to this Agreement agree and covenant that this Agreement will be enforceable in Corinth, Texas; and that if legal action is necessary to enforce this Agreement, exclusive venue will lie in Denton County, Texas.

6.5 **Amendments.** This Agreement may be amended by the mutual written agreement of the Parties.

6.6 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

6.7 **Independent Contractor.** It is understood and agreed by and between the Parties that the Consultant, in satisfying the conditions of this Agreement, is acting independently, and that the City assumes no responsibility or liabilities to any third party in connection with these actions. All Services to be performed by Consultant pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of the City. Consultant will have exclusive control of and the exclusive right to control the details of the work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, subcontractors and engineers and the doctrine of respondeat superior shall not apply as between City and Consultant, its officers, agents, employees, contractors, subcontractors and engineers, and nothing herein shall be construed as creating a partnership or joint enterprise between City and Consultant.

6.8 **Right-of-Access.** The Consultant shall not enter onto private property without lawful right-of-access to perform the required surveys, or other necessary investigations. The Consultant will take reasonable precautions to minimize damage to the private and public property in the performance of such surveys and investigations. Any right-of-access to public or private property shall be obtained in accordance with the Scope of Services.

6.9 **Notice.** Any notice required or permitted to be delivered hereunder may be sent by first class mail, courier, or by confirmed telefax or facsimile to the address specified below, or to such other

Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery or on the day actually received if sent by courier or otherwise hand delivered:

If intended for City:

Attn:  
 City of Corinth, Texas  
 3300 Corinth Parkway  
 Corinth, Texas 76208  
 Telephone:  
 Fax:  
 Email:

If intended for Consultant:

Attn:  
 Address:  
 Telephone:  
 Fax:  
 Email:

6.10 **Insurance.** Before commencing work, Consultant shall, at its own expense, procure, pay for and shall maintain during the term of this Agreement insurance in accordance with the requirements set forth in the City SOQ, Exhibit "D", entitled "Insurance Requirements", and written by companies approved by the state of Texas and acceptable to the City. Consultant shall furnish to the City certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Certificates shall reference the Project and be provided to the City.

6.11 **Debarment and Suspension.**

- (a) In accordance with 2 CFR section 180.300, the principal of this Agreement as described in 2 CFR section 180.995 being duly sworn or under penalty of perjury under the laws of the United States, certifies that neither this company nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, the State of Texas or any of its departments or agencies.
- (b) If during the Agreement Term the principal becomes debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation, the principal shall immediately inform the City.
- (c) For contracts that are financed by Federal or State grants, the principal agrees that this section will be enforced on each of its subcontractors, and will inform the City of any violations of this section by subcontractors to the contract.
- (d) The certification in this section is a material representation of fact relied upon by the City in entering into this contract.

6.12 **Indemnification.** **CONSULTANT DOES HEREBY COVENANT AND CONTRACT TO WAIVE ANY AND ALL CLAIMS, RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS CITY COUNCIL, OFFICERS, EMPLOYEES, AND AGENTS, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST ALL LIABILITY, CAUSES OF ACTION, CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, ARE CAUSED BY OR RESULT FROM CONSULTANT'S PERFORMANCE UNDER THIS AGREEMENT OR WHICH ARE CAUSED BY**

**INTENTIONAL WRONGFUL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF CONSULTANT, ITS SUBCONTRACTORS, ANY OFFICERS, AGENTS OR EMPLOYEES OF EITHER CONSULTANT OR ITS SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH CONSULTANT IS LEGALLY RESPONSIBLE (THE "INDEMNIFIED ITEMS") THE NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY CONSULTANT, ITS AGENT, ITS CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE CONSULTANT EXERCISES CONTROL SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE § 271.904 AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002 (B).**

**BY WAY OF EXAMPLE, THE INDEMNIFIED ITEMS MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY.**

**INDEMNIFIED ITEMS SHALL INCLUDE ATTORNEYS' FEES AND COSTS, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING ATTORNEYS' FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.**

**IN ITS SOLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE COUNSEL TO BE RETAINED BY CONSULTANT IN FULFILLING ITS OBLIGATION TO DEFEND AND INDEMNIFY THE CITY. CONSULTANT SHALL RETAIN CITY'S APPROVED COUNSEL FOR THE CITY WITHIN SEVEN (7) BUSINESS DAYS AFTER RECEIVING WRITTEN NOTICE FROM THE CITY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF CONSULTANT DOES NOT RETAIN COUNSEL FOR THE CITY WITHIN THE REQUIRED TIME, THEN THE CITY SHALL HAVE THE RIGHT TO RETAIN COUNSEL AND THE CONSULTANT SHALL PAY THESE ATTORNEYS' FEES AND EXPENSES. THE CITY RETAINS THE RIGHT TO PROVIDE AND PAY FOR ANY OR ALL COSTS OF DEFENDING INDEMNIFIED ITEMS, BUT IT SHALL NOT BE REQUIRED TO DO SO.**

**THE CONSULTANT'S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY CONSULTANT UNDER THIS AGREEMENT.**

**THIS INDEMNIFICATION PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

6.13 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

6.14 Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

6.15 Consultant's Liability. Acceptance of the Documents by the City shall not constitute nor be deemed a release of the responsibility and liability of Consultant, its employees, associates, agents or Consultants for the accuracy and competency of their designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by City for any defect in the designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by City for any defect in the designs, working drawings, specifications or other documents and work prepared by said Consultant, its employees, associates, agents or sub-Consultants.

6.16 Right to Inspect Records. Consultant agrees that City shall have access to and the right to examine any directly pertinent books, documents, papers and records of Consultant involving transactions

relating to this Agreement. Consultant agrees that City shall have access during normal working hours to all necessary Consultant facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. City shall give Consultant reasonable advance notice of intended audits. Consultant further agrees to include in subcontract(s), if any, a provision that any subcontractor or engineer agrees that City shall have access to and the right to examine any directly pertinent books, documents, papers and records of such engineer or sub-contractor involving transactions to the subcontract, and further, that City shall have access during normal working hours to all such engineer or sub-contractor facilities and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with the provisions of the paragraph. City shall give any such engineer or sub-contractor reasonable advance notice of intended audits.

6.17 Default/Termination. If at any time during the term of this Agreement, Consultant shall fail to commence the work in accordance with the provisions of this Agreement or fail to diligently provide Services in an efficient, timely and careful manner and in strict accordance with the provisions of this Agreement or fail to use an adequate number or quality of personnel to complete the work or fail to perform any of its obligations under this Agreement in accordance with its terms, including without limitation the Scope of Services and/or the Project Schedule, then City shall have the right, if Consultant shall not cure any such default after ten (10) days days written notice thereof, to terminate this Agreement on the eleventh (11<sup>th</sup>) day following the date of City's written notice of default. Any such act by City shall not be deemed a waiver of any other right or remedy of City.

6.18 Termination Without Cause. In addition to termination for default as set forth in Section 6.17 of this Agreement, the City may terminate this Agreement at any time by City without cause by providing Consultant thirty (30) days written notice of such termination.

6.19 Payment Obligations Upon Termination. Upon receipt of termination notice under either Section 6.18 or Section 6.19, Consultant shall immediately terminate working on, placing orders or entering into contracts for supplies, assistance, facilities or materials in connection with this Agreement and shall proceed to promptly cancel all existing contracts insofar as they are related to this Agreement. Upon termination, City shall pay all money owed to Consultant based upon tasks satisfactorily completed as of the date of notice of termination. If Consultant has not met one or more percentage benchmarks as identified in **Exhibit "B"**, "**Project Schedule**", Consultant shall submit an invoice containing an itemized list of tasks performed with the associated hourly fee. In no event shall individual fees or the cost of such itemized list exceed the Lump Sum payment for the specific service provided by Consultant as listed in **Exhibit "C"**, "**Fee Schedule**". Consultant shall be entitled to compensation for any Services completed to the reasonable satisfaction of the City in accordance with this Agreement prior to such termination.

In addition to the foregoing, If after exercising any such remedy due to Consultant's nonperformance under this Agreement, the cost to City to complete the work to be performed under this Agreement is in excess of that part of the Agreement sum which has not theretofore been paid to Consultant hereunder, Consultant shall be liable for and shall reimburse City for such excess. City's remedies for Consultant's default or breach under this Agreement shall include monetary damages as allowed by law, re-performance of this Agreement at no extra charge to City, or equitable remedies, including without limitation specific performance of this Agreement.

6.20 Confidential Information. Consultant hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Agreement, which is of a confidential, non-public or proprietary nature. Consultant shall treat any such information received in full confidence and will not disclose or appropriate such Confidential Information for its own use or the use of any third party at any time during or subsequent to this Agreement. As used herein, "Confidential Information" means all oral and written information concerning City, its affiliates and subsidiaries, and all oral and written information concerning City or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies or other documents, whether prepared by Consultant or others, which contain or otherwise reflect such information. The term "Confidential Information" shall not include such

materials that are or become generally available to the public other than as a result of disclosure of Consultant, or are required to be disclosed by a governmental authority.

6.21 Conflict of Interest. Consultant covenants and agrees that Consultant and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the Services called for under this Agreement. All activities, investigations and other efforts made by Consultant pursuant to this Agreement will be conducted by employees, associates or subcontractors of Consultant.

6.22 No Third Party Beneficiary. For purposes of this Agreement, including its intended operation and effect, the parties (City and Consultant) specifically agree and contract that: (1) the Agreement only affects matters/disputes between the parties to this Agreement, and is in no way intended by the parties to benefit or otherwise affect any third person or entity notwithstanding the fact that such third person or entity may be in contractual relationship with City or Consultant or both; and (2) the terms of this Agreement are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either City or Consultant.

6.23 Prohibition regarding Israel. Pursuant to the requirements of Texas Government Code Chapter 2270, Consultant verifies that it does not boycott Israel, and it will not boycott Israel during the term of this Agreement.

***(Signature Page to Follow)***

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

CITY OF CORINTH, TEXAS

By: \_\_\_\_\_  
Bob Hart, City Manager

**Attest:**

By: \_\_\_\_\_  
Lana Wylie, Acting City Secretary

Approved As To Form:

By: \_\_\_\_\_  
Patricia A. Adams, City Attorney

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**CONSULTANT**

(NAME OF CONSULTANT)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENTS  
CONSULTANT**

STATE OF TEXAS            )  
  )  
COUNTY OF \_\_\_\_\_  )

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on  
behalf of such entity.

\_\_\_\_\_  
Notary Public, State of Texas

**CITY**

**STATE OF TEXAS            )**  
**)**  
**COUNTY OF DENTON )**

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
by **BOB HART**, City Manager of the City of Corinth, a home rule municipal corporation, on behalf of such  
corporation.

\_\_\_\_\_  
Notary Public, State of Texas

DRAFT

**EXHIBIT "A"**  
**SCOPE OF SERVICES**

**EXHIBIT "B"**  
**PROJECT SCHEDULE**

**EXHIBIT "C"**  
**FEE SCHEDULE**

**EXHIBIT "D"**  
**CITY REQUEST FOR STATEMENT OF QUALIFICATIONS FOR**  
**AWIA RISK & RESILIENCY ASSESSMENT AND EMERGENCY RESPONSE PLAN**

**EXHIBIT "E"**  
**CONSULTANT'S RESPONSE TO CITY SOQ**

# PROJECT SCHEDULE

Kimley-Horn is well equipped to meet the EPA required deadline of June 30, 2021. Below is a draft schedule. Our team consists of AWIA-certified specialists currently using the AWIA process for many cities in Texas and other states. This allows our team to be prepared and to quickly identify and mitigate schedule issues.

◆ MILESTONE

TASK	JAN 2021	FEB 2021	MAR 2021	APR 2021	MAY 2021	JUN 2021	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021
Project Initiation and Kickoff Meeting	█											
Data Gathering and Gap Analysis	█	█										
Threat-Asset Pair Workshop and Site Visits		█										
Baseline Risk and Data Analysis			█	█								
RRA Draft Review Meeting					█							
Final RRA Deliverable Submittal						◆						
ERP Outline Review and Plan Development Meetings						█	█	█	█			
ERP 80% Review										█		
ERP Draft Review Meeting											█	
Final ERP Deliverable Submittal												◆

## ABILITY TO BRING ADDITIONAL RESOURCES

The Kimley-Horn team will devote the staff identified in the organizational chart to support the City of Corinth. As a national firm with more than 4,500 employees nationwide and over 900 employees in our Texas Region, Kimley-Horn also can call upon additional staff to render assistance or expedite the schedule, if needed. We specifically have more than 100 water professionals in Texas that can be available to serve as support staff on this project. We have more than enough resources to carry out this project on your required schedule.

# ORGANIZATION CHART

As project manager, Anthony Samarripas, P.E. will provide oversight of the team and serve as a single point-of-contact for the City of Corinth. As demonstrated in the organization chart below and resumes of our key team members, Kimley-Horn has assembled a team of highly qualified individuals with extensive previous experience on comparable projects. Personnel on our team have a long track record of partnering together on RRA and ERP projects, and our team members have the right technical expertise to serve Corinth efficiently in the disciplines anticipated.

**PROJECT MANAGER**  
Kimley»Horn



**ANTHONY SAMARRIPAS, P.E.**

**QUALITY CONTROL / RISK ASSESSMENT ADVISOR**  
Kimley»Horn



**ASHLYN MORGAN, P.E.**

**SCADA / CYBERSECURITY**  
*Signature Automation*



**RICK HIDALGO, P.E.**

**ASSET MANAGEMENT/RESILIENCY ASSESSMENT AND AWIA COMPLIANCE**  
Kimley»Horn



**DREW ZAESKE, P.E.\***



**CHRIS IGO, P.E.\***

*\*Holds the AWWA Utility Risk and Resilience Certification.*

## PROJECT TEAM RESUMES



### **ANTHONY SAMARRIPAS, P.E.** PROJECT MANAGER

Anthony has 19 years of experience in the engineering of water transmission, distribution, and storage systems. Most of the services he provides are for municipal clients, water districts, and other public-serving entities. His experience includes the design and rehabilitation of transmission lines, pump stations, and storage tanks. Anthony's responsibilities often include construction contract administration of these kinds of water projects, so he has seen numerous facilities being built and is proficient in several programs typically used in water transmission/distribution/storage projects, including WaterCAD, SewerCAD, and ArcView for geographic information systems (GIS). Because of this experience, he is thoroughly familiar with the specialized issues that arise during construction. He has also served as a liaison between municipalities and project stakeholders during the public involvement stages of several projects, so he has a strong working knowledge of how to involve and work with the public.

### PROFESSIONAL CREDENTIALS

Bachelor of Science,  
Civil Engineering,  
Texas Tech University

Professional Engineer  
in Texas (No. 95876)

Water Environment  
Federation, Member

### RELEVANT EXPERIENCE

- City of Corinth Roadway, Water, and Wastewater Impact Fee, Corinth, TX
- City of Corinth Lake Sharon Ground Storage Tank Design, Corinth, TX
- City of Folsom Emergency Response Plan, Folsom, CA
- City of Fate 2010 Water, Wastewater, and Roadway Impact Fee Reports, Fate, TX
- Farmersville Comprehensive Plan and Water and Wastewater Impact Fee, Farmersville, TX
- Town of Flower Mound Transportation Master Plan and Roadway, Water, and Wastewater Impact Fee Update, Flower Mound, TX
- Town of Flower Mound Denton Creek Reuse Master Plan, Flower Mound, TX
- North Texas Municipal Water District (NTMWD) Basin Master Plan, Wylie, TX
- Town of Flower Mound Wastewater and Water System Master Plan, Transportation Master Plan, and Impact Fee Update, Flower Mound, TX
- City of Red Oak Water/Wastewater Master Plan, Red Oak, TX
- City of Fate 2015 Water, Wastewater, Roadway Master Plan, Fate, TX
- City of Princeton Impact Fee, Princeton, TX
- Town of Lakewood Village Water Impact Fees, Lakewood Village, TX
- City of Garland Impact Fee, Garland, TX
- City of Red Oak Water and Sewer Survey, Red Oak, TX
- Kaufman 20-Inch Water Line Assessment, Kaufman, TX
- Wylie, Rockwall, Farmersville 36- and 48-Inch Water Line, Wylie, TX
- Bedford Water Line Condition Assessment, Bedford, TX
- Morriss Road 20-Inch Water Line, Flower Mound, TX
- FM 1171 and Highway 377 36-Inch and 20-Inch Water Lines, Flower Mound, TX
- Stacy Road Water Line 42-Inch to 24-Inch Relocations, Wylie, TX
- Wise County Water Supply District 2.9 MG Pump Station and Water Line, Decatur, TX



## ASHLYN MORGAN, P.E.

### QUALITY CONTROL/RISK ASSESSMENT ADVISOR

Ashlyn is a water resources project engineer with eight years of experience in design, planning, and modeling. She has special expertise with hydraulic modeling and water resources master planning. Her hydraulic modeling experience ranges from small-scale models that size service lines and anticipate water pressure at individual sites, to development reviews that assess the impacts of high-density developments on water and wastewater systems and citywide master planning for both water and wastewater distribution systems. Ashlyn is proficient in modeling software, including InfoSewer, InfoWater, and WaterCAD.

### PROFESSIONAL CREDENTIALS

Bachelor of Science,  
Civil Engineering,  
Texas A&M University

Professional Engineer  
in Texas (No. 121682)

American Water  
Works Association,  
Member

### RELEVANT EXPERIENCE

- City of Corinth Master Plan Updates, Corinth, TX
- West Wise Special Utility District West Wise Water System Model, Lake Bridgeport, TX
- Water and Wastewater Master Plan Updates, Flower Mound, TX
- Pavilion Park Water Hydraulic Analysis, Midland, TX
- Briarwood/Pioneer Water Hydraulic Analysis, Midland, TX
- Ennis Warehouse Water Model, Ennis, TX
- Red Oak Water Master Plan, Red Oak, TX
- Peoria New River Water Modeling, Peoria, AZ
- Fort Mojave Water Model, Fort Mojave, AZ
- Lower Heights District Turcotte Development, Dallas, TX
- San Jacinto River Authority GRP C-3 Conroe Water Transmission Line, Montgomery, TX
- Wildlife Parkway Water Line, Grand Prairie, TX
- High Road Water Line Replacement, Flower Mound, TX
- FM 2499/3040 Water Line Relocation, Flower Mound, TX
- DWU 2016 Water and Wastewater Replacements, Dallas, TX
- DWU 2014 Water and Wastewater Replacements, Dallas, TX
- DWU 2010 Water and Wastewater Replacements, Dallas, TX
- NTMWD Stacy Road Water Lines 42-Inch to 24-Inch Relocations, Wylie, TX
- Morriss Road 20-Inch Water Line, Flower Mound, TX
- University Hills Wastewater Basin Analysis, Dallas, TX



## DREW ZAESKE, P.E.

### ASSET MANAGEMENT/RESILIENCY ASSESSMENT AND AWIA COMPLIANCE

Drew has completed the AWWA Utility Risk and Resilience Certificate Program. He has more than five years of experience working with municipalities and water districts providing a wide range of water and wastewater engineering services. His design experience includes system modeling, master planning, ground and elevated storage tanks, transmission lines, distribution systems, and metering stations. In addition to this planning and design experience, he has construction experience in both contract administration and on-site inspection.

### RELEVANT EXPERIENCE

- City of Corinth Master Plan Update, Corinth, TX
- Town of Flower Mound Water Master Plan Update, Flower Mound, TX
- Southport Logistics Park 4.6 MGD Pump Station, Wilmer, TX
- Groundwater Transmission Main Condition Assessment, Kilgore, TX
- Cypress Waters 1.5 MG Elevated Storage Tank, Pump Station Improvements, and Water Transmission Lines, Dallas, TX
- Pintail 23 MGD Pump Station Capacity Improvements, Flower Mound, TX
- Casa View Pump Station Electrical Improvements, Dallas, TX
- Stonehill Pump Station Improvements and 10 MG Ground Storage Tank Rehabilitation, Flower Mound, TX
- Legacy West 4.5 MGD Lift Station, Plano, TX
- Legacy West 16-Inch/30-Inch Force Main, Plano, TX
- Bakersfield Park Lift Station, Flower Mound, TX
- Lake Cities Municipal Utility Authority Hydraulic Analysis, Corinth, TX
- Virginia Parkway 7.0 MG Ground Storage Tank, McKinney, TX
- Wylie-Rockwall-Farmersville 48-Inch Pipeline Improvements, Phase 2, Wylie, TX
- NTMWD Setpoint Control Implementation Phase IV, Collin County, TX
- Morriss Road 30-Inch Water Line Phase 2, Flower Mound, TX

### PROFESSIONAL CREDENTIALS

Bachelor of Science,  
Civil Engineering,  
North Dakota State  
University

Professional Engineer  
in Texas (No. 133480)



## CHRIS IGO, P.E.

### ASSET MANAGEMENT/RESILIENCY ASSESSMENT AND AWIA COMPLIANCE

Chris is a professional engineer with more than nine years of experience providing a wide range of water and wastewater design services. He has successfully produced multidisciplinary projects involving water, sanitary sewer, site development, and paving and drainage. Chris has experience in helping municipalities and utility authorities with CIPs, master planning, impact fees, construction contract administration, and permitting issues. He has worked on and managed projects from conception through planning, design, and construction.

### RELEVANT EXPERIENCE

- Temple Risk and Resilience Assessment and Emergency Response Plan, Temple, TX
- LCMUA Risk and Resilience Assessment and Emergency Response Plan, Lake Dallas, TX
- Water and Sanitary Sewer Relocations for the Trinity River Vision, Fort Worth, TX
- North Tarrant Express (Segments 1, 3B, and 3A) Engineering, Design, and Project Management, Fort Worth, TX
- Summer Creek Drive and McPherson Boulevard Water Improvements, Fort Worth, TX
- 42/36-Inch Water Relocations for BNSF Rail Company Main No. 2 Relocation, Fort Worth, TX
- North Tarrant Express Segment 4 IH-820/SH-121 36-Inch Water Line Relocations, Fort Worth, TX
- City of Fort Worth 48-Inch Water Line Relocations for FM-156, Fort Worth, TX
- Panther Island Master Plan and Design Services for Tarrant Regional Water District (TRWD)/Trinity River Vision Authority (TRVA), Fort Worth, TX
- Design and Development Support for the Panther Island Master Plan, Fort Worth, TX
- TRWD Operations Compound Master Plan, Fort Worth, TX
- Norwood Drive Reconstruction, Fort Worth, TX
- TRWD Administration Building Grading Permit, Fort Worth, TX
- Trinity Uptown (Panther Island) Mass Grading and Development Services, Fort Worth, TX
- City of Denton Development Review Engineering Services, Denton, TX
- City of Denton Construction Standards, Denton, TX
- Denton Creek Water Reuse Report, Flower Mound, TX
- Stacy Road 42-Inch and 24-Inch Water Line Relocations, Allen, TX
- NTMWD Delivery Sites, Kaufman County, TX
- Lake Cities Municipal Utility Authority Lift Station No. 1 and Sanitary Sewer Interceptor, Lake Dallas, TX
- City of Lubbock Lift Station No. 41 Replacement and Force Main, Lubbock, TX
- City of Melissa Impact Fee Update, Melissa, TX
- I-5 North Coast Highway Water and Sanitary Sewer Relocations, San Elijo, CA

### PROFESSIONAL CREDENTIALS

Bachelor of Science,  
Civil Engineering,  
Texas Tech University

Bachelor of Science,  
Mathematics,  
Wayland Baptist  
University

Professional Engineer  
in Texas (No. 120045)

American Water  
Works Association,  
Member

North American  
Association  
of Trenchless  
Technology, Member



**RICK HIDALGO, P.E.**  
SCADA/CYBERSECURITY



Rick is President of Signature Automation and a licensed control systems engineer with over 30 years of experience in design, commissioning, and programming of both DCS and SCADA systems for various water/wastewater utilities. Rick has managed large-scale projects for clients throughout the U.S., with services ranging from SCADA master planning through design and final commissioning for large service areas. He brings deep knowledge of current cybersecurity standards to the team and has assisted utilities with assessing and modernizing their SCADA compliance. He now serves as President of the Water Environment Association of Texas (WEAT) and recently completed a six-year term as Co-Chair of the WEAT Safety and Security Committee, focusing on cybersecurity for water/wastewater SCADA systems.

## PROFESSIONAL CREDENTIALS

Bachelor of Science,  
Electrical Engineering,  
University of Texas at  
Dallas

Professional Engineer  
in Texas (No. 94663)

Water Environment  
Association of Texas,  
President

Water Environment  
Federation, Member

## RELEVANT EXPERIENCE

- San Antonio Water System (SAWS) America's Water Infrastructure Act of 2018 Compliant Risk Assessment and Emergency Response Plan, San Antonio, TX
- Austin Water SCADA Security Gap Analysis, Austin, TX
- City of Corpus Christi Wastewater Treatment Plants and Lift Stations SCADA Improvements Master Plan, Corpus Christi, TX
- SAWS Broadband Access Points and Programmable Logic Controllers Replacement Phase 2, San Antonio, TX
- SAWS Central Water Integration Project Owner's Representative and SCADA Programming, San Antonio, TX

# SUPPLEMENTAL INFORMATION

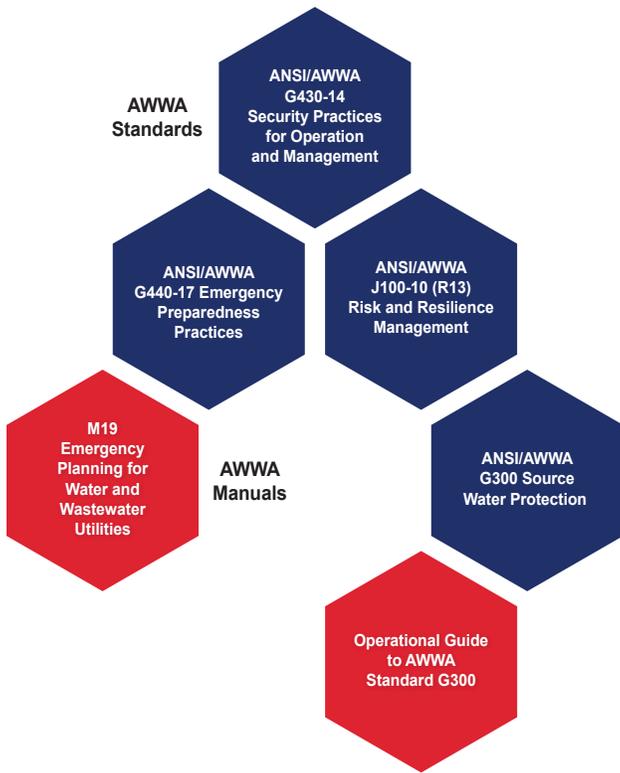
## REPRESENTATIVE LIST OF COMPLETED PROJECTS

The project matrix below highlights Kimley-Horn’s experience in performing similar scopes of work with respect to vulnerability and risk-related assessments and emergency response plans.

	POPULATION	AWIA	ASSET/THREAT IDENTIFICATION	VULNERABILITY ANALYSIS	THREAT ANALYSIS	RISK ANALYSIS	RISK/RESILIENCY MANAGEMENT
MIAMI-DADE COUNTY, FL	2,717,000		●	●	●	●	●
TRIANGLE CITIES, NC	2,079,000		●	●	●	●	●
SHELBY COUNTY, TN	927,000		●	●		●	●
CITY OF TAMPA, FL	393,000		●	●		●	●
CITY OF TALLAHASSEE, FL	193,000		●	●	●	●	●
CITY OF PORTSMOUTH, VA	95,000		●	●	●	●	●
CITY OF ASHEVILLE, NC	92,000		●	●	●	●	●
CITY OF TEMPLE, TX	75,000	●	●	●	●	●	●
CITY OF ROWLETT, TX	66,000		●	●			
CITY OF OCALA, FL*	60,000	●	●	●	●	●	●
TAMU (COLLEGE STATION, TX)*	53,000	●	●	●	●	●	●
CITY OF SACHSE, TX*	26,000	●	●	●	●	●	●
CITY OF SAGINAW, TX	24,000	●	●	●	●	●	●
CITY OF SEBASTIAN, FL*	24,000	●	●	●	●	●	●
CITY OF COLUMBIA HEIGHTS, MN*	20,000	●	●	●	●	●	●
CITY OF BOERNE, TX*	20,000	●	●	●	●	●	●
CITY OF GAINESVILLE, TX*	16,000	●	●	●	●	●	●
LCMUA (LAKE DALLAS, TX)*	16,000	●	●	●	●	●	●
MARTIN COUNTY UTILITIES, FL*	16,000	●	●	●	●	●	●
CITY OF ST. PETE BEACH, FL*	9,700	●	●	●	●	●	●
CITY OF PRINCETON, TX*	12,000	●	●	●	●	●	●
CITY OF DAYTON, TX*	8,000	●	●	●	●	●	●
CITY OF RED OAK, TX*	13,000	●	●	●	●	●	●

\*Projects are in progress.

## AWWA STANDARDS AND AWWA MANUALS

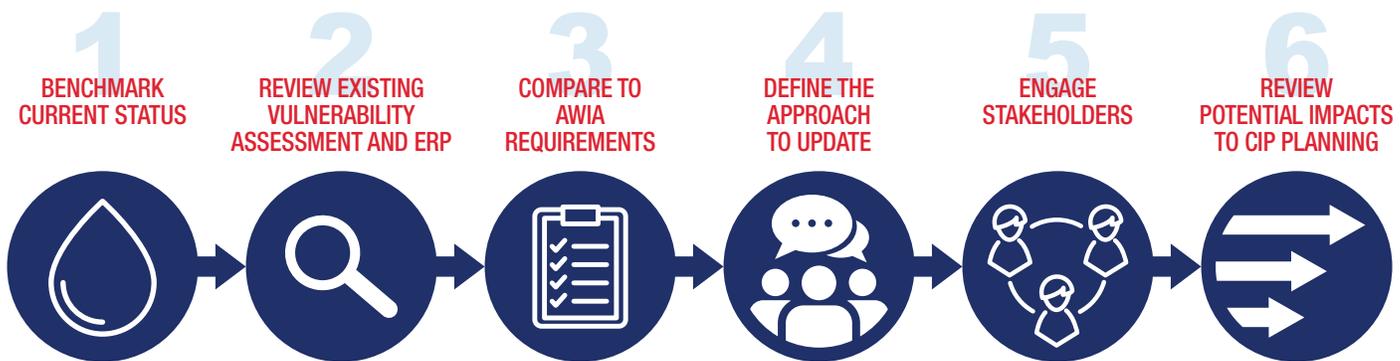


**WE RECOMMEND ADDRESSING SIMPLER, MORE STRAIGHT-FORWARD ITEMS AND THEN PROPERLY BUDGETING FOR REMAINING ITEMS INTENDED TO HELP MITIGATE RISK AND MAKE YOUR DRINKING WATER SYSTEM MORE RESILIENT FOR YEARS TO COME.**

## SEVEN-STEP RAMCAP PROCESS



## CITY OF CORINTH STARTING POINT – GAP ANALYSIS



## RISK AND RESILIENCE MANAGEMENT PLAN

**$R = C * V * T$**

**Re = RESILIENCE**  
Ability to withstand a threat event (\$/year)

**C = CONSEQUENCE**  
Worst reasonable outcome of the threat-asset pair (\$)

**V = VULNERABILITY**  
Likelihood the threat occurrence will result in the consequence

**T = THREAT LIKELIHOOD**  
Probability or frequency of the threats occurrence (one/year)

**$Re = D * S * V * T$**

**Re = RESILIENCE**  
Ability to withstand a threat event (\$/year)

**D = DURATION**  
Time for which service will be denied in a threat event (days)

**S = SERVICE DENIAL**  
Amount of service denied/revenue loss (\$/day)

**V = VULNERABILITY**  
Likelihood the threat occurrence will result in the consequence

**T = THREAT LIKELIHOOD**  
Probability or frequency of the threats occurrence (one/year)

## AWIA COMPLIANCE – APPROACH OVERVIEW

KICKOFF MEETING	EXISTING DOCUMENT REVIEW	RISK AND RESILIENCY ASSESSMENT	EMERGENCY RESPONSE PLAN
Project schedule	Existing document review	Threat asset pairing	Response to and recovery from threats and hazards
Role and responsibilities	Gap analysis	Estimate consequences for disruption of service scenarios	Incorporation of the National Incident Management Systems (NIMS)
Meeting notes	Clarifications	Evaluate existing countermeasures	Identify mutual aid
		Risk reduction workshop	Internal and external communication templates
		Draft review, comment, and final document	Draft reviews, comment, and final document
			Training

# CERTIFICATE OF INTERESTED PARTIES

252  
FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:  
2020-684000

Date Filed:  
10/28/2020

Date Acknowledged:

**1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**

Kimley-Horn and Associates, Inc.  
Dallas, TX United States

**2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

City of Corinth

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

SOQ #1137  
AWIA risk and resiliency assessment and emergency response plan

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	McEntee, David	Dallas, TX United States	X	
	Lefton, Steve	Dallas, TX United States	X	
	Cook, Richard	Dallas, TX United States	X	
	Atz, John	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

**6 UNSWORN DECLARATION**

My name is Kevin Hoppers, and my date of birth is 03/12/1975.

My address is 13455 Noel Road, Suite 700, Dallas, TX, 75240, USA.  
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Dallas County, State of Texas, on the 28 day of October, 2020.  
(month) (year)



Signature of authorized agent of contracting business entity  
(Declarant)

# CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

## FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

### OFFICE USE ONLY

Date Received

**1 Name of vendor who has a business relationship with local governmental entity.**

Kimley-Horn and Associates, Inc.

**2**  Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3 Name of local government officer about whom the information is being disclosed.**

N/A

\_\_\_\_\_  
Name of Officer

**4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

N/A

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes  No

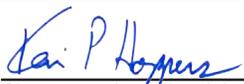
B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes  No

**5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

N/A

**6**  Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

**7**   
Signature of vendor doing business with the governmental entity

November 11, 2020  
Date

**SUBMITTAL EXCEPTION FORM**

**THIS PAGE MUST BE SIGNED AND INCLUDED WITH YOUR PROPOSAL**

**Any exceptions to the SOQ (including the Instructions, Specifications/Scope of Services, Standard Terms and Conditions, and Insurance Requirements) must be listed below. Additional pages may be attached. If there are no exceptions, please sign where indicated at the bottom of this page.**

Kimley-Horn has read and reviewed the City of Corinth standard terms and conditions and draft agreement for consulting services and presents the following exceptions.

**Standard Terms and Conditions**

**18. FORCE MAJEURE:** The force majeure is limited and inadequate to contemplate all the factors that can cause a delay. Given the circumstances created by COVID-19, a more expansive force majeure is essential. Kimley-Horn requests the following addition to the end of the first sentence in this section: **“or any other event outside the reasonable control of the delayed party.”**

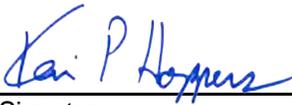
**19. INDEMNITY AGREEMENT:** We are concerned that as written, the indemnification is not compliant with Texas Local Government Code Section 271.904 and would likely be found void and unenforceable. At the end of the last sentence in this section, Kimley-Horn requests adding, **“and is subject to the limitations in Texas Local Government Code Section 271.904 and Texas Civil Practice and Remedies Code Section 130.002(B).”**

**Draft Agreement for Consulting Services**

**Article III Schedule of Work – Project Completion:** Kimley-Horn requests adding delay language to the end of this article such as, “However, times for performance shall be extended as necessary, and neither party shall have liability or be deemed in breach due to any delay caused by any factor outside the reasonable control of the delayed party.”

**Article VI Miscellaneous 6.19 Payment Obligations Upon Termination:** Kimley-Horn requests the first sentence in this section be updated to read: “Upon receipt of termination notice under either **Section 6.17** or **Section 6.18...**”

There are no further exceptions to the Instructions, Specifications, and Standard Terms and Conditions. I understand that the City may not accept additional exceptions after final submission of this proposal.

  
\_\_\_\_\_  
Signature

Kimley-Horn and Associates, Inc.  
\_\_\_\_\_  
Company

November 11, 2020  
\_\_\_\_\_  
Date

**No exceptions are taken to this solicitation.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company

\_\_\_\_\_  
Date

CITY OF CORINTH SOQ #1137  
REQUEST FOR STATEMENTS OF QUALIFICATIONS FOR AWIA RISK & RESILIENCE ASSESSMENT  
AND EMERGENCY RESPONSE PLAN

**CERTIFICATION FORM**

**In submitting this proposal, the respondent agrees and certifies to the following conditions:**

1. The undersigned agrees that after the official opening this proposal becomes the property of the City of Corinth.
2. The undersigned affirms he has familiarized himself with the local conditions under which the work is to be performed; satisfied himself of the conditions of delivery, handling and storage of equipment and all other matters that may be incidental to the work, before submitting a proposal.
3. The undersigned agrees, if this proposal is accepted, to furnish any and all items/services upon which prices are offered, at the price(s) and upon the terms and conditions contained in the Specifications. The period for acceptance of this Proposal will be 120 calendar days unless a different period is noted by the respondent.
4. The undersigned affirms that they are duly authorized to execute this contract, that this proposal has not been prepared in collusion with any other Respondent, nor any employee of the City of Corinth, and that the contents of this bid have not been communicated to any other respondent or to any employee of the City of Corinth prior to the official opening of this proposal.
5. The respondent certifies that no employee, representative, or agent of the firm offered or gave gratuities in any form (i.e. gifts, entertainment, etc.) to any council Member, official, or employee of the city of Corinth in order to secure favorable treatment or consideration in awarding, negotiating, amending or concluding a final agreement for this proposal. The respondent agrees that and warrants that no employee, official, or member of the City Council is, or will be, peculiarly benefited, directly or indirectly, in this proposal or any ensuing contract that may follow.
6. The respondent hereby certifies that he/she is not included on the U.S. Comptroller General's Consolidated List of Persons or Firms currently debarred for violations of various contracts incorporating labor standards/provisions.
7. Respondent verifies that it does not Boycott Israel, and agrees that during the term of this Agreement (Contract as applicable) will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.
8. Respondent affirms, pursuant to Texas Government Code Chapter 2252, Subchapter F, that it is not identified on a list created by the Texas Comptroller of Public Accounts as a company known to have contracts with or provide supplies or services to a foreign terrorist organization.
9. Respondent/Vendor hereby assigns to purchaser any and all claims for overcharges associated with this Contract which arise under the antitrust laws of the United States, 15 USCA Section 1 et seq., and which arise under the antitrust laws of the State of Texas, Tex. Bus. & Com. Code, Section 15.01, et seq.
10. The undersigned affirms that he/she has read and understands the specifications, terms and conditions, all exhibits and attachments contained in this proposal package.
11. The undersigned understands they are responsible for monitoring the City of Corinth's website at <https://www.cityofcorinth.com/Bids.aspx> to ensure they have downloaded and signed all addenda required for submission with their response.
12. The Contract is not valid until approved by Council, if applicable. When an award letter is issued, it becomes a part of this Contract.

If an addendum to this proposal is issued, acknowledge addendum by initialing beside the addendum number:

Add. No. 1 \_\_\_\_\_ Add. No. 2 \_\_\_\_\_ Add. No. 3 \_\_\_\_\_ Add. No. 4 \_\_\_\_\_ Add. No. 5 \_\_\_\_\_

Company Name: Kimley-Horn and Associates, Inc.

Principal Place of Business Address, City, State, Zip: 13455 Noel Road, Two Galleria Office Tower, Suite 700, Dallas, TX 75240

Principal Place of Business Phone Number: 972.770.1300

Fax Number: 972.239.3820

**AUTHORIZED REPRESENTATIVE:**

  
Signature

Kevin Hoppers, P.E., PTOE  
Printed Name

kevin.hoppers@kimley-horn.com  
Email Address

November 11, 2020  
Date

Vice President  
Title

972.770.1307  
Phone

**BUSINESS ITEM 8.****City Council Special Session****Meeting Date:** 01/28/2021**Title:** Consider and act upon the Alternative Compliance Application for tree preservation on ±.42 acres located at 3900 Serendipity Hills Court (AC20-0003)**Submitted For:** Helen-Eve Beadle, Director**Submitted By:** Miguel Inclan, Planner**City Manager Review: Approval:** Bob Hart, City Manager**Strategic Goals:** Land Development  
Citizen Engagement & Proactive  
Government**AGENDA ITEM**

Consider and act upon the Alternative Compliance Application for tree preservation on ±.42 acres located at 3900 Serendipity Hills Court, The Bluffs at Pinnell Pointe, Block B, Lot 1. (AC20-0003)

**AGENDA ITEM SUMMARY/BACKGROUND**

The Applicant is requesting approval of an Alternative Compliance Application (AC20-0003) for Tree Preservation (required under Section 2.09.02) as presented in the attached worksheet and accompanying exhibits.

The site is presently vacant except for an existing lift station sitting on an easement within the parcel. The Applicant is proposing to construct single family residence at the site.

The subdivision, The Bluffs at Pinnell Pointe, was platted in 2007. Until now, when a building permit for this subdivision was requested through the Building Permits division, staff permitted the removal without replacement of trees located within the footprint of the residential building, plus a five-foot area, and in areas designated for driveways. There is an additional requirement for a grading plan to be submitted and reviewed by the City's Engineering staff as part of the building permit process.

Section 2.09.02 of the Unified Development Code states that the City shall approve the removal of trees located within a building pad site, street right-of-way, utility easement, or driveway. However, any tree removed shall be mitigated (replaced) at a 1:1 ratio.

If the ordinance was applied as written, the Applicant is responsible for the mitigation, either through replacement trees or fee-in-lieu of, of all removed trees on the site. The Applicant submitted his application under this pretense and was seeking a full exemption from the replacement or fee-in-lieu of requirements for all removed trees.

The breakdown of existing trees, trees to be removed, and trees to remain is below. For tree locations, see attachments.

Species	Size (in caliper inches)	Protected	Proposal	Located within Footprint of Building +5ft or driveway
Oak	12	Y	Removal	Yes
Oak	11	Y	Removal	Yes
Oak	10	Y	Removal	Yes
Oak	12	Y	Removal	Yes
Oak	18	Y	Removal	Yes
Oak	5	Y	Removal	Yes
Oak	9	Y	Removal	Yes
Oak	7	Y	Removal	Yes
Oak	10	Y	Removal	Yes

Oak	12	Y	Removal	Yes
Oak	6	Y	Removal	Yes
Elm	6	Y	Removal	Yes
Cedar	4	N	Removal	Yes
Elm	10	Y	Remain	No
Oak	5	N	Remain	No
Oak	6	Y	Remain	No
Oak	10	Y	Remain	No
Oak	7	Y	Remain	No

Total Protected Caliper Inches on Site	146
Total Protected Caliper Inches to be removed	113
Total Protected Caliper Inches to remain	33

Staff recognizes the unusual constraints placed upon this parcel, notably, the lift station and the utility and drainage easements along the right-of-way. This leaves the applicant with a much smaller area to construct the home within the building setback lines. As the City of Corinth has been discussing an update to the Tree Ordinance, staff believes this particular case presents an opportunity to apply a concept contemplated for new single-family residential construction on previously established (platted) lots.

This proposed concept is similar to the previous practice for this subdivision. Staff recommends that the trees removed from the area within the building footprint of the home, plus a five-foot area, and the driveway, be exempt from replacement. That totals 113 caliper inches removed without the need to replace them. This does not exempt the Applicant from compliance with the Landscape Regulations of Section 2.09.01 of the UDC, which require the planting of four new trees, separate from the replacement trees.

As to the remaining trees on site, the Applicant has considered building a pool in an area where two of the remaining protected trees are located. Additionally, the grading plan required as part of the building permit may dictate that some or all of the remaining trees be removed from the site, whether the pool is built or not. No land disturbance of any type, including the removal of trees, will be permitted until the grading plan has been reviewed and approved by City staff.

Staff is proposing that if any of the remaining trees are removed for any reason, the Applicant be required to mitigate the removed trees at a 1:1 ratio, with the option to pay a fee-in-lieu of replacement for a percentage of caliper inches required to be replaced, up to one hundred percent, if staff determines that there is insufficient space to plant any or all of the replacement trees. Staff is additionally proposing a reduction of the established fee of one hundred fifty (150) dollars per caliper inch to a fee of seventy (70) dollars per caliper inch.

Under this arrangement, if all thirty-three remaining caliper inches are removed, the applicant would be required to pay a fee of two thousand three hundred ten (2,310) dollars.

## RECOMMENDATION

Staff recommends that the application for alternative compliance be approved, granting an exemption from mitigating trees removed from within the footprint of the proposed home, plus a five-foot area, and the proposed driveway; with the condition that should any remaining tree be removed for any reason, such trees be replaced at a 1:1 ratio or a fee-in-lieu of mitigation, at the discretion of the department director and for a fee of seventy (70) dollars per caliper inch; and the condition that no land disturbance of any type shall occur until all necessary reviews have been performed and permits issued.

---

## Attachments

Alternative Compliance Application

Applicant Letter  
Tree Survey  
Site Plan

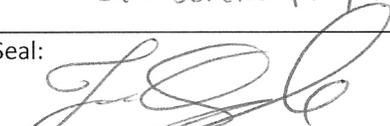
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**Application for Alternative Compliance  
Tree Replacement and Fee-In-Lieu-of Replacement**

Tree Survey/Tree Protection Plan		
	Number	Caliper Inches
A. <b>Tree Survey:</b> Identify total number of "Protected Trees" located on site. A Protected Tree is defined as having a trunk caliper of six inches (6") or more, measured 4'6" above natural grade. Survey shall be prepared by a <b>Registered Landscape Architect or Certified Arborist</b> . Trees excluded from the Protected Tree Definition are listed in UDC Section 2.09.02.B.3.b.	<del>17</del> total 17	> 6"
B. <b>Tree Protection Plan:</b> Calculate and graphically show the following:		
a. Total Protected Trees to be removed from site	<del>13</del>	
b. Total Protected Trees to be preserved on site	0	
c. Total Protected Trees Required to be Replaced (Section 2.09.02B.3.)	<del>13</del>	
Subtotal:		
d. Total Protected Trees required to be Replaced as listed above may be reduced (if determined to meet definition of "Heavily Tree Lot" as calculated in item C., below).	0	
- Less 50%		
Total:	<del>13</del>	

C. <b>Heavily Treed Lots:</b> Graphically show and provide the calculations demonstrating that the "Protected Tree" Canopy Coverage on the lot is 50% or more of the land area.*	Protected Tree Canopy Coverage	
	Acres/sq. ft.	Percent
1. Total Lot Area:	.415	
2. Total Area of "Protected Tree" Canopy Coverage:		< 50%
<b>*Attach a separate exhibit (Tree Canopy Coverage) which is based on Tree Survey exhibit provided in A., above.</b>		

D. <b>Alternative Compliance Request:</b> City Council may approve requests to (1) plant replacement trees and/or (2) make payment of a fee-in-lieu-of tree replacement.		
	Number	Caliper Inches
1. Request: To plant "Replacement Trees" on the same property or on another property within City Limits. Note that proposed "Replacement Trees" shall be <u>shown on a Landscape Plan</u> and be <u>distinguished from other required landscaping material</u> e.g., Shall not include trees required per lot, in landscape buffers, etc., as required by other zoning and subdivision regulations.	5	
2. Request: Fee-in-Lieu-of Replacement of Protected Trees. Identity the criteria necessitating the request for payment of a fee in lieu of replacement fees. City Council May Approve on for developments which meet one of the following Criteria per Section 2.09.02.K.2.	<del>8</del>	
Select one of the criteria listed below:	Caliper Inches	Fee-in-Lieu-of Amount*
a. Subdivision is heavily treed and the existing tree canopy would prohibit the growth of the replacement trees		
b. Required replacement trees were to be installed, the replacement trees would be planted under the canopy of any existing trees.		
<input checked="" type="checkbox"/> c. Required replacement trees were to be installed, the economic viability of the property is compromised. (Ex. The value of mitigated trees exceeds the value of the property.)		
d. City has no available property for additional trees to be planted		
<b>Total:</b>		

<b>*Reference City of Corinth Fee Schedule</b>	
Applicant: <u>Juan Quezada</u>	Property Location: <u>3400 Serendipity Hills CT</u>
Calculations and attached Exhibits were completed by Registered Landscape Architect or Certified Arborist. Name: <u>Anthony Crowley</u>	Signature/Seal: 

## Alternative Compliance Checklist

Project Name: Click or tap here to enter text.

### GENERAL INFORMATION

- 1) See **Section 2.10.02 Alternative Compliance** and related section off the Unified Development Code for more information on the Alternative Compliance process.
- 2) A pre-application conference with City Staff is encouraged, but not required.
- 3) All required materials shall be submitted in both hard copy and electronic formats (Adobe PDF), unless specifically instructed otherwise. All digital items shall be saved on a CD/DVD or flash drive. Each file shall be labeled on the disc or drive as it appears on the checklist. Discs or drives must be clearly labeled with the project name on the outside of the media.

### APPLICATION CHECKLIST

Item	Applicant	Staff
1) Application Information:		
Completed and Signed <u>Universal Application Form</u> - One (1) paper copy and one (1) PDF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
An associated <u>Site Plan Checklist</u> with a site plan showing the requested alternative compliance - One (1) paper copy and one (1) PDF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2) Statement explaining why alternative compliance is being sought and what specific alternative standards are being requested. - One (1) paper copy and one (1) PDF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3) Is the alternative standard, at a minimum, equivalent to the standards of the UDC and does it meet the spirit and intent of UDC?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4) Landscaping Regulations: Alternative Compliance Standards ( <b>Section 2.09.01.F.</b> ) Check all of the following which alternative compliance is being sought.		
Location or Type of Required Landscape Materials		
Is a request for alternative compliance being sought for the above category?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Applicability:</u> Alternatives to the location or type of required landscape materials may be sought due to unusual topographic constraints, sight restrictions, siting requirements, the preservation of existing standards of native trees, or to maintain consistency of established front yard setbacks.		
<u>Provide the same amount of plant material:</u> These alternatives may vary the location of required landscape materials, but may not reduce the amount of required landscape area or the amount of landscape materials.		

Required Landscaping Edges and Buffers		
Is a request for alternative compliance being sought for the above category?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>Applicability:</u> Alternatives or minor changes to the required landscape edges and buffers may be sought along a street frontage if immediately adjacent properties on both sides (at side property lines) have a smaller or no landscape buffer strip, in order to maintain consistency between existing parking lot and drive aisle alignments.</p>		
<p><u>Equal amount required:</u> If an alternative landscape edge or buffer exists, then an equal amount of landscaped area and trees shall be provided elsewhere on the site as may be deemed appropriate by the City Council.</p>		
Landscaping for Nonresidential Areas Adjacent to Residential Areas		
Is a request for alternative compliance being sought for the above category?	<input type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>Applicability:</u> Partial or complete relief from the landscaping buffer requirement within <b>2.09.01. A.6</b>, if the applicable lot is smaller than two (2) acres.</p>		
<p><u>Adequate screening required:</u> If an alternative buffer is granted, adequate screening shall be provided to ensure an equivalent buffer effect.</p>		
<b>5) Tree Preservation: Alternative Compliance Standards (Section 2.09.02.K.)</b>		
Replacement Tree Locations		
Is a request for alternative compliance being sought for the above category?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>Applicability:</u> The City Council may approve replacement tree(s) being planted either on the same property from which the tree was removed or on other property within the City Limits providing the replacement tree(s) will be adequately maintained on the new property. Trees may be planted on City property.</p>		
<p><u>Timing of compliance:</u> Any such condition must be met within three (3) months after the Protected Tree removal.</p>		
Fee in Lieu of Replacement Trees		

Is a request for alternative compliance being sought for the above category?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>Applicability:</u> The City Council may approve payment of a fee in lieu of replacement trees. The fee shall be equal to the cost of the replacement trees and shall include the installation or planting cost. The Applicant shall submit a written estimate from a nursery as verification of the cost.</p>		
<p><u>Cases:</u> The fee in lieu shall be available for only the following cases:</p>		
If the proposed subdivision is heavily treed and the existing tree canopy would prohibit the growth of the replacement trees, or	<input type="checkbox"/>	<input type="checkbox"/>
If the required replacement trees were to be installed, then the replacement trees would need to be planted under the canopy of any existing tree.	<input type="checkbox"/>	<input type="checkbox"/>
<p>6) Vehicle Parking Regulations: Alternative Compliance Standards (<b>Section 2.09.03.M.</b>)</p>		
Is a request for alternative compliance being sought for the above category?	<input type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input type="checkbox"/>	<input type="checkbox"/>
<p>An alternative parking ratio that differs from that specified within this <b>Section 2.09.03.</b>, shall be based on a parking study conducted by a certified traffic planner or traffic engineer.</p>		
<p>7) Building Façade Material: Alternative Compliance Standards (<b>Section 2.09.04.D.</b>)</p>		
<p>Alternative materials for nonresidential and multi-family buildings, the following alternative materials or percentages may be approved:</p>		
Is a request for alternative compliance being sought for the above category?	<input type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input type="checkbox"/>	<input type="checkbox"/>
<p>Any new material not specified in the definition of masonry construction that the City Council determines is equal or superior in appearance, safety and quality to masonry.</p>		
<p>Any use of a veneer that simulates a masonry material and that the City Council determines equal or superior in appearance, safety, and quality to masonry.</p>		
<p>A reduction of the required masonry percentage by a maximum of ten percent (10%) when a unique and attractive architectural design is used.</p>		



Original Building Materials

--	--	--

<input type="checkbox"/>	<input type="checkbox"/>	Is a request for alternative compliance being sought for the above category?
--------------------------	--------------------------	--

<input type="checkbox"/>	<input type="checkbox"/>	Does the request attempt to show compliance with the following?
--------------------------	--------------------------	---

For existing nonresidential buildings undergoing expansion, the use of materials used on the original building provided they are an integral part of the character of the building.

Transfer the Location of Masonry Materials

<input type="checkbox"/>	<input type="checkbox"/>	Is a request for alternative compliance being sought for the above category?
--------------------------	--------------------------	--

<input type="checkbox"/>	<input type="checkbox"/>	Does the request attempt to show compliance with the following?
--------------------------	--------------------------	---

For existing nonresidential buildings undergoing expansion, the transfer of the required masonry materials to the front (i.e., more visible) facade(s) of the building in lieu of placing the required masonry materials on a side or rear facade.

Non-Masonry Building Materials

<input type="checkbox"/>	<input type="checkbox"/>	Is a request for alternative compliance being sought for the above category?
--------------------------	--------------------------	--

<input type="checkbox"/>	<input type="checkbox"/>	Does the request attempt to show compliance with the following?
--------------------------	--------------------------	---

The use of non-masonry building materials for portable buildings, if extra landscaping is provided to offset any visual effects.

Cement Fiberboard Siding

<input type="checkbox"/>	<input type="checkbox"/>	Is a request for alternative compliance being sought for the above category?
--------------------------	--------------------------	--

<input type="checkbox"/>	<input type="checkbox"/>	Does the request attempt to show compliance with the following?
--------------------------	--------------------------	---

The use of cement fiberboard siding (also commonly referred to as "HardiePlank" or "SmartBoard") for single family, two-family and townhouse residential buildings.

Supporting Evidence

<input type="checkbox"/>	<input checked="" type="checkbox"/>	It shall be the sole responsibility of the Applicant to provide evidence in support of the alternative compliance request. Has the Applicant provided this evidence?
--------------------------	-------------------------------------	--

The Applicant's evidence shall include any additional information and/or sample materials requested by the Director of Planning, Planning and Zoning Commission, or City Council that would assist in a decision to approve or deny the request.

8) Nonresidential Architectural Standards: Alternative Compliance Standards ( <b>Section 2.09.06.I.</b> )		
Nonresidential Design Elements		
Is a request for alternative compliance being sought for the above category?	<input type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input type="checkbox"/>	<input type="checkbox"/>
Alternatives to the nonresidential design elements are listed in Table 17 of the UDC.		
Alternatives shall, in the determination of the City Council, produce a similar or greater level of architectural design than the elements listed in Table 17 of the UDC.		
Nonresidential Building Articulation		
Is a request for alternative compliance being sought for the above category?	<input type="checkbox"/>	<input type="checkbox"/>
Does the request attempt to show compliance with the following?	<input type="checkbox"/>	<input type="checkbox"/>
Alternative articulation standards which differ from the requirement found in <b>2.09.06. F</b> may be approved.		
Alternative articulation standards shall, in the determination of the City Council, produce a similar or greater level of articulation than the requirement found in <b>2.09.06. F</b> .		
9) Lighting and Glare Regulations: Alternative Compliance Standards ( <b>Section 2.09.07.K.</b> )		
Is a request for alternative compliance being sought for the above category?	<input type="checkbox"/>	<input type="checkbox"/>
Which of the following eligible standards are being sought for alternative compliance?		
Height of free-standing lighting fixtures;	<input type="checkbox"/>	<input type="checkbox"/>
Style or illumination intensity of lighting fixtures (only if such fixtures are located at least three hundred feet (300') away from a residential zoning district or use);	<input type="checkbox"/>	<input type="checkbox"/>
Maximum wattage of accent lighting; or	<input type="checkbox"/>	<input type="checkbox"/>
Gaseous/electrified building lighting design.	<input type="checkbox"/>	<input type="checkbox"/>



**Certification of Submitted Information**

I hereby certify that the above stated information is included with the accompanying submission materials. Further, I have included any required conditions of an approved rezoning, planned development (PD) zoning, special use permit, variance, or special exception or development agreement.

  
\_\_\_\_\_  
Applicant's Signature

12/9/20  
\_\_\_\_\_  
Date

**Verification of Detailed Information**

I hereby confirm that the above detailed information as required by the checklist is complete and accurate to the best of my knowledge. I understand that proper City staff review of this application is dependent upon the accuracy of the information provided and that any inaccurate or inadequate information provided by me or my firm may delay the proper review of this application.

\_\_\_\_\_  
Design Engineer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name & License Number

\_\_\_\_\_  
Firm & Registration Number

Greetings Council members,

My name is Juan Quezada, I am reaching out to you in hopes of seek approval on an Alternative Compliance exemption under Section 2.09.02 – Tree Preservation. I have recently purchased a new residential lot within the Bluffs at Pinnell Pointe subdivision. I am hoping to make this my families future home, but it seems have run into a few challenges.

After conducting a topographical tree survey, I have identified 20 trees on my property. After further review I have confirmed 13 of these trees fall under my architectural building parameters and fall within section 2.09.02. I have tried to the best of my abilities to work around these trees and the possibility of replacing them, but I am limited due to the size and layout of my lot along with the easements located on my property. Please see details below and attached supporting documents.

1. Foundation – Please see the attached Topographical survey, you will find most of the 13 trees are in the center of the property and directly within the foundation specs of my build. There are a total of 9 protected trees within this specified area.
2. Pool – I will have a very small backyard which will consist of a pool being within the mid left rear of the yard. This specified area has 2 protected trees (10"/6") plus 1 tree under 5 caliper inches.
3. Driveway – My driveway will have only 1 protected tree (6").
4. Right corner of home – There is a 12" tree in the rear corner of my foundation build. I am also needing to remove this tree as it will impacted by grading of the lot. The elevation is very low/steep in this area which will require a few feet of select fill and compaction. This will ultimately kill the tree if left in its place. This may also be the case for the rear 10" ELM tree.

Relocation options:

I am planning to relocation/plant at least 5 trees in the front of my home. You can identify these on the foundation and driveway PDF.

1. 35' Setback/build line - Unfortunately due to the 35' setback I do not have much room to plant more trees without obstructing the front of my home or walkways. Since I am a corner lot this would impact most of the lot.
2. Easements – In addition to the build line setback I also have two easements which take up a good portion of my lot. I have an 18' drainage and a large 30' Lift station.

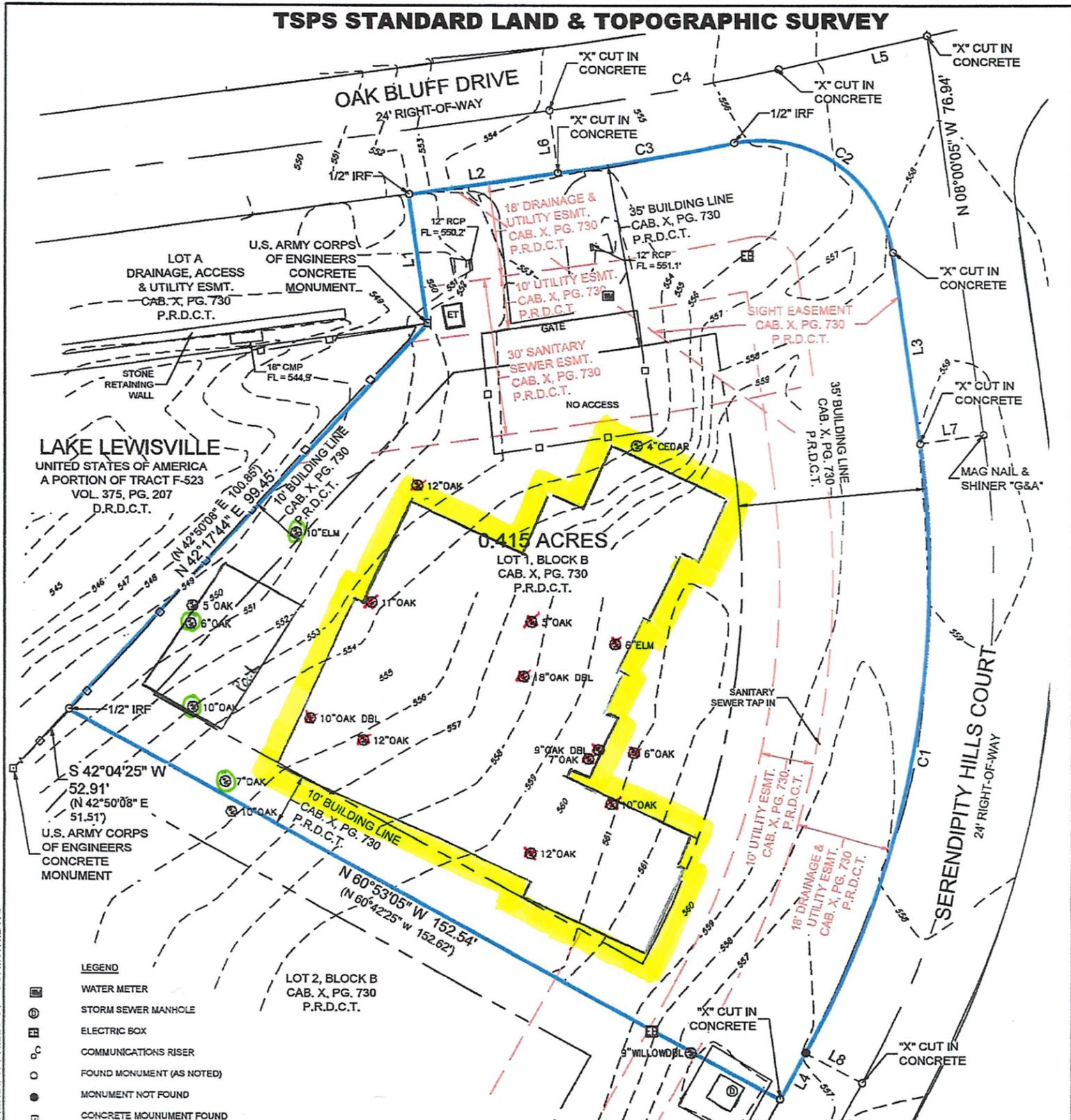
After the replacement of 5 trees this would leave me with a final count of 8 protected trees. I am asking if I can get an exemption from replacement nor fee-in-lieu of replacement. The average tree per caliper inch is 10" multiplied by the 8 remaining trees would leave me with a total cost of \$12,000 or more. This is an astronomical fee for me which would impede me from even being able to building my home.

COVID has had a major impact on all of us from a medical and financial standpoint and I honestly can not afford such a large penalty. Please except my request for exemption as I in good faith I have tried my best to save as many trees as possible.

Sincerely,

Juan Quezada

### TSPS STANDARD LAND & TOPOGRAPHIC SURVEY



- LEGEND**
- WATER METER
  - STORM SEWER MANHOLE
  - ELECTRIC BOX
  - COMMUNICATIONS RISER
  - FOUND MONUMENT (AS NOTED)
  - MONUMENT NOT FOUND
  - CONCRETE MONUMENT FOUND
  - TREE/TYPE
  - ELEVATION
  - METAL FENCE
  - PROPERTY LINE
  - EASEMENT LINE
  - BUILDING LINE
  - CORRUGATED METAL PIPE
  - REINFORCED CONCRETE PIPE
  - RECORD BEARING AND DISTANCE
  - PLAT RECORDS, DENTON COUNTY TEXAS

CURVE #	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	119.91'(119.90')	188.00'	36°32'33"	N10°21'14"E	117.88'
C2	40.85'(40.90')	25.00'	93°37'09"	N54°48'40"W	36.45'
C3	33.47'(33.38')	512.00'	03°44'43"	N80°15'07"E	33.46'
C4	43.63'	500.00'	5°00'00"	N79°37'29"E	43.62'

**NOTE:**  
Bearings, coordinates and distances are based on U.S. State Plane NAD 1983 Coordinates, Texas North Central Zone (4202).

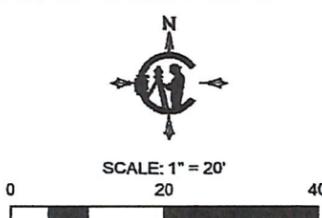
This survey was prepared without the benefit of a title commitment. There may be easements of record that are not shown.

LINE #	BEARING	DISTANCE
L1	N07°52'05"W (N07°14'51"W)	24.95' (25.00')
L2	N81°45'28"E (N82°45'09"E)	28.13' (28.19')
L3	S08°00'05"E (S07°14'51"E)	36.77' (36.75')
L4	S28°32'55"W (S29°17'35"W)	10.02' (10.00')
L5	N77°07'29"E	28.52'
L6	N08°05'07"W	12.04'
L7	N81°53'12"E	12.00'
L8	N61°25'13"W	12.00'

STATE OF TEXAS  
COUNTY OF DENTON

I hereby certify that this survey substantially complies with the current Texas Society of Professional Surveyors Manual of Practice Requirements for a Category 1B, Condition 3, TSPS Standard Land Survey and was conducted on the ground in DECEMBER 2020 and is true and correct to the best of my knowledge.

Original signed and stamped in green ink.  
*Anthony R. Crowley*  
December 9, 2020  
ANTHONY RAY CROWLEY R.P.L.S. NO. 6484 DATE

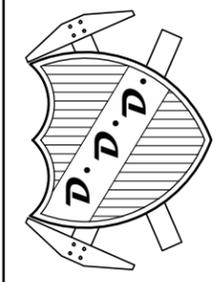
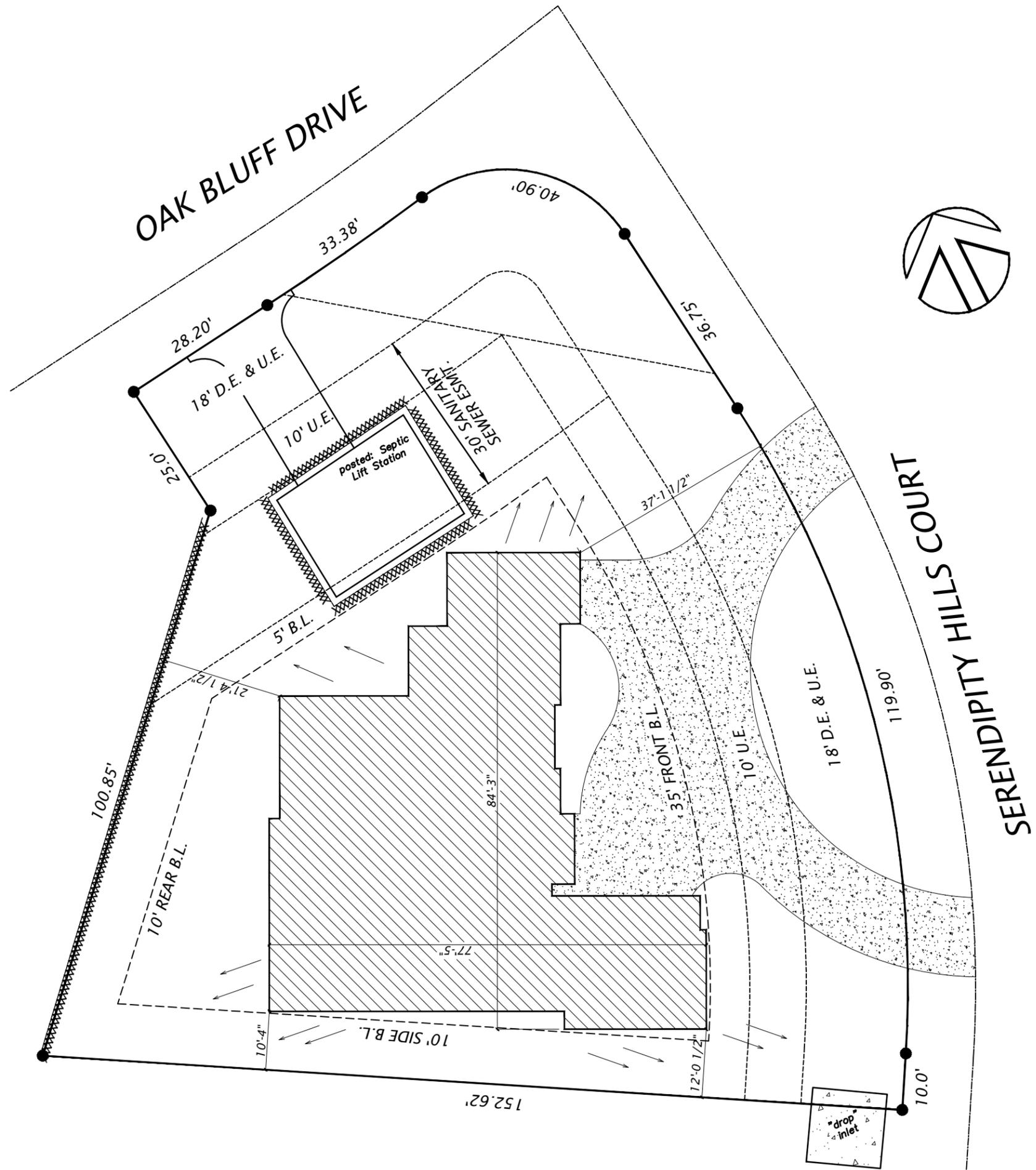


PROJECT: 3900 SERENDIPITY HILLS CT.  
PROJECT AFE:  
TRACT NO.: LOT 1, BLOCK B  
LOCATION: CORINTH, TX  
DRAWN BY: LJJ  
REVISION:  
PAGE NO.: 1 OF 1

PLAT SHOWING LOT 1, BLOCK B OF THE BLUFFS AT PINNAC POINT, AN ADDITION TO THE CITY OF CORINTH, DENTON COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET X, PAGE 703 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS; ALONG WITH CERTIFICATE OF CORRECTION RECORDED IN DOCUMENT NO. 2007-73968 AND BY RATIFICATION OF PLAT RECORDED IN DOCUMENT NO. 2007-74601, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS.

ANTHONY RAY CROWLEY R.P.L.S. NO. 6484  
CROWLEY SURVEYING  
FRN:10194203  
4521 FM 2181, #230-484  
CORINTH, TX. 76210  
(469) 850-CPLS(2757)  
acrowley@crowleysurveying.com

MP\ANY FOLDERS\2020\BOUNDARY\3900 SERENDIPITY HILLS COURT - CORINTH.DWG



**Dotson Drafting & Design**  
 Chris A. Dotson  
 4941 AUSTIN CIRCLE  
 SANGER, TEXAS 76266  
 PH: 940-367-9043  
 cadbycad@yahoo.com

A Custom Residence For : <b>The Quezada Family</b>		REVISIONS	
Subdivision		Date	10/06/2020
Lot 1	Blk B	3900 Serendipity Hills Court, Corinth, Texas	
			SCALE: 1" = 20'-0"

**BUSINESS ITEM 9.****City Council Special Session**

**Meeting Date:** 01/28/2021

**Title:** Consider and act upon the Alternative Compliance Application for Tree Preservation on ±4.93 acres located at 5150 S I-35 E. (Enterprise AC20-0001)

**Submitted For:** Helen-Eve Beadle, Director **Submitted By:** Miguel Inclan, Planner

**City Manager Review: Approval:** Bob Hart, City Manager

**Strategic Goals:** Land Development  
Infrastructure Development  
Economic Development

**AGENDA ITEM**

Consider and act upon the Alternative Compliance Application for Tree Preservation on ±4.93 acres located at 5150 S I-35 E. (Enterprise AC20-0001)

**AGENDA ITEM SUMMARY/BACKGROUND**

The Applicant is requesting approval of an Alternative Compliance Application (AC20-0001) for Tree Preservation (required under Section 2.09.02) as presented in the attached worksheet and accompanying exhibits.

A Planned Development (Enterprise, ZAPD19-0002) rezoning (PD-54) was approved by City Council on February 6, 2020

Further, a Site Plan for Construction (Enterprise SPC20-0012) is currently under Administrative Review and is in the final stages of design for the construction of a vehicle rental, sales, and service center.

This alternative compliance application is part of the Site Plan process and must be approved before the Site Plan for Construction is approved.

Section 2.09.02 of the Unified Development Code states that the City shall approve the removal of trees located within a building pad site, street right-of-way, utility easement, or driveway. However, any tree removed shall be mitigated (replaced) at a 1:1 ratio.

The Applicant is seeking to remove five (5) trees, totaling ninety-one (91) caliper inches. Per the UDC, the applicant shall mitigate (replace) the full ninety-one caliper inches. The Applicant is proposing to plant thirty-one (31) trees, with a size of three (3) caliper inches each as per the UDC, for a total of ninety-three (93) caliper inches.

The attached landscape plan shows the location of the replacement trees, which are separate from new trees required by the city's landscaping regulations.

If at any time during the construction process, the removal of any additional existing tree is required, the Applicant will replace said removed tree at a 1:1 ratio. However, no tree removal can proceed until the Site Plan for Construction has been formally approved by city staff.

Because the Applicant does not seek any alternative standards, this application is solely a formality to ratify the Applicant's compliance with the established Tree Preservation Ordinance.

**RECOMMENDATION**

Staff recommends that the application for alternative compliance be approved, providing for the replacement of any tree removed at 1:1 ratio, as shown in the attached landscape plan, and that any further tree removal be mitigated in accordance with the existing tree preservation regulations.

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**Attachments**

Alternative Compliance Application  
Landscape Plan

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**Application for Alternative Compliance  
Tree Replacement and Fee-In-Lieu-of Replacement**

Tree Survey/Tree Protection Plan		
	Number	Caliper Inches
A. <b>Tree Survey:</b> Identify total number of "Protected Trees" located on site. A Protected Tree is defined as having a trunk caliper of six inches (6") or more, measured 4'6" above natural grade. Survey shall be prepared by a <b>Registered Landscape Architect or Certified Arborist</b> . Trees excluded from the Protected Tree Definition are listed in UDC Section 2.09.02.B.3.b.	5	91
B. <b>Tree Protection Plan:</b> Calculate and graphically show the following:		
a. Total Protected Trees to be removed from site	5	91
b. Total Protected Trees to be preserved on site	0	0
c. Total Protected Trees Required to be Replaced (Section 2.09.02B.3.)	5	91
<b>Subtotal:</b>	5	91
d. Total Protected Trees required to be Replaced as listed above may be reduced (if determined to meet definition of " <u>Heavily Tree Lot</u> " as calculated in item C., below).		
– Less 50%		
<b>Total:</b>	5	91

C. <b>Heavily Treed Lots:</b> Graphically show and provide the calculations demonstrating that the "Protected Tree" Canopy Coverage on the lot is 50% or more of the land area.*	Protected Tree Canopy Coverage	
	Acres/sq. ft.	Percent
1. Total Lot Area:		
2. Total Area of "Protected Tree" Canopy Coverage:		

**\*Attach a separate exhibit (Tree Canopy Coverage) which is based on Tree Survey exhibit provided in A., above.**

D. <b>Alternative Compliance Request:</b> City Council may approve requests to (1) plant replacement trees and/or (2) make payment of a fee-in-lieu-of tree replacement.		
	Number	Caliper Inches
1. Request: To plant "Replacement Trees" on the same property or on another property within City Limits. Note that proposed "Replacement Trees" shall be <u>shown on a Landscape Plan</u> and be <u>distinguished from other required landscaping material</u> e.g., Shall not include trees required per lot, in landscape buffers, etc., as required by other zoning and subdivision regulations.	31	93
2. Request: Fee-in-Lieu-of Replacement of Protected Trees. Identify the criteria necessitating the request for payment of a fee in lieu of replacement fees. City Council May Approve on for developments which meet one of the following Criteria per Section 2.09.02.K.2.		
Select one of the criteria listed below:	Caliper Inches	Fee-in-Lieu-of Amount*
a. Subdivision is heavily treed and the existing tree canopy would prohibit the growth of the replacement trees		
b. Required replacement trees were to be installed, the replacement trees would be planted under the canopy of any existing trees.		
c. Required replacement trees were to be installed, the economic viability of the property is compromised. (Ex. The value of mitigated trees exceeds the value of the property.)		
d. City has no available property for additional trees to be planted		
<b>Total:</b>		

**\*Reference City of Corinth Fee Schedule**

Applicant:	Property Location:
Calculations and attached Exhibits were completed by Registered Landscape Architect or Certified Arborist. Name: Kori Haug, Registered Landscape Architect 2246	Signature/Seal: 





**Enterprise**  
 Car Sales, Rent-A-Car and Truck Rentals

5150 I-35 South  
 Corinth, Texas 76210

Project Number: 20093  
 Issue Date: 09.21.2020  
 Drawn By: RMT  
 Checked By: KAH

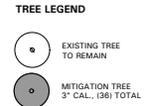
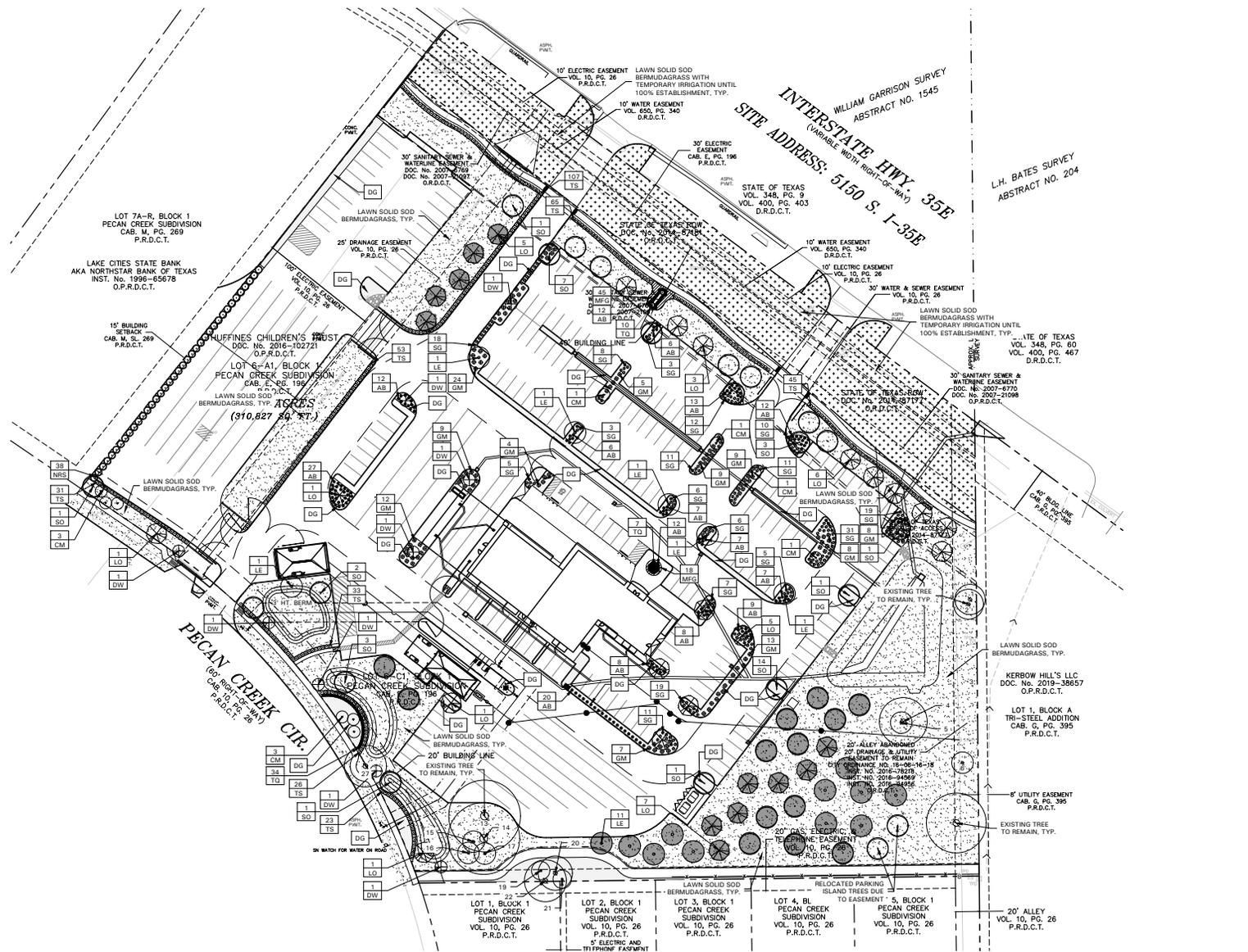
Revisions	Date:	Detail:
No. 11.03.20		City Comments
12.02.20		City Comments
01.08.21		City Comments
01.13.21		City Comments

Sheet Title:

**LANDSCAPE PLAN**

Sheet Number:

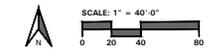
**L2.01**



**PLANT LEGEND**

SYMBOL	COMMON NAME
AB	Oval Abelia 'Rose Creek'
CM	Crepe Myrtle 'Natchez'
DW	Desert Willow
GM	Gulf Murly
LE	Lacebark Elm
LO	Live Oak
MFG	Mexican Feathergrass
NRS	Nalla R. Stevens Holly
SG	Salvia Greggii
SO	Shumard Red Oak
TS	Texas Scarlet Quince
TT	Texas Sage 'Green Cloud'

REFER TO L2.02 FOR PLANT LIST





01/13/21

Sheet Title:

**LANDSCAPE NOTES**

Sheet Number:

**L2.02**

**LANDSCAPE NOTES**

- CONTRACTOR SHALL VERIFY ALL EXISTING AND PROPOSED SITE ELEMENTS AND NOTIFY LANDSCAPE ARCHITECT OF ANY DISCREPANCIES. SURVEY DATA OF EXISTING CONDITIONS WAS SUPPLIED BY OTHERS.
- CONTRACTOR SHALL LOCATE ALL EXISTING UNDERGROUND UTILITIES AND NOTIFY LANDSCAPE ARCHITECT OF ANY CONFLICTS. CONTRACTOR SHALL EXERCISE CAUTION WHEN WORKING IN THE VICINITY OF UNDERGROUND UTILITIES.
- CONTRACTOR SHALL PROVIDE A MINIMUM 2% SLOPE AWAY FROM ALL STRUCTURES.
- CONTRACTOR SHALL FINE GRADE AREAS TO ACHIEVE FINAL CONTOURS AS INDICATED BY FINISH AREAS TO RECEIVE TOPSOIL 3" BELOW FINAL FINISHED GRADE IN PLANTING AREAS AND 1" BELOW FINAL FINISHED GRADE IN LAWN AREAS.
- CONTRACTOR SHALL CROWN ALL LANDSCAPE ISLANDS TO 6" HEIGHT, TYPICAL AND UNIFORM THROUGHOUT THE SITE.
- CONTRACTOR SHALL OBTAIN LANDSCAPE ARCHITECT'S APPROVAL OF FINE GRADING, CROWNS, AND BERMS PRIOR TO INSTALLING LANDSCAPE. NOTIFY LANDSCAPE ARCHITECT 72 HOURS IN ADVANCE TO SCHEDULE A SITE VISIT.
- ALL PLANTING BEDS AND LAWN AREAS SHALL BE SEPARATED BY STEEL EDGING. NO STEEL EDGING SHALL BE INSTALLED ADJACENT TO BUILDINGS, WALKS, OR CURBS. CUT STEEL EDGING AT 45 DEGREE ANGLE WHERE IT INTERSECTS WALKS AND CURBS.
- ALL LAWN AREAS SHALL BE SOLID SOD BERMUDAGRASS, UNLESS OTHERWISE NOTED ON THE DRAWINGS.
- ALL REQUIRED LANDSCAPE AREAS SHALL BE PROVIDED WITH AN AUTOMATIC UNDERGROUND IRRIGATION SYSTEM WITH RAIN AND FREEZE SENSORS AND EVAPORATION (ET) WEATHER-BASED CONTROLLERS AND SAID IRRIGATION SYSTEM SHALL BE DESIGNED BY A QUALIFIED PROFESSIONAL AND INSTALLED BY A LICENSED IRRIGATOR.
- CONTRACTOR SHALL PROVIDE BID PROPOSAL LISTING UNIT PRICES FOR ALL MATERIAL PROVIDED.
- CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL REQUIRED LANDSCAPE AND IRRIGATION PERMITS.

**MAINTENANCE NOTES**

- THE OWNER, TENANT AND THEIR AGENT, IF ANY, SHALL BE JOINTLY AND SEVERALLY RESPONSIBLE FOR THE MAINTENANCE OF ALL LANDSCAPE.
- ALL LANDSCAPE SHALL BE MAINTAINED IN A NEAT AND ORDERLY MANNER AT ALL TIMES. THIS SHALL INCLUDE MOWING, EDGING, PRUNING, FERTILIZING, WATERING, WEEDING, AND OTHER SUCH ACTIVITIES COMMON TO LANDSCAPE MAINTENANCE.
- ALL LANDSCAPE AREAS SHALL BE KEPT FREE OF TRASH, LITTER, WEEDS AND OTHER SUCH MATERIAL OR PLANTS NOT PART OF THIS PLAN.
- ALL PLANT MATERIAL SHALL BE MAINTAINED IN A HEALTHY AND GROWING CONDITION AS IS APPROPRIATE FOR THE SEASON OF THE YEAR.
- ALL PLANT MATERIAL WHICH DIES SHALL BE REPLACED WITH PLANT MATERIAL OF EQUAL OR BETTER VALUE.
- CONTRACTOR SHALL PROVIDE SEPARATE BID PROPOSAL FOR ONE YEAR'S MAINTENANCE TO BEGIN AFTER FINAL ACCEPTANCE.

**PLANT LIST**

SYMBOL	BOTANICAL NAME	COMMON NAME	QTY.	SIZE	REMARKS
<b>TREES</b>					
CM	<i>Lagerstromia indica 'Natchez'</i>	Creepe Myrtle 'Natchez'	10	30 gal	container grown, 3-5 trunk, no cross canes, 6" ht., 4' spread, matching
DW	<i>Chilopsis linearis</i>	Desert Willow	9	30 gal	container grown, 3-5 trunk, 8" ht. min., 4' spread min.
LE	<i>Ulmus parvifolia 'Sempervirens'</i>	Leadbark Elm	17	3" cal.	container grown, 12" ht., 4" spread, 4' branching ht., matching
LO	<i>Quercus virginia</i>	Live Oak	30	3" cal.	container grown, 12" ht., 4" spread, 4' branching ht., matching
SO	<i>Quercus shumardi</i>	Shumard Red Oak	35	3" cal.	container grown, 12" ht., 4" spread, 4' branching ht., matching
<b>SHRUBS/GROUND COVER</b>					
AB	<i>Abelia grandiflora 'Rosa Creek'</i>	Dwarf Abelia 'Rosa Creek'	106	5 gal.	container full, 20" spread, 36" o.c.
GM	<i>Melilotenragia capillaris</i>	Gulf Mum	106	5 gal.	container full, 36" o.c.
MFG	<i>Nassella tenuissima</i>	Mexican Feathergrass	63	1 gal.	container full, 24" o.c.
NRS	<i>Ilex spp. 'Nellie R. Stevens'</i>	Nellie R. Stevens Holly	38	15 gal.	container full to base, 4" ht., 0" o.c.
SD	<i>Salvia Greggii 'Red'</i>	Shiva Greggii	185	5 gal.	container full, 20" spread, 24" o.c.
TQ	<i>Cydonia japonica</i>	Texas Scarlet Quince	51	5 gal.	container full, 20" spread, 24" o.c.
TS	<i>Leucophyllum frutescens 'Green Cloud'</i>	Texas Sage 'Green Cloud'	383	5 gal.	container full, 20" spread, 36" o.c.
	<i>Cymodocea dactylon</i>	Common Bermudagrass			solid sod, refer to Solid Sod Notes

NOTE: ALL TREES SHALL HAVE STRAIGHT TRUNKS AND BE MATCHING WITHIN VARIETIES.  
 PLANT LIST IS AN AID TO BIDDERS ONLY. CONTRACTOR SHALL VERIFY ALL QUANTITIES ON PLAN.  
 ALL HEIGHTS AND SPREADS ARE MINIMUMS. ALL PLANT MATERIAL SHALL MEET OR EXCEED REMARKS AS INDICATED.

**GENERAL LAWN NOTES**

- CONTRACTOR SHALL COORDINATE OPERATIONS AND AVAILABILITY OF EXISTING TOPSOIL WITH ON-SITE CONSTRUCTION MANAGER.
- CONTRACTOR SHALL LEAVE LAWN AREAS 1" BELOW FINAL FINISHED GRADE PRIOR TO TOPSOIL INSTALLATION.
- CONTRACTOR SHALL FINE GRADE AREAS TO ACHIEVE FINAL CONTOURS AS INDICATED ON CIVIL PLANS. ADJUST CONTOURS TO ACHIEVE POSITIVE DRAINAGE AWAY FROM BUILDINGS. PROVIDE UNIFORM ROUNDS AT TOP AND BOTTOM OF SLOPES AND OTHER BREAKS IN GRADE. CORRECT IRREGULARITIES AND AREAS WHERE WATER MAY STAND.
- ALL LAWN AREAS SHALL BE FINE GRADED, IRRIGATION TRENCHES COMPLETELY SETTLED AND FINISH GRADE APPROVED BY THE OWNER'S CONSTRUCTION MANAGER OR LANDSCAPE ARCHITECT PRIOR TO LAWN INSTALLATION.
- CONTRACTOR SHALL REMOVE ALL ROCKS 3/4" DIAMETER AND LARGER, DIRT CLODS, STICKS, CONCRETE SPILLS, ETC. PRIOR TO PLACING TOPSOIL AND LAWN INSTALLATION.
- CONTRACTOR SHALL PROVIDE AN ADD ALTERNATE PRICE TO INSTALL (2") TWO INCHES OF IMPORTED TOPSOIL ON ALL LAWN AREAS IN LIEU OF USING EXISTING TOPSOIL ON-SITE. IMPORTED TOPSOIL SHALL BE NATURAL, FRIBLLE SOIL FROM THE REGION, KNOWN AS BOTTOM LAND SOIL, FREE FROM LUMPS, CLAY, TOXIC SUBSTANCES, ROOTS, DEBRIS, VEGETATION, STONES, CONTAINING NO SALT AND BLACK TO BROWN IN COLOR.
- CONTRACTOR SHALL MAINTAIN ALL LAWN AREAS UNTIL FINAL ACCEPTANCE. THIS SHALL INCLUDE, BUT NOT BE LIMITED TO: MOWING, WATERING, WEEDING, CULTIVATING, CLEANING AND REPLACING DEER OR BARE AREAS TO KEEP PLANTS IN A VIGOROUS, HEALTHY CONDITION.
- CONTRACTOR SHALL GUARANTEE ESTABLISHMENT OF ACCEPTABLE TURF AREA AND SHALL PROVIDE REPLACEMENT FROM LOCAL SUPPLY IF NECESSARY.

**SOLID SOD NOTES**

- PLANT SOD BY HAND TO COVER INDICATED AREAS COMPLETELY. ENSURE EDGES OF SOD ARE TOUCHING. TOP DRESS JOINTS BY HAND WITH TOPSOIL TO FILL VOIDS.
- ROLL GRASS AREAS TO ACHIEVE A SMOOTH, EVEN SURFACE, FREE FROM UNNATURAL UNDULATIONS.
- WATER SOD THOROUGHLY AS SOD OPERATION PROGRESSES.
- IF INSTALLATION OCCURS BETWEEN SEPTEMBER 1 AND MARCH 1, OVER-SEED BERMUDAGRASS SOD WITH WINTER RYEGRASS, AT A RATE OF FOUR (4) POUNDS PER ONE THOUSAND (1000) SQUARE FEET.

**HYDROMULCH NOTES**

- CONTRACTOR SHALL SCARIFY, RIP AND LOOSEN ALL AREAS TO BE HYDROMULCHED TO A MINIMUM DEPTH OF 4" PRIOR TO TOPSOIL AND HYDROMULCH INSTALLATION.
- BERMUDAGRASS SEED SHALL BE EXTRA HULLED AND TREATED LAWN TYPE. SHALL BE DELIVERED TO THE SITE IN ITS ORIGINAL UNOPENED CONTAINER AND SHALL MEET STATE LAW REQUIREMENTS.
- FIBER SHALL BE ONE HUNDRED PERCENT (100%) WOOD CELLULOSE FIBER, DELIVERED TO THE SITE IN ITS ORIGINAL UNOPENED CONTAINER AS MANUFACTURED BY 'CONVEY' OR EQUAL.
- FIBER TACK SHALL BE DELIVERED TO THE SITE IN ITS ORIGINAL UNOPENED CONTAINER AND SHALL BE 'TERIO-TACK ONE', AS MANUFACTURED BY GROWERS, INC. OR EQUAL.
- HYDROMULCH WITH BERMUDAGRASS SEED AT A RATE OF TWO (2) POUNDS PER ONE THOUSAND (1000) SQUARE FEET.
- USE A 4'X3" BATTER BOARD AGAINST ALL BED AREAS.
- IF INSTALLATION OCCURS BETWEEN SEPTEMBER 1 AND MAY 1, ALL HYDROMULCH AREAS TO BE WINTER RYEGRASS, AT A RATE OF FOUR (4) POUNDS PER ONE THOUSAND (1000) SQUARE FEET. CONTRACTOR SHALL BE REQUIRED TO RE-HYDROMULCH WITH BERMUDAGRASS THE FOLLOWING GROWING SEASON AS PART OF THIS CONTRACT.
- ALL LAWN AREAS TO BE HYDROMULCHED SHALL HAVE ONE HUNDRED PERCENT (100%) COVERAGE PRIOR TO FINAL ACCEPTANCE.

**LANDSCAPE TABULATIONS**

**THE CITY OF CORINTH, TEXAS**

- LANDSCAPE ALONG STREET RIGHT-OF-WAY
- Minimum 20' buffer along I-35.
  - Landscape per PD along Pecan Creek Drive.
  - One (1) shade tree, 3" cal. per thirty (30) linear feet.
  - Continuous headlight screen with shrubs or berm.
- I-35: 551 l.f.  
 Required 20' buffer (18) trees, 3" cal.  
 Headlight Screen Shrubs, 36" o.c.
- Pecan Creek Drive: 445 l.f.  
 Landscaping provided per PD.

**INTERIOR PARKING LOT LANDSCAPING**

- Ten (10) square feet of interior parking lot landscaping for each parking space.
- One (1) shade tree, 3" cal. minimum, or an ornamental tree for every ten (10) parking spaces or fraction thereof.

Total Parking Spaces: 223	
Total Parking Lot Trees: 22	
Required 2,230 s.f.	Provided 8,126 s.f.
(22) trees	(28) trees

**SECTION 32 9300 - LANDSCAPE**

**PART 1 - GENERAL**

**1.1 REFERENCED DOCUMENTS**

- A. Refer to Landscape Plans, notes, details, bidding requirements, special provisions, and schedules for additional requirements.

**1.2 DESCRIPTION OF WORK**

- A. Work included: Furnish all supervision, labor, materials, services, equipment and appliances required to complete the work covered in conjunction with the landscaping covered in these specifications and landscaping plans, including:
  - Planting (trees, shrubs and grasses)
  - Bed preparation and fertilization
  - Notification of sources
  - Water and maintenance until final acceptance
  - Guarantee

**1.3 REFERENCE STANDARDS**

- A. American Standard for Nursery Stock published by American Association of Nurserymen: April 14, 2014 Edition; by American National Standards Institute, Inc. (200.1) - plant material
- B. American Joint Committee on Horticultural Nomenclature: 1942 Edition of Standardized Plant Names.
- C. Texas Association of Nurserymen, Grades and Standards
- D. Horis Third, 1976 - Cornell University

**1.4 NOTIFICATION OF SOURCES AND SUBMITTALS**

- A. Samples: Provide representative quantities of sandy loam soil, mulch, bed mix material, gravel, crushed stone, steel edging and curb as shown on the drawings. All lawn areas to receive solid sod shall be left one (1") inch below the final finish grade of sidewalks, drives and curbs. All construction details shall be removed prior to Landscape Contractor beginning any work.
- B. Storage of materials and equipment at the job site will be at the risk of the Landscape Contractor. The Owner cannot be held responsible for theft or damage.

**1.5 JOB CONDITIONS**

- A. General Contractor to complete the following punch list: Prior to Landscape Contractor installing any portion of landscape installation. General Contractor shall leave planting bed areas three (3") inches below final finish grade of sidewalks, drives and curbs as shown on the drawings. All lawn areas to receive solid sod shall be left one (1") inch below the final finish grade of sidewalks, drives and curbs. All construction details shall be removed prior to Landscape Contractor beginning any work.
- B. Storage of materials and equipment at the job site will be at the risk of the Landscape Contractor. The Owner cannot be held responsible for theft or damage.

**1.6 MAINTENANCE AND GUARANTEE**

- A. Maintenance:
  - The Landscape Contractor shall be held responsible for the maintenance of all work from the time of planting until final acceptance by the Owner. No trees, shrubs, groundcover or grass will be accepted unless they show healthy growth and satisfactory foliage conditions.
  - Maintenance shall include watering of trees and plants, cultivation, weeding, spraying, edging, pruning of trees, mowing of grass, cleaning up and all other work necessary of maintenance.
  - A written note requesting final inspection and acceptance should be submitted to the Owner at least seven (7) days prior to completion. An on-site inspection by the Owner's Authorized Representative will be completed prior to written acceptance.
- B. Guarantee:

- 1. Trees, shrubs and groundcover shall be guaranteed for a twelve (12) month period after final acceptance. The Contractor shall replace all dead materials as soon as weather permits and upon notification of the Owner. Plants, shrubs and trees which have partially died or that show, stunts, or symmetry have been damaged, shall be considered subject to replacement. In such cases, the opinion of the Owner shall be final.
  - a. Plants used for replacement shall be of the same size and kind as those originally planted and shall be planted in originally specified soil or in soil of equal quality. Labor and equipment used in replacements, shall carry a twelve (12) month guarantee. Any damage, including roots in lawn or bed areas, incurred as a result of making replacements shall be immediately repaired.
  - b. At the direction of the Owner, plants may be replaced at the start of the next year's planting season. In such cases, dead plants shall be removed from the premises immediately.
  - c. When plant replacements are made, plants, soil, fertilizer and mulch are to be utilized as originally specified and inspected for full compliance with the contract requirements. All replacements are to be included under "Work" of this section.
- 2. The Owner agrees that for the guarantee to be effective, he will water plants at least twice a week during dry periods and cultivate beds once a month after final acceptance.
- 3. The above guarantee shall not apply where plants die after acceptance because of injury from storms, hail, freeze, insects, diseases, injury by humans, machines or theft.
- 4. Acceptance for all landscape work shall be given after final inspection by the Owner provided the job is in a complete, undamaged condition and there is a stand of grass in all lawn areas. At that time, the Owner will assume maintenance on the accepted work.
- C. Repairs: Any necessary repairs under the Guarantee must be made within ten (10) days after receiving notice, weather permitting. In the event the Landscape Contractor does not make repairs accordingly, the Owner without further notice to Contractor, may provide materials and men to make such repairs at the expense to the Landscape Contractor.

**1.7 QUALITY ASSURANCE**

- A. General: Comply with applicable federal, state, county and local regulations governing landscape materials and work.
- B. Personnel: Employ only experienced personnel who are familiar with the required work. Provide full time supervision by a qualified foreman acceptable to Landscape Architect.
- C. Selection of Plant Material:
  - Make contact with suppliers immediately upon obtaining notice of contract acceptance to select and book materials. Develop a program of maintenance (watering and fertilizing) which will ensure the purchased materials will meet and/or exceed project specifications.
  - Substitutions: Do not make plant material substitutions. If the specified landscape material is not obtainable, submit proof of non-availability to Landscape Architect, together with proposal for use of equivalent material. At the time bids are submitted, the Contractor is assumed to have located the materials necessary to complete the job as specified.
  - Landscape Architect will provide a key identifying each tree location on site. Written verification will be required on document material selection, source and delivery schedules to site.
  - Measurements: Measure trees with branches and trunks or canes in their normal position. Do not prune to obtain required sizes. Take caliper measurements six inches above ground for trees up to and including 4" caliper size, and twelve inches above ground for larger sizes. Measure main body of all plant material of height and spread dimensions, do not measure from branch or root tip-to-tip.

- 5. Owner's Authorized Representative shall inspect all plant material with requirements for genus, species, cultivar / plant size and quality. Plants which do not meet requirements, or symmetry have been damaged, shall be considered subject to replacement. In such cases, the opinion of the Owner shall be final.
- 6. Owner's Authorized Representative retains the right to further inspect all plant material upon arrival to the site and to remove and replace with acceptable material at no additional cost to the Owner. Plants damaged in transit or at job site shall be replaced.
- 7. Owner's Authorized Representative may reject installation or defective material at any time during the process work. Remove rejected materials immediately from the site and replace with acceptable material at no additional cost to the Owner. Plants damaged in transit or at job site shall be replaced.

**1.8 PRODUCT DELIVERY, STORAGE AND HANDLING**

- A. Preparation:
  - Balled and Burlapped (B&B) Plants: Dig and prepare shipment in a manner that will not damage roots, branches, shape and future development.
  - Container Grown Plants: Deliver plants in rigid container to hold ball shape and protect root system.
- B. Delivery:
  - Deliver packaged materials in sealed containers showing weight, analysis and name of manufacturer. Protect materials from deterioration during delivery and while stored on site.
  - Deliver only plant materials that can be planted in one day unless adequate storage and watering facilities are available on site at that time.
  - Protect root balls by heeling in with sawdust or other approved moisture retaining material if not planted within 24 hours of delivery.
  - Protect plants during delivery to prevent damage to roots, stems or desiccation of foliage. Keep plants moist at all times. Cover all materials during transport.
  - Owner's Authorized Representative of delivery schedule 72 hours in advance job site.
  - Remove rejected plant material immediately from job site.
  - To avoid damage or stress, do not lift, move, adjust to plants, or otherwise manipulate plants by trunk or stems.

**PART 2 - PRODUCTS**

**2.1 PLANTS**

- A. General: Well-formed No. 1 grade or better nursery grown stock. Listed plant heights are from tops of root balls to normal tops of plants. Plant spread refers to normal outer width of the plant, not to the outer leaf tips. Plants will be individually approved by the Owner's Authorized Representative and his decision as to their acceptability shall be final.
- B. Quantities: The drawings and specifications are complementary. Anything called for on one and not the other is as binding as if shown and called for on both. The plant schedule is an aid to bidding only. Confirm all quantities on plan.
- C. Quality and size: Plant materials shall conform to the size given on the plan, and shall be healthy, symmetrical, well-shaped, full barked and well rooted. Plants shall be free from insect infestations, diseases, injuries to the bark or roots, broken branches, questionable disfigurements, insect eggs and larvae, and are to be of specimen quality.
- D. Approval: All plants which are found unsuitable in growth, or are in any unhealthy, badly shaped or undersized condition will be rejected by the Owner's Authorized Representative either before or after planting and shall be removed at the expense of the landscape Contractor and replaced with acceptable plants as specified at no additional cost to the Owner.
- E. Trees shall be healthy, full-branched, well-shaped, and shall meet the minimum trunk and diameter requirements of the plant schedule. All trees shall be well rooted, slightly tapered and well wrapped in burlap. Any tree loose in the ball or with a broken root ball at time of planting shall be rejected. Balls shall be ten (10) inches in diameter for each one (1") inch of trunk diameter, measured at the base of the trunk. Measurements are to be taken on the customary nursery usage. For clarification, the term "multi-trunk" defines a plant having three (3) or more trunks of equal diameter.
- F. Pruning: All pruning of trees and shrubs, as directed by the Landscape Architect prior to final acceptance, shall be executed by the Landscape Contractor at no additional cost to the Owner.

- 2.2 SOIL PREPARATION MATERIALS
  - A. Sandy Loam:
    - Fields, fertile, dark, loamy soil, free of clay lumps, subsoil, stones and other extraneous material and reasonably free of weeds and foreign grasses. Loam containing Dalrigass or Midgrass shall be rejected.
    - Physical properties as follows:
      - Clay - between 7-27 percent
      - Silt - between 15-26 percent
      - Sand - less than 52 percent
    - Organic matter shall be 3%-10% of total dry weight.
    - If as requested, Landscape Contractor shall provide a certified soil analysis conducted by an approved soil testing laboratory verifying that sandy loam meets the above requirements.
  - B. Organic Material: Compost with a mixture of 80% vegetative matter and 20% animal waste. Ingredients should be a mix of course and fine textured material.
  - C. Premixed Bedding Soil as supplied by Vital Earth Resources, Clewiston, Texas; Profusion Bedding Soil as supplied by Living Earth Technology, Dallas, Texas or Acid Gro Mulch Mix as supplied by Soil Building Systems, Dallas, Texas or approved equal.
  - D. Sharp Sand: Sharp sand must be free of shells, soil particles and weeds.
  - E. Mulch: Double Shredded Hardwood Mulch, partially decomposed, dark brown. Living Earth Technologies or approved equal.
  - F. Organic Fertilizer: Fertilized, Sulfate, or Green Sense or equal as recommended for application. Fertilizer shall be delivered to the site in 10-gallon unopened containers, each bearing the manufacturer's guaranteed statement of analysis.
  - G. Commercial Fertilizer: 10-20-10 or similar analysis. Nitrogen source to be a minimum 50% slow release organic Nitrogen (SCL or LFI) with a minimum 8% sulfur and 4% iron, plus micronutrients.
  - H. Peat: Commercial sphagnum peat moss or partially decomposed shredded pine bark or other approved organic material.

- 2.3 MISCELLANEOUS MATERIALS
  - A. Steel Edging: All steel edging shall be 3/16" thick x 4" deep x 16' long with 8 stakes per section, painted black at the factory as manufactured by The J.D. Russell Company and under its trade name DURAREDGE Heavy Duty Steel.
  - B. Staking Material for Shade Trees: refer to details.
  - C. Gravel: Washed native pea gravel, graded 1 inch to 1-1/2 inch.
  - D. Filter Fabric: "Mastri Miracrop" by Mastri Construction Products available at Lone Star Products, Inc., (469) 523-9444 or approved equal.
  - E. River Rock: "Colorado" or native river rock, 2" - 4" dia.

- F. Decomposed Granite: Base material shall consist of a natural material mix of granite aggregate not to exceed 1/8" diameter in size and shall be composed of various stages of decomposed earth base.

**PART 3 - EXECUTION**

**3.1 BED PREPARATION & FERTILIZATION**

- A. Landscape Contractor to inspect all existing conditions and report any deficiencies to the Owner.
- B. All planting areas shall be conditioned as follows:
  - Prepare new planting beds by scraping away existing grass and soil to a depth of 4" below existing soil to a depth of six (6") inches prior to placing compost and fertilizer. Apply fertilizer as per Manufacturer's recommendations. Add six (6") inches of compost and till into a depth of six (6") inches of the topsoil. Apply organic fertilizer such as Sulfate of Green Sense at the rate of twenty (20) pounds per one thousand (1,000) square feet.
  - All planting areas shall receive a two (2") inch top layer of specified mulch.
- C. Backfill for the pits shall be as follows: Use existing top soil on site (use imported topsoil as needed) free from large clumps, rocks, debris, caliche, subsoils, etc., placed in one (8") inch layers and watered in thoroughly.
- C. Grass Areas:
  - Blocks of sod shall be laid joint to joint (staggered joints) after fertilizing the ground first. Roll grass areas to achieve a smooth, even surface. The joints between the blocks of sod should be filled with topsoil where they are evidently spaced open, then watered thoroughly.

**3.2 INSTALLATION**

- A. Maintenance of plant materials shall begin immediately after each plant is delivered to the site and shall continue until all construction has been satisfactorily accomplished.
- B. Plant materials shall be delivered to the site only after the beds are prepared and areas are ready for planting. All shipments of nursery materials shall be thoroughly protected from the drying winds during transit. All plants which cannot be planted at once after delivery to the site, shall be well protected against the possibility of drying by wind and balls of earth of 8 & 8 diameters shall be kept covered with soil or other acceptable material. All plants remain the property of the Contractor until final acceptance.
- C. Position the trees and shrubs in their intended location as per plan.
- D. Notify the Owner's Authorized Representative for inspection and approval of all positioning of plant materials.
- E. Excavate pits with vertical sides and horizontal bottom. Tree pits shall be large enough to permit hand planting without injury to balls of earth or roots and shall be of such depth that, when planted and settled, the crown of the plant shall be the same relationship to the finish grade as it did to soil surface in original place of growth.
- F. Shrub and tree pits shall be no less than twenty-four (24") inches wider than the lateral dimension of the earth ball and six (6") inches deeper than it's vertical dimension. Remove and haul from site all rocks and stones over three-quarter (3/4") in diameter. Plants should be thoroughly moist before removing containers.
- G. Dig a wide, rough sided hole exactly the same depth as the height of the ball, especially the surface of the ball. The sides of the hole should be rough and jagged, never slick or glazed.
- H. Percolation Test: Fill the hole with water. If the water level does not percolate within 24 hours the tree needs to move to another location or have drainage added. Install a PVC stand pipe per tree planting detail as approved by the Landscape Architect if the percolation tests fail.

- I. Backfill only with 5 parts existing soil or sandy loam and 1 part bed preparation. When the hole is dug in solid rock, topsoil from the same area should not be used. Carefully settle by watering several at pockets. Remove the burlap from the top 1/2" of the ball, as well as all nylon, plastic string and wire. Container trees will absorb water round, if so follow standard nursery practice of "root scoring".
- J. Do not wrap trees.
- K. Do not over prune.
- L. Muck the top of the ball. Do not plant grass all the way to the trunk of the tree. Leave the area above the top of the ball and muck with at least two (2") inches of specified mulch.
- M. All plant beds and trees to be mulched with a minimum settled thickness of two (2") inches over the entire bed or pit.
- N. Obstruction below ground: In the event that rock, or underground construction work or obstructions are encountered in any start pit excavation work to be done under this section, alternate locations may be selected by the Owner. Where locations cannot be changed, the obstructions shall be removed to a depth of not less than three (3") feet below grade and no less than six (6") inches below the bottom of ball when plant is properly set at the required grade. The work of this section shall include the removal from the site of such rock or underground obstructions encountered at the cost of the Landscape Contractor.
- O. Trees and large shrubs shall be staked as site conditions require. Position stakes to secure trees against seasonal prevailing winds.
- P. Pruning and Mulching: Pruning shall be directed by the Landscape Architect and shall be done in accordance with standard horticultural practice following Five Pruning, Class I pruning standards provided by the National Arboret Association.
- Q. Dead wood, suckers, broken and badly brused branches shall be removed. Grounding of the branches is not permitted. Do not cut terminal branches.
- R. Pruning shall be done with clean, sharp tools.
- S. Immediately after planting operations are completed, all tree pits shall be covered with a layer of organic material two (2") inches in depth. This limit of the organic material over trees shall be the diameter of the plant pit.
- D. Steel Curb Installation:
  - Curbing shall be aligned as indicated on plans. Stake out limits of steel curbing and obtain Owners approval prior to installation.
  - All steel curbing shall be free of kinks and abrupt bends.
  - Top of curbing shall be 1/2" maximum height above final finished grade.
  - Stakes are to be installed on the planting bed side of the curbing, as opposed to the grass side.
  - Do not install steel edging along sidewalks or curbs.
  - Cut steel edging at 45 degree angle where edging meets sidewalks or curbs.

- 3.3 CLEANUP AND ACCEPTANCE
  - A. Cleanup: During the work, the premises shall be kept neat and orderly at all times. Storage areas for all materials shall be kept as neat as they can be, and neat and orderly. All trash and debris shall be removed from the site as work progresses. Keep grass areas clean by sweeping or hosing them at end of each work day.

- END OF SECTION

275 BELLE FIRMA  
 4245 North Central Exp  
 Suite 501  
 Dallas, Texas 75205  
 214.865.7162



Enterprise  
 Car Sales, Rent-A-Car and Truck Rentals

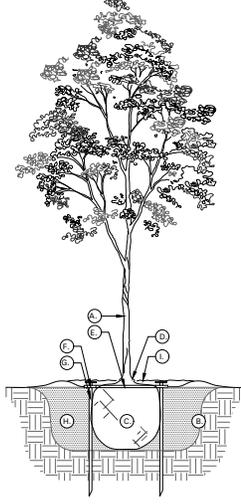
5150 I-35 South  
 Corinth, Texas 76210

Project Number: 20093  
 Issue Date: 09.21.2020  
 Drawn By: RMT  
 Checked By: KAH

Revisions	Date:	Detail:
No.		
11.03.20		City Comments
12.02.20		City Comments
01.08.21		City Comments
01.13.21		City Comments

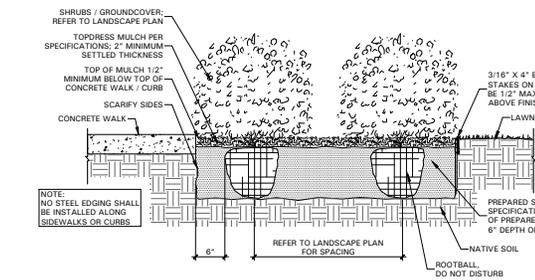
Sheet Title:  
**LANDSCAPE SPECIFICATIONS AND DETAILS**

Sheet Number:  
**L2.03**



**TREE PLANTING DETAIL LEGEND AND NOTES**

- A. TREE: TREES SHALL CONFORM WITH LATEST AMERICAN STANDARD FOR NURSERY STOCK. www.ansi.org
- B. TREE PIT: WIDTH TO BE AT LEAST TWO TIMES THE DIAMETER OF THE ROOT BALL. CENTER TREE HOLDS ROOT BALL ON UNDISTURBED NATIVE SOIL.
- C. ROOT BALL: REMOVE TOP 1/2" BURLAP AND ANY OTHER FOREIGN OBJECT; CONTAINER GROWN STOCK TO BE INSPECTED FOR GROUNDING.
- D. ROOT FLARE: ENSURE THAT ROOT FLARE IS EXPOSED. FILL FROM MULCH, AND AT LEAST TWO INCHES ABOVE GRADE. TREES SHALL BE WATERED WHEN GROUNDING ROOTS ARE PRESENT & ROOT FLARE IS NOT APPARENT.
- E. ROOTBALL ANCHOR RING: REFER TO MANUFACTURER'S GUIDELINES FOR SIZING. PLACE ROOTBALL ANCHOR RING ON BASE OF ROOTBALL. TRUNK SHOULD BE IN THE CENTER OF THE RING.
- F. ROOT ANCHOR BY TREE STAKE SOLUTIONS.
- G. NAIL STAKE: REFER TO MANUFACTURER'S GUIDELINES FOR SIZING. INSTALL NAIL STAKES WITH HAMMER OR Mallet. FIT INTO UNDISTURBED GROUND. DRIVE NAIL STAKES FLUSH WITH ADJACENT TO ROOTBALL (DO NOT DISTURB ROOTBALL).
- H. BACKFILL EXISTING NATIVE SOIL (no amendments) WATER THOROUGHLY TO ELIMINATE AIR POCKETS.
- I. MULCH: DOUBLE SHREDED HARDWOOD MULCH 2" INCH SETTLED THICKNESS, WITH 2" HT. WATERING MULCH INSURE TREE IS FULLY EXPOSED. BELOW GROUND STAKE SHOULD NOT BE VISIBLE.
- J. TREE STAKES: TREE STAKE SOLUTIONS "SAFETY STAKE" BELOW GROUND MODEL AVAILABLE FROM Tree Stake Solutions ATTN: Jeff Tully jeff@treestakesolutions.com (803) 614-4143
- K. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO OBTAIN A COPY OF THE MANUFACTURER'S SPECIFICATIONS PRIOR TO INSTALLATION OF TREE STAKES. CONTRACTOR SHALL ADHERE TO MANUFACTURER'S INSTALLATION GUIDELINES, SPECIFICATIONS, AND OTHER REQUIREMENTS FOR TREE STAKE INSTALLATION.





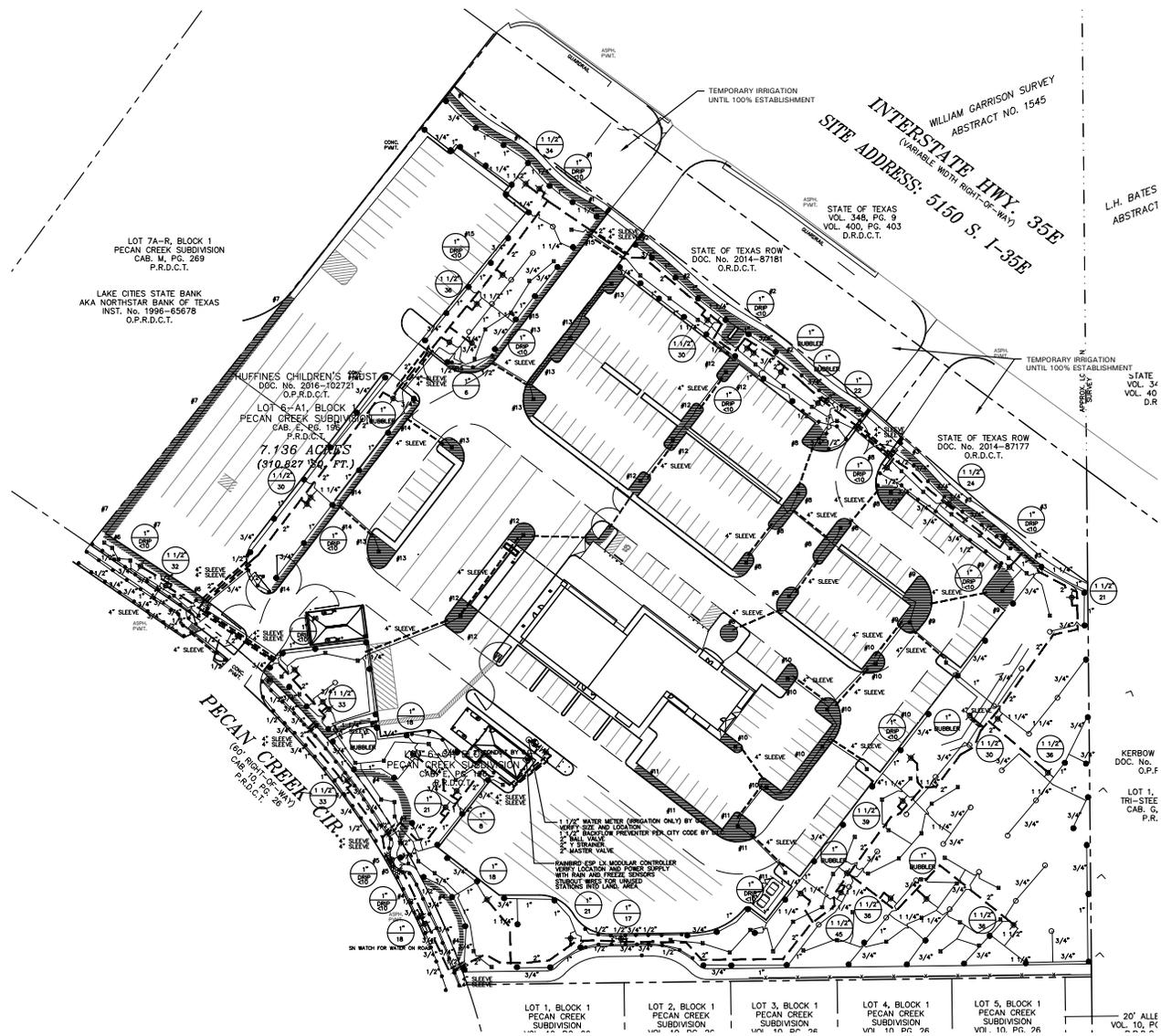
Revisions	Date	Detail
No.		
11.03.20		City Comments
12.02.20		City Comments
01.08.21		City Comments
01.13.21		City Comments

Sheet Title:

**IRRIGATION PLAN**

Sheet Number:

**L3.01**



- IRRIGATION LEGEND**
- RAINBIRD 1804 POP UP LAWN HEAD
  - HUNTER MP ROTATOR NOZZLE
  - RAINBIRD 5000 ROTARY FC
  - RAINBIRD 5000 ROTARY FC
  - RAINBIRD BUBBLER (2 PER TREE, TYP.)
  - RAINBIRD FIBER SERIES ELECTRIC VALVE
  - CONTROLLER, SIZE AS INDICATED
  - WATER METER, SIZE AS INDICATED WITH D.C.A. SIZE AS INDICATED
  - PVC SCHEDULE 40 SLEEVING
  - PVC CLASS 300 MAINLINE
  - PVC CLASS 300 LATERAL LINE
  - VALVE SIZE
  - GRM SIZE
  - NETARM TECHLINEFDL05-1210 (18" LATERAL SPACING, 12" EMITTER SPACING) PVC LATERAL PIPING SIZED AS REQUIRED. INSTALL ALL EQUIPMENT ACCORDING TO MANUFACTURERS SPECIFICATIONS.
  - NETARM TECHLINEFDL05-1210 (18" LATERAL SPACING, 12" EMITTER SPACING) PVC LATERAL PIPING SIZED AS REQUIRED. INSTALL ALL EQUIPMENT ACCORDING TO MANUFACTURERS SPECIFICATIONS.
  - NETARM DISC FILTER FDF100-080
  - NETARM PRESSURE REGULATOR PRPV15025
  - INSTALL ALL EQUIPMENT ACCORDING TO MANUFACTURERS SPECIFICATIONS.

**BUBBLER PIPING CHART**

NUMBER OF BUBBLERS	SIZE OF PIPE
1 - 5	3/4"
6 - 10	1"
11 - 20	1 1/2"
21 - 30	1 1/2"
31 - 40	1 1/2"

- SLEEVING NOTES**
- SLEEVES SHALL BE FURNISHED AND INSTALLED BY GENERAL CONTRACTOR.
  - SLEEVE MATERIAL SHALL BE SCHEDULE 40 PIPE, SIZE AS INDICATED ON PLAN.
  - CONTRACTOR SHALL LAY SLEEVES AND CONDUITS AT TWENTY FOUR (24) INCHES BELOW FINISH GRADE OF THE TOP OF PAVEMENT.
  - CONTRACTOR SHALL EXTEND SLEEVES ONE (1) FOOT BEYOND EDGE OF ALL PAVEMENT.
  - CONTRACTOR SHALL CAP PIPE ENDS USING PVC CAPS.
  - CONTRACTOR SHALL FURNISH OWNER AND IRRIGATION CONTRACTOR WITH AN "AS-BUILT" DRAWING SHOWING ALL SLEEVE LOCATIONS.
- IRRIGATION NOTES**
- THE IRRIGATION CONTRACTOR SHALL COORDINATE INSTALLATION OF THE IRRIGATION SYSTEM WITH THE LANDSCAPE CONTRACTOR SO THAT ALL PLANT MATERIAL WILL BE WATERED IN ACCORDANCE WITH THE INTEREST OF THE PLANTS AND SPECIFICATIONS.
  - ALL SPRINKLER EQUIPMENT NUMBERS REFERENCE THE RAINBIRD EQUIPMENT CATALOG UNLESS OTHERWISE INDICATED.
  - TEN DAYS PRIOR TO START OF CONSTRUCTION, IRRIGATION CONTRACTOR SHALL VERIFY STATIC IRRIGATION PRESSURE. IF STATIC PRESSURE IS LESS THAN 65 P.S.I., NOTIFY THE LANDSCAPE ARCHITECT IMMEDIATELY. DO NOT WORK UNTIL NOTIFIED TO DO SO BY OWNER.
  - SLEEVES SHALL BE FURNISHED AND INSTALLED BY GENERAL CONTRACTOR. SLEEVE MATERIAL SHALL BE SCHEDULE 40, SIZE AS INDICATED ON PLAN. REFER TO SLEEVING NOTES.
  - ALL MAIN LINE AND LATERAL LINE PIPING IN PLANTING AND LAWN AREAS SHALL HAVE A MINIMUM OF 12 INCHES OF COVER. ALL PIPING UNDER PAVING SHALL HAVE A MINIMUM OF 18 INCHES OF COVER. CONTRACTOR TO VERIFY LOCAL FREEZE DEPTHS AND ADJUST DEPTH OF COVER ACCORDINGLY.
  - LAWN SPRAY HEADS SHALL BE RAINBIRD 1804 INSTALLED PER DETAIL SHOWN.
  - ROTOR HEADS SHALL BE RAINBIRD 5000, INSTALLED PER DETAIL SHOWN. (DO NOT BURY IN CHECK VALVE).
  - NOZZLES SHALL BE RAINBIRD PLASTIC, UNLESS OTHERWISE NOTED. IRRIGATION CONTRACTOR SHALL SELECT THE PROPER ARC AND RADIUS FOR EACH NOZZLE TO ENSURE 100% AND PROPER COVERAGE OF ALL LAWN AREAS AND PLANT MATERIAL. NO WATER SHALL SPRAY ON BUILDING.
  - ALL NOZZLES IN PARKING LOT ISLANDS AND PLANTING BEDS SHALL BE LOW ANGLE NOZZLES TO MINIMIZE OVER SPRAY ON PAVEMENT SURFACES.
  - ELECTRIC CONTROL VALVES SHALL BE RAINBIRD FIBER INSTALLED PER DETAIL SHOWN. SIZE OF VALVES AS SHOWN ON PLAN. VALVES SHALL BE INSTALLED IN VALVE BOXES LARGE ENOUGH TO PERMIT MANUAL OPERATION, REMOVAL OF SOLENOID AND / OR VALVE COVER WITHOUT ANY EARTH EXCAVATION.
  - ALL 24 VOLT VALVE WIRING TO BE UF 14 GAUGE SINGLE CONDUCTOR. ALL WIRE SPICES ARE TO BE PERMANENT AND WATERPROOF.
  - AUTOMATIC CONTROLLER SHALL BE INSTALLED AT LOCATION SHOWN. POWER (120V) SHALL BE LOCATED IN A JUNCTION BOX WITHIN FIVE (5) FEET OF CONTROLLER. LOCATION BY OTHER TRADES. RAIN AND FREEZE SENSORS SHALL BE INSTALLED WITH EACH CONTROLLER.
  - THE DESIGN PRESSURE IS 65 PSI.
  - ELECTRICAL SPICES AT EACH VALVE AND CONTROLLER ONLY.
  - IRRIGATION IN TEXAS IS REGULATED BY: THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ) MC178 / PO BOX 13987 AUSTIN, TEXAS 78711-3987
  - TCEQ'S WEBSITE IS WWW.TCEQ.STATE.TX.US.

STATE OF TEXAS ROW DOC. No. 2014-87181 O.R.D.C.T.

STATE OF TEXAS ROW DOC. No. 2014-87177 O.R.D.C.T.

STATE VOL. 34 VOL. 40 D.R.

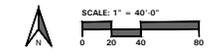
WILLIAM GARRISON SURVEY ABSTRACT No. 1545

INTERSTATE HWY. 35E (VARIABLE WIDTH RIGHT-OF-WAY)

STATE OF TEXAS VOL. 348, PG. 9 VOL. 400, PG. 403 D.R.D.C.T.

LOT 1, TR-1 STEE CAB. G. P.R.

20' ALLE VOL. 10, P.C.



**SECTION 32 8423 - UNDERGROUND IRRIGATION SLEEVES AND UTILITY CONDUITS**

- PART 1 - GENERAL**
- 1.1 DESCRIPTION
- A. Provide underground irrigation sleeves as indicated on the drawings.
- 1.2 RELATED WORK SPECIFIED ELSEWHERE
- A. Section 32 8424 - Irrigation System
- 1.3 REFERENCED STANDARDS
- A. American Society for Testing and Materials:
    1. ASTM - D2441 Poly (Vinyl Chloride) (PVC) Plastic Pipe (SDR PR)
    2. ASTM - D2466 Poly (Vinyl Chloride) (PVC) Plastic Pipe Fittings, Socket Type, Schedule 40.
    3. ASTM - D2556 Solvent Cements for Poly Vinyl Chloride Plastic Pipe and Fittings.

- PART 2 - MATERIALS**
- 2.1 DEFINITIONS
- A. Sleeve - A pipe within which another pipe is placed for carrying water or other utilities to be installed.
  - B. Wire Sleeves - A pipe used to carry low voltage irrigation wires for operation of the electric solenoid valves.
- 2.2 GENERAL
- A. Polyvinyl Chloride Pipe (PVC) - Manufactured in accordance with standards noted herein:
    1. Making and Identification - Permanently marked with SDR number, ASTM standard number, and NSF (National Sanitation Foundation) seal.
    2. Solvent - As recommended by manufacturer to make solvent-welded joints. Thoroughly clean pipe and fittings before applying solvent.
- PART 3 - EXECUTION**
- 3.1 INSTALLATION
- A. Coverage - Provide twenty-four inches (24") minimum cover over top of sleeve from finish grade.
  - B. Sleeve Extensions - Extend sleeves one foot (1') past edge of pavement or concrete walls. Install 90 degree elbow on each sleeve end and add additional length of same size pipe to extend above finish grade by twelve inches (12"). Cap pipe ends using duct tape.
- 3.2 BACKFILL
- A. Compaction - Place backfill over sleeves in six (6") inch lifts. Tamp firmly into place taking care not to damage sleeve. Complete backfill and compaction to prevent any future settlement. Compaction to 85% Standard Proctor.
  - B. Damage - Repair any damage resulting from improper compaction including pavement repair and replacement.

- END OF SECTION**
- SECTION 32 8424 - IRRIGATION SYSTEM**
- PART 1 - GENERAL**
- 1.1 SCOPE
- A. Provide complete sprinkler installation as detailed and specified herein, including furnishing all labor, material, tools, equipment, and related items for the complete and proper

- installation of the irrigation system as indicated by the Drawings. All costs associated with this installation, including fees for testing and inspections of the system components are the responsibility of the installer of this irrigation system.
  - B. Work includes but is not limited to:
    1. Trenching and backfill.
    2. Installation of automatic controlled system.
    3. Upon completion of installation, supply as-built drawings showing details of construction including location of mainline piping, manual and automatic valves, electrical supply to valves, and specifically the exact location of automatic valves.
  - C. All sleeves as shown on plans shall be furnished by General Contractor. Meter and power source shall be provided by General Contractor.
- 1.2 RELATED WORK SPECIFIED ELSEWHERE
- A. Refer to Irrigation Plans for controller, head, and valve locations.
  - B. Section 32 8423 - Underground Irrigation Sleeves and Utility Conduits
  - C. Section 32 9300 - Landscape
  - D. Refer to Landscape Plans, notes, details, bidding requirements, special provisions, and schedules for additional requirements.

- 1.3 APPLICABLE STANDARDS
- A. America Standards for Testing and Materials (ASTM) - Latest edition.
    1. D2241 Poly (Vinyl Chloride) (PVC) Plastic Pipe (SDR PR)
    2. D2464 Poly (Vinyl Chloride) (PVC) Plastic Pipe Fittings, Thread, Schedule 80
    3. D2465 Poly (Vinyl Chloride) (PVC) Plastic Pipe Fittings, Schedule 40
    4. D2467 Poly (Vinyl Chloride) (PVC) Plastic Pipe Fittings, Socket Type, Schedule 80
    5. D2564 Solvent Cements for Poly (Vinyl Chloride) (PVC) Plastic Pipe and Fittings
    6. D2527 Flexible Poly Vinyl Chloride (PVC) Plastic Pipe
    7. F656 Poly Vinyl Chloride (PVC) Solvent Weld Primer
    8. D2585 Making Solvent - Cemented Joints with Poly (Vinyl Chloride) (PVC) Pipes and Fittings

- 1.4 MAINTENANCE AND GUARANTEE
- A. The Contractor shall guarantee materials and workmanship for one (1) calendar year after final acceptance by Owner.
  - B. Guarantee is limited to repair and replacement of defective materials or workmanship, including repair of backfill settlement.
  - C. Provide maintenance of system, including raising and lowering of heads to compensate for lawn growth, cleaning and adjustment of heads and raising and lowering of shrub heads to compensate for shrub growth for one (1) year after completion of installation.
- 1.5 SUBMITTALS
- A. Procedures: Comply with Division 1 requirements.
  - B. Product Data: The Contractor shall submit five (5) copies of equipment manufacturer's "cut sheets" and shop drawings for approval by Owner Authorized Representative prior to installation, including, but not limited to the following: sprinkler head, pipe, controller, valves, backflow prevention devices, valve boxes, wire, conduit, fittings, and all other types of fixtures proposed to be installed on the job. The submittal shall include the manufacturer's name, model number, equipment capacity, and manufacturer's installation recommendations, if applicable, for each component item.
  - C. No work covered under this section may begin until the

- Contractor has submitted the required information. No partial submittal shall be accepted and submittals shall be neatly bound and labeled and logically organized. After the submittal has been approved, substitutions will not be allowed, except by written consent by the Owner Authorized Representative.
  - D. Shop drawings include dimensions, elevations, construction details, arrangements, and capacity equipment, as well as manufacturer's installation instructions.
5. Operating and Maintenance Manuals:
1. Provide three (3) individually bound manuals detailing operating and maintenance requirements for the irrigation system.
  2. Manuals shall be delivered to the Owner Authorized Representative no later than ten (10) days prior to completion of the irrigation system.
  3. Provide descriptions of all installed materials and systems in sufficient detail for future maintenance personnel to understand, operate, and maintain the equipment.
  4. Details of the following in each manual:
    - a. Index sheet with Contractor's name, address, telephone number, and contact name.
    - b. Duration of guarantee period. Include warranties and guarantees extended by manufacturer to the Owner by the manufacturer of all equipment.
    - c. Equipment list providing the following for each item:
      1. Manufacturer's name
      2. Make and model number
      3. Name and address of local part's representative
      4. Spare parts list in detail
      5. Details operating and maintenance instructions for major equipment.

- F. Project Record Documents:
1. Comply with Division 1 requirements.
  2. Locate by written dimension, marking of mainline piping, retrofit control valves, and quick coupling valves. Locate mainlines by single dimensions from permanent site features provided, vary parallel to these elements. Locate valves, intermediate electrical connections, and quick couplers by two dimensions from permanent site feature at approximately 70 degrees to each other.
  3. When dimensioning is complete, transcribe work to bond paper.
  4. Submit three (3) copies of the completed as-built drawings, along with a CD with PDF files of the same, to the Owner Authorized Representative prior to final acceptance of the work. Mark drawings "Record Plans Showing Significant Changes." Date and sign drawings.
- G. Quick Coupler Keys: Provide three (3) coupler keys with boiler drains attached used brass reducer.
- H. Controller Keys: Provide three (3) sets of keys to controller enclosures.

I. Use of materials differing in quality, size, or performance from those specified shall be allowed upon written approval of the Landscape Architect. The decision shall be based on comparative ability of material or article to perform fully all functions of mechanics, general design considered to be possessed by item specified.

J. Bidders desiring to make a substitution for specified sprinklers shall submit manufacturer's catalog sheet showing full specification of each type sprinkler proposed as a substitute, including discharge in GPM maximum allowable operating pressure at sprinkler.

K. Approval of substitute sprinkler shall not relieve Irrigation Contractor of his responsibility to demonstrate that final installed sprinkler system shall operate according to intent of originally designed and specified system.

L. It is the responsibility of the Irrigation Contractor to demonstrate that final installed sprinkler system shall operate according to intent of originally designed and specified system. If Irrigation Contractor notes any problems in head spacing or potential coverage, it is his responsibility to notify the Landscape Architect in writing, before proceeding with

- work. Irrigation Contractor guarantees 100% coverage of all areas to be irrigated.
- 1.6 TESTING
- A. Perform testing required with other trades, including earthwork, paving, plumbing, electrical, etc., to avoid unnecessary cutting, patching and boring.
  - B. Water Pressure: This irrigation system has been designed to operate with a minimum static water pressure indicated on Drawings. The Contractor shall take a pressure reading at each water meter prior to beginning construction. Confirm findings to Owner Authorized Representative in writing. If static pressure varies from pressure stated on drawings, do not start work until notified to do so by Owner Authorized Representative.
- 1.7 COORDINATION
- A. Coordinate installation with other trades, including earthwork, paving, and plumbing to avoid unnecessary cutting, patching and boring.
  - B. Coordinate to ensure that electrical power source is in place.
  - C. Coordinate system installation with work specified in other sections and coordinate with Landscape Contractor to ensure plant material is uniformly watered in accordance with intent shown on drawings.

- PART 2 - PRODUCTS**
- 2.1 GENERAL
- A. Mainlines: Mainlines are the piping from water source to operating valves. This portion of piping is subject to surges, being a closed portion of sprinkler system. Hydrant lines are considered a part of sprinkler system.
  - B. Lateral Piping: Lateral piping is that portion of piping from operating valves to sprinkler heads. This portion of piping is not subject to surges, being an "open end" portion of system.
- 2.2 POLY VINYL CHLORIDE PIPE (PVC PIPE)
- A. PVC pipe shall be manufactured in accordance with commercial standards noted herein.
  - B. Marking and Identification: PVC pipe shall be continuously and permanently marked with the following information: Contractor's name, pipe size, type of pipe, and material, SDR number, product standard number, and the NSF (National Sanitation Foundation) seal.
  - C. PVC Pipe Fittings: Shall be of the same material as the PVC pipe specified and shall be compatible with PVC pipe furnished.
- 2.3 COPPER TUBING
- A. Hand, straight lengths of domestic manufacture only. Do not use copper tube of foreign extrusion or any so-called irrigation tubing (thin wall).
- 2.4 COPPER TUBE FITTINGS
- A. Cast brass or wrought copper, sweat - solder type.
- 2.5 WIRE
- A. Type UF with 4/64" thick waterproof insulation which is Underwriters' Laboratory approved for direct underground burial when used in a National Electric Code Class I, Circuit (30 volts AC or less).
  - B. Wire Connectors: Waterproof splice kit connectors. Type spst by 3M.
- 2.6 SCHEDULE 80 PVC NIPPLES
- A. Composed of Standard Schedule 40 PVC Fittings and PVC

- meeting noted standards. No clamps or wires may be used. Nipples for heads and shrub risers to be nominal one-half inch (1/2") diameter by eight (8") inches long, where applicable.
- B. Polyethylene nipples six (6") inches long shall be used on all pop-up spray heads.
- 2.7 MATERIALS - SEE IRRIGATION PLAN
- A. Sprinkler heads in lawn area as specified on plan.
  - B. PVC Pipe: Class 200, SDR 21
  - C. Copper Tubing (City Connection): Type "M"
  - D. 24V Wire: Size 14, Type UF
  - E. Electric valves: Shall be all plastic construction as indicated on drawings.
  - F. Backflow Prevention Device: Refer to drawing requirements and flow valve. Coordinate exact location with General Contractor.

- PART 3 - EXECUTION**
- 3.1 INSTALLATION - GENERAL
- A. Staking: Before installation is started, place a stake where each sprinkler is to be located, in accordance with drawing. Staking shall be approved by Owner Authorized Representative before proceeding with work.
  - B. Excavations: Excavations are unclassified and include earth, loose rock, rock or any combination thereof, in wet or dry state. Backfill trenches with material removed, provided that the earth is suitable for compaction and contains no lumps, clods rock, debris, etc. Special backfill specifications, if furnished, take preference over this general specification.
  - C. Backfill: Flood or hand-tamp to prevent settling. Hand rake trenches and adjoining area to leave grade in as good or better condition than before installation.
  - D. Piping Layout: Piping layout is diagrammatic. Route piping around trees and shrubs in such a manner as to avoid damage to plantings. Do not dig within ball of newly planted trees or shrubs. In areas where existing trees are present, trenches shall be adjusted on-site to provide a minimum clearance of four (4) feet between the dip line of any tree or trench. The Contractor shall notify the Owner Authorized Representative in writing of a planned change in trench routing from that shown on the drawings.
- 3.2 PIPE INSTALLATION
- A. Sprinkler Mains: Install a four (4") inch wide minimum trench with a minimum of eighteen (18") inches of cover.
  - B. Lateral Piping: Install a four (4") inch wide minimum trench sufficient to allow for installation of sprinkler heads and valves, but in no case, with less than twelve (12") of cover.
  - C. Trenching: Remove lumber, rubbish, and large rocks from trenches. Provide firm, uniform bearing for entire length of each pipe line to prevent uneven settlement. Working or blocking of pipe shall not be permitted. Remove foreign matter or dirt from inside of pipe before welding, and keep piping clean by approved means during and after laying of pipe.
- 3.3 PVC PIPE AND FITTING ASSEMBLY
- A. Solvent: Use only solvent recommended by manufacturer to make solvent-welded joints. Thoroughly clean pipe and fittings of dirt, dust and moisture before applying solvent.
  - B. PVC to metal connection: Work metal connections first. Use a non-hardening pipe dope such as Permatex No. 2, on threaded PVC adapters into which pipe may be welded.
- 3.4 COPPER TUBING AND FITTING ASSEMBLY

- A. Clean pipe and fitting thoroughly and lightly sand pipe connections to remove residue from pipe. Attach fittings to tubing in an approved manner using 50-50 soft sold core solder.
- 3.5 POP-UP SPRAY HEADS

  - A. Supply pop-up spray heads in accordance with materials list and plan. Attach sprinkler to lateral piping with a semi-flexible polyethylene pipe not less than three (3") inches or more than six (6") inches long.

- 3.6 VALVES

  - A. Supply valves in accordance with materials list and sized according to drawings. Install valves in a level position in accordance with manufacturer's specifications. See plan for typical installation of electric valve and valve box.

- 3.7 WIRING

  - A. Supply wire from the automatic sprinkler controls to the valves. No conduit will be required for UF wire unless otherwise noted on the plan. Wire shall be tucked under the piping.
  - B. A separate wire is required from the control to each electric valve. A common neutral wire is also required from each control to each of the valves served by each particular control.
  - C. Bundle multiple wires and tape them together at ten (10') foot intervals. Install ten (10') inch expansion coils at not more than one hundred (100') foot intervals. Make splices waterproof.

- 3.8 AUTOMATIC SPRINKLER CONTROLS
- A. Supply in accordance with Irrigation Plan. Install according to manufacturer's recommendations.
- 3.9 TESTING
- A. Sprinkler Mains: Test sprinkler main only for a period of twelve (12) to fourteen (14) hours under normal pressure. If leaks occur, replace joint or joints and repeat test.
  - B. Complete tests prior to backfilling. Sufficient backfill material may be placed in trenches between fittings to ensure stability of line under pressure. In each case, leave fittings and couplings open to visual inspection for full period of test.
- 3.10 FINAL ADJUSTMENT
- A. After installation has been completed, make final adjustment of sprinkler system in preparation for Owner Authorized Representative's final inspection.
  - B. Completely flush system to remove debris from lines by removing nozzle from heads on end of lines and turning on system.
  - C. Check sprinklers for proper operation and proper alignment for direction of throw.
  - D. Check each section of spray heads for operating pressure and balance to other sections by use of flow adjustment on top of each valve.
  - E. Check nozzling for proper coverage. Prevailing wind conditions may indicate that each of angle of spray should be other than shown on drawings. In this case, change nozzles to provide correct coverage and furnish data to Owner Authorized Representative with each change.

- 3.11 SYSTEM DEMONSTRATION
- A. Instruct Owner's personnel in operation and maintenance of system including adjusting of sprinkler heads. Use operation and maintenance manual for basis of demonstration.

**END OF SECTION**



4245 North Central Expy  
Suite 501  
Dallas, Texas 75205  
214.865.7162



**Enterprise**  
Car Sales, Rent-A-Car and Truck Rentals

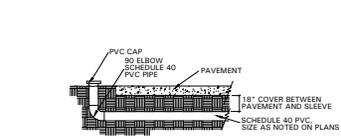
5150 I-35 South  
Corinth, Texas 76210

Project Number: 20093  
Issue Date: 09.21.2020  
Drawn By: JJW  
Checked By: JJW

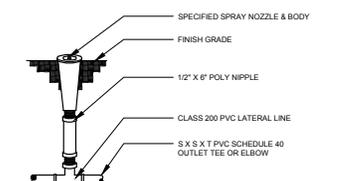
Revisions  
No. Date: Detail  
11.03.20 City Comments  
12.02.20 City Comments  
01.08.21 City Comments  
01.13.21 City Comments

Sheet Title:  
**IRRIGATION SPECIFICATIONS AND DETAILS**

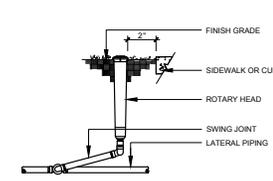
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**L3.02**



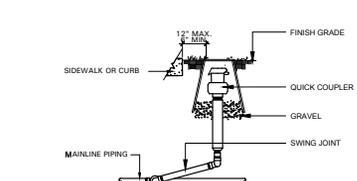
**01 SLEEVE DETAIL**  
NOT TO SCALE



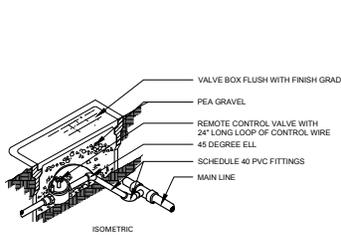
**02 POP-UP LAWN SPRAY ASSEMBLY**  
NOT TO SCALE



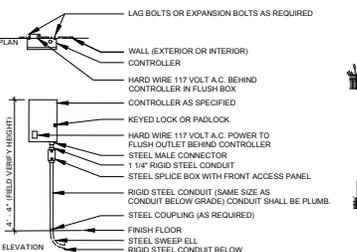
**03 ROTARY HEAD**  
NOT TO SCALE



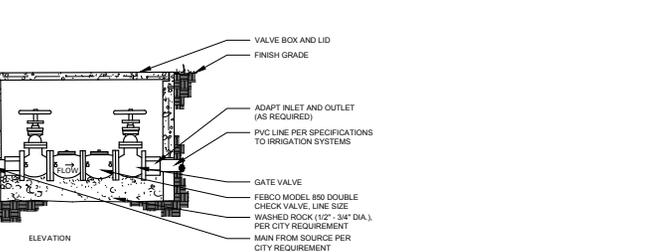
**04 QUICK COUPLER**  
NOT TO SCALE



**05 REMOTE CONTROL VALVE**  
NOT TO SCALE



**06 WALL MOUNTED CONTROLLER**  
NOT TO SCALE



**07 BACKFLOW PREVENTER**  
NOT TO SCALE



**BUSINESS ITEM 10.****City Council Special Session****Meeting Date:** 01/28/2021**Title:** TOD Drainage Design Proposal**Submitted For:** Bob Hart, City Manager**Submitted By:** Lana Wylie, City Secretary**City Manager Review: Approval:** Bob Hart, City Manager**Strategic Goals:** Land Development  
Infrastructure Development  
Economic Development**AGENDA ITEM**

Consider authorizing the city manager to execute a contract with Jones | Carter for the detailed engineering design of floodplain reclamation for the land encompassing the City's Transit-Oriented Development (TOD) and Agora District, in an amount not to exceed \$150,000.00.

**AGENDA ITEM SUMMARY/BACKGROUND**

With the proposed Transit-Oriented Development (TOD) and Agora District, there will be a need to provide regional detention and floodplain reclamation to develop the property. This contract is to initialize that process and provide a detailed design for a "regional" detention located downstream of Corinth Parkway and the TOD. With the recent purchase of the Pinnell Tract just behind City Hall and the land area encompassing the parks just east and downstream of the area, there is an opportunity to provide the necessary detention and floodplain mitigation to be able to fill and develop the land area for the TOD. Additionally, there appears to be sufficient space to provide necessary detention for all the land areas within the watershed upstream from Corinth Parkway in a fully Developed condition. i.e. The existing detention basins located in the area can be eliminated and used for further development within the TOD area.

The City has been using Jones | Carter for all things Lynchburg Creek for several years and their experience with our proposed FEMA Flood Mitigation Grant provides us the necessary support to perform the tasks for that project as well as this additional floodplain mitigation.

**RECOMMENDATION**

Staff Recommends approval of entering into a contract with Jones | Carter for this project in an amount not to exceed \$150,000.00 and authorize the City Manager to execute the necessary documents.

**Attachments**

Jones|Carter Proposal



January 21, 2021

Mr. George S. Marshall, PE, CFM  
City of Corinth  
3300 Corinth Parkway  
Corinth, Texas 76208

Re: Professional Engineering & Surveying Services  
Design of Regional Drainage Improvements for  
Transit Oriented Development District

Dear Mr. Marshall:

We appreciate the opportunity to present this proposal for civil engineering and surveying services in connection with regional drainage improvements for the Transit Oriented Development District to be located in the vicinity of Interstate 35W and Corinth Parkway.

#### **Project Understanding**

The “Transit Oriented Development” (TOD) District consists of a ±166-acre area in the vicinity of Interstate 35W and Corinth Parkway that drains to Lynchburg Creek and Lynchburg Creek Tributary 3. The project intends to fill and reclaim the portion of Tributary 3 between Walton Road and Corinth Parkway. A regional detention and floodplain mitigation plan (mitigation plan) serving portions of the district generally east of Interstate 35E is currently being prepared by Jones|Carter (JC) under separate contract.

Our understanding is the City would like JC to provide survey, design, and construction phase services for regional drainage improvements along Lynchburg Creek Tributary 3 based on the preferred alternative selected by the City from the mitigation plan. The preferred alternative generally includes construction of mitigation ponds in the overbanks of Tributary 3 south of Corinth Parkway and filling of Tributary 3 and installation of reinforced concrete box storm sewer between Corinth Parkway and Walton Road. The sizing of the ponds, the configuration of inflow and outflow structures, and the referenced storm sewer are being documented in the mitigation plan and will be the basis of the design.

Based on our understanding of the Client’s needs and the project area characteristics, we prepared the following scope of services and fee proposal for your consideration.

#### **Scope of Basic Services**

JC will make a site visit and attend a kick-off meeting with the City covering the following topics:

- Project Communication – Establish the frequency and method of communication with City staff
- Project Milestones & Schedule
- Field surveys and property notification
- Project Deliverables



Mr. George S. Marshall, PE, CFM

Page 2

January 21, 2021

Previous information provided by the City includes available record drawings. If additional information becomes necessary during the analysis or design process, JC shall request the information from the City.

#### Topographic Survey

For the property north of Corinth Parkway: Visible above ground utilities will be located with the survey. We will tie the storm structure draining to Tributary 3 on both sides of Walton Road, including flow line elevations, pipe sizes and the roadside ditch. We will tie pavement on both sides of Corinth Parkway along subject tract. We will locate the drainage structure on the east side of the railroad right-of-way, including the drainage channel. JC will survey a 100-ft grid within the project boundary to identify existing grades on subject and adjacent properties, locate all immediately adjacent improvements, and establish vertical/horizontal control. We will provide cross sections of stream at approximately every 100'. Any culverts along the stream will be located. We will locate and detail the culvert and headwall situated under Corinth Parkway, any rip rap and sidewalk will also be located.

For the two properties south of Corinth Parkway: Visible above ground utilities will be located with the survey. JC will survey a 100-ft grid within the project boundary to identify existing grades on subject and adjacent properties, locate all immediately adjacent improvements, and establish vertical/horizontal control. We will provide cross sections of stream at approximately every 100'. We will locate and detail any outfall structures within the limits of the survey.

This scope of work is based on the assumption that wooded areas of the properties will not be cleared prior to survey.

#### Geotechnical Services

JC will authorize GEE Consultants, Inc. to perform a geotechnical exploration as detailed in their attached proposal dated June 15, 2019. If additional geotechnical evaluation is required, this shall be handled by separate proposal.

#### Environmental Services

JC will authorize Stelly Environmental, LLC to perform an environmental assessment as detailed in their two attached proposals dated January 6, 2021. The purpose of the environmental assessment to assess potential jurisdictional waters, potential impacts to them, and prepare necessary permitting related to the proposed project. Services will also include an endangered and threatened species review. If additional environmental evaluation is required, this shall be handled by separate proposal.

#### Cultural Resources

Because this project is owned and funded by the City of Corinth, it is subject to the Antiquities Code of Texas, and anticipated Nationwide Permitting through the U.S. Army Corps of Engineers (USACE) will make it subject to Section 106 of the National Historic Preservation Act. Therefore, JC will authorize Cox|McLain Environmental Consulting, based on their proposal dated January 6, 2021, to perform a desktop review of potential cultural deposits, and to conduct necessary coordination with the USACE and Texas Historical Commission.



Mr. George S. Marshall, PE, CFM

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January 21, 2021

### Construction Plans

JC will prepare a construction plan set for the preferred alternative from the mitigation plan. The plans will include grading, plan & profile sheets, layouts, and detail sheets.

- a. General Design: Cover Sheet, Index, General Notes.
- b. Demolition Plans: Prepare layout to delineate and quantify the limits of removal for any existing structures in the project area.
- c. Drainage Plans: Prepare plan and profile sheets of the proposed storm sewer trunk line north of Corinth Parkway and for inflow and outflow structures for the proposed ponds south of Corinth Parkway, drainage area map, cross sections, and standard details.
- d. Erosion Control Plan: Prepare base map for the limits of the project along with standard details.
- e. Utility adjustments including water and sanitary sewer, if required, are not included in this scope.
- f. Traffic control plans, if required, are not included in this scope.
- g. City staff shall review and, if necessary, meet with the Engineer at each submittal stage to discuss to provide additional comments and direction as needed to proceed. Submittals shall include:
  - i. 30% schematic design to include plan and profile of items c. and d. above with topographic information.
  - ii. 60% preliminary design and opinion of probable construction cost.
  - iii. 90% design and opinion of probable construction cost.
  - iv. Final design and opinion of probable construction cost.
- h. Project Manual – JC will develop the project manual using North Central Texas Council of Governments (NCTCOG) Public Works Construction Standards (5<sup>th</sup> Edition) for the technical specifications. If other technical specifications are required above what is provided by NCTCOG, JC will provide those specifications. JC will provide a bid from and will incorporate City provided documents such as General Conditions, Supplementary Conditions, Bond Forms, Agreement, Instruction to Bidders, etc.).

### Storm Water Pollution Prevention Plan

JC will prepare a storm water pollution prevention plan (SWPPP). This scope does not include submittal of the SWPPP or associated notices of intent (NOIs).

### Bid Phase Services

JC shall provide final construction plans and bid documents to the City. It is our understanding the City's purchasing department will handle advertisement and posting of the project for bidding. JC shall:

- a. Assist the City with a pre-bid meeting,
- b. Assist the City with the preparation of addenda to the bid documents and provide answers to bidder questions and interpreting of bid documents, and
- c. Assist the City with the opening and tabulation of bids, and evaluation of bidder references for selection.



Mr. George S. Marshall, PE, CFM

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January 21, 2021

#### Construction Staking

For the property north of Corinth Parkway: JC will provide stakes in the area of the stream to be filled for mass grading. JC will provide stakes for the construction of a future storm sewer, approximately 1,200 linear feet. For the two properties south of Corinth Parkway: JC will provide stakes for cutting out 2 future ponds. We will provide stakes for the layout of 4 future inflow/outfall pipes. JC will provide stakes for grading of the north part of the tract adjacent to the stream. This task also includes staking of 4 bore locations for the geotechnical evaluation.

#### Construction Phase Services

JC shall represent the City in the non-resident administration of the construction contract. Services do not involve continuous or extensive on-site inspection to check or verify means and methods, materials, or manage construction efforts. As such, JC cannot provide certification of the completed project beyond the limited observation described below. If Field Project Representation is desired, JC can provide those services on an additional hourly service. The proposed scope of work includes the following:

- a. Assist the City with a pre-construction meeting,
- b. Provide monthly site visits (4), including meeting on site with the City and contractor, and provide a written status report for each visit.
- c. Provide written responses to requests for information for clarifications.
- d. Assist City staff in conducting the final walk-through for general conformance with the design concept and compliance with the contract documents.
- e. Prepare construction "record drawings" based upon markups and information provided by the City inspector and the construction contractor.

#### **Scope of Special Services**

##### Easement Preparation

JC can prepare separate instrument easements that will include a metes and bounds description and exhibit for any kind of easement required. The easement document will be signed and sealed by an RPLS. The fee listed below is for easements on properties we have already surveyed. The fee for easements on properties we have not surveyed will be higher depending on efforts required to locate the property corners. Researching and extracting existing easements that would affect the new easements is also an additional cost.

##### Additional Services

Services not otherwise included in the scope of work, or not customarily furnished in accordance with generally accepted engineering practice shall, be invoiced in accordance with the enclosed Schedule of Hourly Rates or handled by separate proposal.

##### Reimbursable Expenses

These services and expenses typically include plots, color exhibit prints, deliveries, filing and review fees, reproduction of plans for agency review and construction efforts, and other miscellaneous features; see attached Schedule of Reimbursable Expenses.



Mr. George S. Marshall, PE, CFM

Page 5

January 21, 2021

### Information to be Provided by Client

The following information shall be provided to JC by the City:

1. Franchise utility contact information for local representatives.
2. Provide Notice of Entry to all property owners along the route.

### Proposed Fees

Basic services are based on Lump Sum fees. Special Services are as noted. Additional Services or Hourly Services shall be performed based on the attached hourly rate schedule.

#### Basic Services

Topographic Survey	\$20,000 (Lump Sum)
Geotechnical Engineering	\$ 8,288 (Estimate)
Environmental Services - Delineation	\$ 3,640 (Hourly Estimate)
Environmental Services - Permitting, Endangered Species	\$ 5,050 (Hourly Not to Exceed)
Cultural Resources	\$ 1,946 (Lump Sum)
Construction Plans	\$57,000 (Lump Sum)
Storm Water Pollution Prevention Plan	\$ 3,500 (Lump Sum)
Bid Phase Services	\$ 6,000 (Lump Sum)
Construction Staking	\$11,200 (Hourly Estimate)
Construction Phase Services	<u>\$10,500</u> (Hourly Estimate)
<b>Subtotal</b>	<b>\$127,124 (Estimate)</b>

#### Special Services

Easement Preparation & Recordation	\$ 1,000 (Per Easement)
Additional Services (if required)	\$10,000 (Hourly Estimate)
Reimbursable Expenses	<u>\$ 500</u> (Lump Sum)
<b>Subtotal</b>	<b>\$11,500 (Estimate)</b>

#### Contract Total

**\$138,624 (Estimate)**

### Special Considerations

This proposal is based on the following special considerations:

1. This proposal shall be subject to the enclosed General Conditions of Agreement.
2. Attendance or presentations to city council or neighborhood organizations can be performed as an additional service, if requested.
3. Structural design, including retaining walls, is not included.
4. Landscape architecture design is not included in the scope of services.
5. Utility adjustments including water and sanitary sewer, if required, are not included in this scope.
6. Traffic control plans, if required, are not included in this scope.



Mr. George S. Marshall, PE, CFM

Page 6

January 21, 2021

- 7. This project will require a FEMA Letter of Map Revision following construction, preparation of which is not included in the scope.
- 8. Any review or permit fees associated with the project shall be paid by the Client, or if paid by JC, shall be considered as a reimbursable expense, and are not included in any fees proposed.
- 9. Hourly Services shall be provided in accordance with the enclosed Schedule of Hourly Rates.
- 10. Reimbursable expenses including outside services not performed by JC personnel shall be provided in accordance with the enclosed Schedule of Reimbursable Expenses.
- 11. Fees do not include sales taxes that may be imposed.
- 12. The proposed fees shall be considered in their entirety for the scope of services. Should you wish to contract with us for only a portion of the work, we reserve the right to negotiate individual scope items on their own merits.
- 13. This proposal shall be valid for sixty days from this date and may be extended upon approval by this office.

We thank you for the opportunity to submit this proposal and look forward to working with you on this project. An executed copy of this proposal will serve as our notice to proceed. Should you have any questions, please call.

Sincerely,

Adam C. Ray, PE, CFM  
Project Manager

Stephen C. Reiter, PE, CFM  
Vice President

ACR/mls

V:\Opportunity Documents\OP101-1187-00 Corinth Village Drainage Design\PP-Proposal Corinth Village Regional Drainage Design v7.docx  
Enclosures

**APPROVED BY:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (Printed)

\_\_\_\_\_  
Date

**GENERAL CONDITIONS OF AGREEMENT**  
**JONES & CARTER, INC.**

**AUTHORIZATION FOR WORK TO PROCEED**

Signing of this PROPOSAL/AGREEMENT for services shall be authorization by the CLIENT for Jones & Carter, Inc. (J&C), to proceed with the work, unless stated otherwise in the AGREEMENT.

**STANDARD OF PRACTICE**

Services performed by J&C under this AGREEMENT will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the engineering profession currently practicing in the same locality under similar conditions. No other representation, expressed or implied, and no warranty or guarantee is included or intended in this AGREEMENT, or in any report, opinion, document, etc., prepared by J&C.

**BILLING AND PAYMENT**

The CLIENT, recognizing that timely payment is a material part of the consideration of this AGREEMENT, shall pay J&C for services performed in accordance with the rates and charges set forth herein. Invoices shall be submitted by J&C on a monthly basis and the full amount shall be due and payable to J&C upon receipt. If the CLIENT objects to all or any portion of an invoice, the CLIENT shall notify J&C in writing within seven (7) calendar days of the invoice date and pay that portion of the invoice not in dispute.

The CLIENT shall pay an additional charge of 0.75% of the invoiced amount per month for any payment received by J&C more than thirty (30) days from receipt of the invoice, excepting any portion of the invoiced amount in dispute and resolved in favor of the CLIENT. Payment thereafter shall be first applied to accrued interest and then to the principal unpaid amount.

**OWNERSHIP/REUSE OF DOCUMENTS**

All documents, including original drawings, opinions of probable construction cost, specifications, field notes, and data provided or furnished by J&C pursuant to this AGREEMENT are instruments of service in respect to the Project and J&C shall retain ownership and property interest therein whether or not the project is completed. The CLIENT may make and retain copies for the use of the Project by the CLIENT and others; however, such documents are not intended or suitable for reuse by the CLIENT or others on extensions of the Project or on any other Project. Any such reuse without written approval or adaptation by J&C for the specific purpose intended shall be at the CLIENT'S sole risk and without liability to J&C, and the CLIENT shall indemnify and hold harmless J&C from all claims, damages, losses, and expenses including attorney's fees arising out of or resulting therefrom.

**COST ESTIMATES**

Cost estimates prepared by the engineer represent his best judgment as a design professional familiar with the construction industry. It is recognized, however, that the engineer has no control over the cost of labor, materials, or equipment; over the contractor's methods of determining bid prices; or over competitive bidding or market conditions. Accordingly, the engineer cannot and does not guarantee that bids will not vary from any cost estimate prepared by him.

**INSURANCE**

J&C agrees to maintain Workers' Compensation Insurance to cover all of its own personnel engaged in performing services for the CLIENT under this AGREEMENT.

**LIMITATION OF LIABILITY**

*J&C agrees to carry out and perform the services herein agreed to in a professional and competent manner. The CLIENT agrees that J&C shall not be liable for error, omission, or breach of warranty (either expressed or implied) in the preparation of designs and drawings, preparation of surveys, designation and selection of materials and equipment for the project, or the performance of any other services in connection with any assignment for which specific authorization is given by CLIENT under this agreement, except to the extent that he fails to exercise the usual degree of care and judgment of an ordinarily prudent engineer in the same or similar circumstances or conditions.*

Version 13-08-22

*In order for the CLIENT to obtain the benefit of a fee which includes a lesser allowance for risk funding, the CLIENT agrees to limit J&C's liability arising from J&C's professional acts, errors or omissions, such that the total aggregate liability of J&C shall not exceed J&C's total fee for the services rendered on this project.*

**INDEMNIFICATION**

J&C agrees, to the fullest extent permitted by law, to indemnify and hold the CLIENT harmless from any damage, liability, or cost (including reasonable attorney's fees and costs of defense) to the extent caused by J&C's negligent acts, errors, or omissions in the performance of professional services under this AGREEMENT including anyone for whom J&C is legally liable.

The CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold J&C harmless from any damage, liability, or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by the CLIENT'S negligent acts, errors, or omissions and those of his or her contractors, subcontractors or consultants, or anyone for whom the CLIENT is legally liable, and arising from the Project that is the subject of this AGREEMENT.

J&C is not obligated to indemnify the CLIENT in any manner whatsoever for the CLIENT'S own negligence.

**CONSEQUENTIAL DAMAGES**

*The CLIENT shall not be liable to J&C and J&C shall not be liable to the CLIENT for any consequential damages incurred by either due to the fault of the other, regardless of the nature of this fault, or whether it was committed by the CLIENT or J&C employees, agents, or subcontractors. Consequential Damages include, but are not limited to, loss of use and loss of profit.*

**TERMINATION**

This AGREEMENT may be terminated with or without cause at any time prior to completion of J&C's services either by the CLIENT or by J&C, upon seven (7) days written notice to the other at the address of record. Termination shall release each party from all obligation of this AGREEMENT except compensation payable to J&C for services rendered prior to Termination. Compensation payable at termination shall include payment for services rendered and costs incurred up to the termination date in accordance with J&C's currently effective hourly rate schedule and direct expense reimbursement policy.

**SUCCESSORS AND ASSIGNS**

CLIENT and J&C each binds himself, and his partners, successors, executors, administrators, and assigns to the other party of this AGREEMENT and to partners, successors, executors, administrators, and assigns of such other party in respect to all covenants of this AGREEMENT. Neither CLIENT nor J&C shall assign, sublet, or transfer his interest in this AGREEMENT, without written consent of the other. Nothing contained herein shall be construed as giving any rights or benefits hereunder to anyone other than the CLIENT and J&C.

**SEVERABILITY**

Any provision or part of the AGREEMENT held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the CLIENT and J&C, who agree that the AGREEMENT shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

**SPECIAL PROVISIONS**

The amount of an excise, VAT, gross receipts, or sales tax that may be imposed shall be added to the compensation as stated in the proposal.

**CONTROLLING LAW**

This AGREEMENT shall be governed by the laws of the State of Texas.

**SCHEDULE OF HOURLY RATES**

Effective January 2019 - Subject to Annual Revision in January 2020

**ENGINEERING PERSONNEL**

Design Engineer I	\$100
Design Engineer II	\$120
Professional Engineer I	\$140
Professional Engineer II	\$160
Professional Engineer III	\$185
Professional Engineer IV	\$215
Professional Engineer V	\$230
Practice Leader	\$250

**ELECTRICAL ENGINEERING PERSONNEL**

Electrical Design Engineer I	\$110
Electrical Design Engineer II	\$130
Electrical Professional Engineer I	\$155
Electrical Professional Engineer II	\$170
Electrical Professional Engineer III	\$190
Electrical Professional Engineer IV	\$225
Electrical Professional Engineer V	\$240

**CONSTRUCTION PERSONNEL (Includes Mileage)**

Project Representative I	\$ 60
Project Representative II	\$ 85
Project Representative III	\$105
Project Representative I – Treatment Facilities	\$ 85
Project Representative II – Treatment Facilities	\$110
Project Representative III – Treatment Facilities	\$135
Construction Manager I	\$100
Construction Manager II	\$120
Construction Manager III	\$140
Construction Manager IV	\$160
Construction Manager V	\$185

**SOFTWARE ENGINEER**

Software Engineer I	\$120
Software Engineer II	\$185
Software Engineer III	\$230

**PLANNING PERSONNEL**

Planner I	\$ 90
Planner II	\$120
Planner III	\$150

**DESIGNERS/DRAFTING PERSONNEL**

CAD Operator I	\$ 55
CAD Operator II	\$ 75
CAD Operator III	\$ 95
Designer I	\$ 95
Designer II	\$115
Designer III	\$135
GIS Operator I	\$ 80
GIS Operator II	\$105
GIS Operator III	\$140

**SURVEYING PERSONNEL**

1-Person Field Crew	\$125
2-Person Field Crew	\$170
3-Person Field Crew	\$205
4-Person Field Crew	\$235
Scanner Equipment	\$100
Survey Technician I	\$ 65
Survey Technician II	\$ 80
Survey Technician III	\$100
Project Surveyor I	\$ 75
Project Surveyor II	\$ 85
Project Surveyor III	\$100
Project Surveyor IV	\$115
Chief of Survey Crews	\$100
Registered Professional Land Surveyor	\$160
Survey Manager	\$185

**OFFICE PERSONNEL**

Engineer's Assistant I	\$ 60
Engineer's Assistant II	\$ 75
Engineer's Assistant III	\$ 85
Admin I	\$ 55
Admin II	\$ 75
Admin III	\$100
Assistant Controller/ Chief Accountant	\$110
Corporate/Project Acct. I	\$ 75
Corporate/Project Acct. II	\$ 90



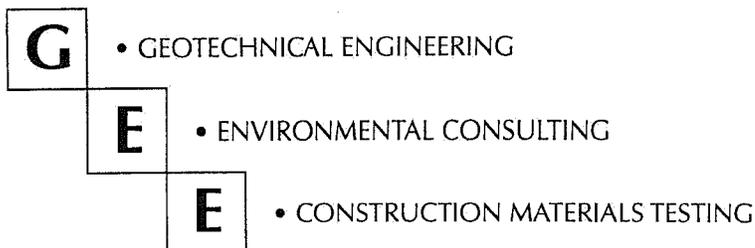
**SCHEDULE OF REIMBURSABLE EXPENSES**  
 Effective January 2019  
 Subject to Annual Revision in January 2020

1. Reproduction performed in office

<u>Size</u>	<u>Black &amp; White</u>	<u>Color</u>
8½ x 11 (single-sided)	\$0.05/page	\$ .50/page
8½ x 11 (double-sided)	\$0.15/page	\$ 1.00/page
8½ x 14	\$0.15/page	\$ .75/page
11 x 17	\$0.20/page	\$ 1.00/page
<u>Large Document Prints/Plots</u>	<u>Black &amp; White</u>	<u>Color</u>
Bond	\$0.20/sq ft	\$ 1.00/sq ft
Photographic Bond	\$4.00/sq ft	\$ 5.00/sq ft
Mylar (4 mil)	\$2.00/sq ft	N/A
<u>Aerial Backgrounds</u>		
All sizes	\$5.00/sheet (plus above sq. ft. cost)	

2. Transportation (mileage): Standard IRS mileage rate in effect
3. Subcontracts and all other outside expenses and fees: Cost, plus 10% service charge
4. Surveying Expenses
- a. Crew Rates: Includes time charged portal to portal and the first 120 miles of transportation and standard survey equipment
  - b. Special Rental Equipment: Cost, plus 10%
  - c. Stakes: Cost, plus 10% service charge when an excessive number of wooden stakes or any special stakes are required
  - d. Iron Rods and Pipes: Cost, plus 10%
  - e. All-Terrain Vehicle (ATV): \$150/day
  - f. Overnight Stays: \$190/night
  - g. Overtime Rates: Jobs requiring work on weekends or holidays billed at 1.5 times the standard rate
  - h. Sales Tax: To be paid on boundary-related services.
  - i. Deliveries, abstracting services, outside reproduction costs, and other reimbursable expenses charged at cost, plus 10%

Final 2019  
Standard



# GEE Consultants, Inc.

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10046 Monroe Drive • Dallas, Texas 75229 • (214) 352-5433 • Fax (214) 352-6972

## EXHIBIT "A"

January 7, 2021  
Rev. January 15, 2020

City of Corinth, Texas  
c/o Mr. Adam C. Ray, P.E., CFM  
Hydrology & Hydraulics  
Jones | Carter Engineering  
2805 Dallas Parkway, Suite 600  
Plano, TX 75093  
Email: aray@jonescarter.com

Office: (972) 488-3880  
Fax: (972) 488-3882  
Direct: (972) 265-7186  
Cell: (281) 265-7186

RE: Proposal No. 1210101(Rev.)  
Geotechnical Investigation  
City of Corinth Regional Drainage Project  
Northwest and Southeast of Corinth Parkway  
North of Denton Katy Trail  
City of Corinth, Texas

Dear Mr. Ray:

In accordance with your January 5 and January 14, 2021 email requests, we are pleased to submit the following cost estimate for geotechnical engineering services for the above referenced project.

The scope of the current requested investigation is to provide limited geotechnical investigation at the above referenced location in Corinth, Texas. It is our understanding the subject site consists of three (3) different properties owned by the City of Corinth, all located northwest and southeast of

Corinth Parkway, just north of Denton Katy Trail. We understand no clearing operations of existing trees will be performed prior to our investigation.

Drainage improvements to the first property, located between Corinth Parkway and Walton Road (between Denton Katy Trail and 3305 Corinth Parkway), will consist of filling in an existing intermittent stream tributary to the Elk Fork Trinity River. The filled in intermittent stream will be replaced with a reinforced concrete box (RCB) to help convey existing area runoff. The exact path of the planned RCB is yet to be determined. We understand the planned RCB located northwest of Corinth Parkway will be around fifteen (15) feet deep. The size of the RCB is yet to be determined. Excavated materials from the two (2) southeast properties will likely be utilized to re-grade the overall surface of the northwest property. On completion of grading and drainage improvements to the northwest property, this property is currently anticipated to be further developed with new streets, parking, and buildings in the future.

The first of the two (2) City owned properties southeast of Corinth Parkway is located between Denton Katy Trail and includes Corinth City Hall. Two (2) adjacent properties to the first Corinth City Hall occupied property consist of a commercial strip center property that fronts Corinth Parkway as well as the west end of the Autumn Oaks of Corinth property. The second City owned property southeast of Corinth Parkway is located between Denton Katy Trail and the south side of Autumn Oaks of Corinth. We understand the intent is to clear the existing intermittent stream overbanks located in these two (2) properties and re-grade such to increase flood storage. In addition, a total of two (2) new ponds will be constructed in the overbanks of the existing stream located within the two (2) properties southeast of Corinth Parkway.

The two (2) new ponds are planned to utilize wet bottoms (retained water/storm water ponds). The planned ponds (south pond and north pond) may require a clay liner if the native underlying alluvial in-situ materials are too permeable. The pond planned along the south side of the existing stream (south pond) will be excavated to as much as 20 feet below existing grades. The pond to be located on the north side of the current stream (north pond) will be excavated to as much as 16 feet below existing grades.

Side slopes for ponds are anticipated to be no steeper than 4H:1V above normal pool elevation. We understand 3H:1V side slopes will be utilized below normal pool elevation in the ponds. The normal pool water depths will be six (6) feet.

Future use of the two (2) properties located southeast of Corinth Parkway are anticipated to only have a park like use. The design of structures for detention inflow and outflow have not yet been determined.

The specific test boring locations requested include the following:

**Test Boring Locations**

<b>Property Identification and Proposed Structure(s)</b>	<b>Test Boring Locations</b>	<b>Test Boring Depths</b>
<b>Property Northwest of Corinth Parkway, Filled in Stream and 15' Deep Reinforced Concrete Box (RCB)</b>	<b>B-1 and B-2</b>	<b>25 Feet</b>
<b>1st Property Southeast of Corinth Parkway (Containing Corinth City Hall), Existing Stream Banks Re-graded, West Portion of 20' Deep South Wet Pond</b>	<b>B-3 and B-4</b>	<b>25, 30 Feet</b>

Due to heavy existing tree cover and clearing operations planned subsequent to our investigation, the second property southeast of Corinth Parkway will not be accessed at the time of our current investigation. Additional future test boring locations can be advanced within the second property southeast of Corinth Parkway (bounded by City Hall property and Autumn Oaks of Corinth). The existing stream banks will be re-graded in the second property southeast of Corinth Parkway. In addition the east portions of twenty (20) feet deep South Wet Pond are located the second property southeast of Corinth Parkway as well as the planned sixteen (16) feet deep North Wet Pond.

Per your current request, four (4) test intermittent sampling borings will be advanced at the locations described above (and per plans provided), within the near surface subgrade soils. The test borings will be advanced to a minimum depth of twenty-five (25) to thirty (30) feet below the existing grade or five (5) feet into rock, whichever occurs first. Intermittent underlying subgrade soil samples will be obtained assuming the use of a truck mounted drilling rig (no ATV mounted rig). We assume that the City of Corinth along with Texas 811 will assist in locating existing utility lines, as built drawings, and invert depths, as required. We also assumed access availability to the proposed test boring locations per our January 11, 2021 email addressed to Mr. Adam Ram (copy attached).

The purpose of the test boring is to perform subgrade soil classification tests, determine the feasibility of unlined wet ponds or the necessity and properties of proposed clay liners as well as provide recommendations for allowable bearing pressures, at rest and active fluid pressure exerted by backfill material for the reinforced box culvert (RCB) and pond detention inflow and outflow structures. No slope stability of existing or proposed structures was requested or will be provided.

Our proposal is based on the assumption that an All-Terrain Vehicle (ATV) rig will not be required to gain access to and test boring at the requested locations.

Based on your request and prior experience with the types of soils encountered in the general area, using our current Geotechnical Schedule of Fees, we estimate that the following drilling, laboratory tests and report costs will be required:

**Boring, Testing and Report Preparation**

6	Hours Project Geotechnical Engineer for Project Set Up, Site Inspection, and Scheduling of Drilling @ \$135.00/Hr .....	\$810.00
2	Vehicle Trip Charges to Corinth @ \$55.00 .....	\$110.00
12	Hours of Staff Engineer Time to Log Test Boring Data over Assumed One (1) Day of Truck Mounted Drilling Operations (Daytime) Estimate 12 Hours Staff Engineer Time @ \$125.00/Hr .....	\$1,500.00
1	Logger Vehicle Trip Charge (Test Borings, Daytime) Full- Day Trip Charge (Over 4-hours) @ \$ 63.00/Each. ....	\$63.00
80	Linear Feet of Intermittent Sample Test Boring (Daytime) @ \$17.50/Ft. ....	\$1,400.00
1	Mobilization of Standard Truck Mounted Drilling Rig (Daytime) @ \$400.00 each .....	\$400.00
2	Staff Engineer Hours to Assign Lab Tests Two (2) Hours @ \$125.00/Hr .....	\$250.00
24	Moisture Content Tests @ \$12.00/Test .....	\$288.00
12	Atterberg Limits Tests @ \$66.00/Test. ....	\$792.00
6	Percent Passing a No. 200 U.S. Sieve Tests @ \$40.00/Test .....	\$240.00
3	Falling Head Permeability Tests @ \$225.00/Test .....	\$675.00
10	Hours for Project Geotechnical Engineer Analysis and Report Preparation @ \$135.00/Hr .....	\$1,350.00
2	Hour of Principal Engineer Analysis and Report Preparation @ \$205.00/Hr .....	\$410.00

Estimated Total of Boring, Lab Testing and Report ..... **\$8,288.00**

An engineering report will be prepared by a team consisting of a qualified geotechnical engineer and a registered professional engineer. The report will include the following findings and recommendations:

1. Plan of Borings and Logs of Borings, Referenced to Existing Ground Elevation (Provided by Others)
2. Results of Laboratory Testing
3. Site Observations and Comments
4. Recommendations for Pond Inflow/Outflow Structures as well as Junction Box and Storm Drain Line Foundations Including Allowable Bearing Pressure and Necessity for Utilization of Flexible Base Beneath Such
5. At Rest and Active Fluid Pressure Exerted by Backfill Material for Box Culverts and Pond Inflow/Outflow Structures
6. Criteria for Placement and Processing of Trench Fill Materials
7. Preliminary Recommendations for Wet Pond Liners (If Required)

This proposal is based on the assumption that the site is accessible to truck mounted drilling equipment. We will take all reasonable precautions to minimize damage to adjacent and subject site property. However, it should be understood that during the normal course of our work some damage may occur, the correction of which is not included in our proposal.

Soil sampling in cohesive soils will be performed with thin wall Shelby tubes in general accordance with ASTM D1587. Granular or hard soils/rock will be sampled with a split spoon sampler in general accordance with ASTM D1586. Soil samples will be extruded and sealed at the site and transported to our laboratory for testing.

Groundwater levels in each boring will be measured at the completion of each boring and at the end of the working day.

A laboratory testing program will be assigned by a geotechnical engineer to meet the particular needs of the project after visually examining soil samples collected. Using periodically calibrated equipment, our experienced laboratory technicians will perform the anticipated tests listed above.

These services will be performed in accordance with our standard fee schedule. Based on information presently available and our experience the estimated cost of this investigation including four (4) test borings will be \$8,288.00. This cost includes a meeting to discuss our findings (if desired) at the completion of our investigation. Supplemental meetings and/or recommendations not included in the original anticipated scope of work may be assessed using our standard rate.

We anticipate this investigation will take approximately four (4) to five (5) weeks for completion, weather permitting. Limited verbal recommendations will be provided to you on completion of field drilling operations.

We understand we have been selected for this project and therefore, when providing this estimate, we are not in violation of laws governing procurement of professional engineering services with public entities.

If this proposal is acceptable to you, please sign the enclosed copy, along with the *Agreement for Geotechnical Engineering Services* and return it to us at your earliest convenience.

Thank you for the opportunity to be of service to you. Should you have any comments and/or questions, please do not hesitate to contact us. We are looking forward to working with you.

Very truly yours,

**GEE Consultants, Inc.**

*Ariel Xu For*  
Ramchandra Baral, M.S.C.E., E.I.T.  
Project Manger

  
Richard W. Gee, P.E.  
President

RB:RWG/ax

Attachment

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_

AGREEMENT FOR GEOTECHNICAL ENGINEERING SERVICES

THIS AGREEMENT is by and between

City of Corinth, Texas
c/o Mr. Adam C. Ray, P.E., CFM
Hydrology & Hydraulics
Jones | Carter Engineering
2805 Dallas Parkway, Suite 600
Plano, TX 75093
Email: aray@jonescarter.com
Office: (972) 488-3880
Fax: (972) 488-3882
Direct: (972) 265-7186
Cell: (281) 265-7186

and GEE CONSULTANTS, INC., a Texas corporation, hereinafter called GEE, who agree as follows:

1. DECLARATIONS. CLIENT desires to engage GEE to provide Geotechnical Engineering services in connection with CLIENT's project ("THE PROJECT") described as follows:

Geotechnical Investigation
City of Corinth Regional Drainage Project
Northwest and Southeast of Corinth Parkway
North of Denton Katy Trail
City of Corinth, Texas

GEE has provided a proposal and/or fee schedule to CLIENT for Geotechnical Engineering services, which fee schedule is acceptable to CLIENT.

2. SCOPE OF WORK. GEE shall provide Geotechnical Engineering services for THE PROJECT in accordance with the accompanying proposal "scope of services" made a part hereof as Exhibit "A" and the "terms and conditions" set forth on the back of and made a part of this Agreement.

EXECUTED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2021.

CLIENT: \_\_\_\_\_
By: \_\_\_\_\_
Title: \_\_\_\_\_

GEE CONSULTANTS, INC.
By: [Signature] 1/15/21
Title: President

TO BE COMPLETED BY CLIENT:
FOR PAYMENT OF SERVICES:

Firm: \_\_\_\_\_
Address: \_\_\_\_\_
Zip Code: \_\_\_\_\_ Phone No. \_\_\_\_\_
Attention: \_\_\_\_\_ Title: \_\_\_\_\_
Invoice to the Account of: \_\_\_\_\_

FOR APPROVAL OF INVOICE(S):

If the invoice is to be mailed for approval to someone other than the account charged, please indicate where to mail the invoice in the space below.

Firm: \_\_\_\_\_
Address: \_\_\_\_\_
Zip Code: \_\_\_\_\_ Phone No. \_\_\_\_\_
Attention: \_\_\_\_\_ Title: \_\_\_\_\_

AGREEMENT BETWEEN THE CONSULTING GEOTECHNICAL ENGINEER (GEE) AND THE CLIENT

MISCELLANEOUS INFORMATION

The CLIENT and/or his architect and/or his engineer shall provide GEE with all information concerning the site which is the subject matter of this contract specifically including but not limited to geotechnical information testing reports, site plan, utility easements and locations and building locations and other such information which would be of benefit to the GEE in preparing and/or completing its work. GEE shall have the right to rely upon the accuracy of the information provided in performing its service.

RIGHT OF ENTRY

The client will provide for right of entry of GEE and all necessary equipment, in order to complete the work.

While GEE will take all reasonable precautions to minimize any damage to the property, it is understood by the CLIENT that in the normal course of work some damage may occur, the correction of which is not part of this Agreement.

UTILITIES

In the prosecution of his work, GEE will take all reasonable precautions to avoid damage or injury to subterranean structures or utilities.

The CLIENT agrees to hold GEE harmless for any damages to subterranean structures which are not called to GEE's attention and correctly shown on the plans furnished which Indemnity Agreement shall specifically protect GEE.

SAMPLES

GEE will retain all soil and rock samples for thirty (30) days. Further storage or transfer of samples can be made at owner expense upon written request.

INVOICES

GEE will submit invoices to CLIENT monthly and a final bill upon completion of services. Payment is due upon presentation of invoice and is past due thirty (30) days from invoice date. The CLIENT agrees to pay a finance charge of one and one-half percent (1 1/2%) per month, or the maximum rate allowed by law, on past due accounts, whichever is less.

OWNERSHIP OF DOCUMENTS

All reports, boring logs, field notes, laboratory test data, calculations, estimates, and other documents prepared by GEE, as instruments of service, shall remain the property of GEE. It is specifically understood and agreed that all reports, boring logs, field data, field notes and laboratory test data, calculations, estimates, and other documents were prepared at a specific time and under a specific set of criteria for use by the CLIENT named herein. Accordingly, such reports and other information noted shall not be transferred by the CLIENT to any third party nor shall any representation be made by the CLIENT to such a third party regarding their ability to rely upon any of the reports or other information noted without the express written consent of GEE.

The CLIENT agrees that all reports and other work furnished to the CLIENT or his agents, which are not paid for, will be returned upon demand and will not be used by the client for any purpose whatsoever.

GEE will retain all pertinent records relating to the services performed for a period of five (5) years following submission of the report, during which period the records will be made available to the CLIENT at all reasonable times.

DISPUTES

In the event that a dispute should arise relating to the performance of the services to be provided under this Agreement, and should that dispute result in litigation, it is agreed that the prevailing party shall be entitled to recover all reasonable costs incurred in the defense of the claim, including staff time, court costs, attorneys' fees, and other claim-related expenses.

STANDARD OF CARE

Service performed by the GEE under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. No warranty, express or implied, is made.

The CLIENT recognizes that subsurface conditions may vary from those encountered at the location where borings, surveys, or explorations are made by GEE and that the data, interpretations and recommendations of GEE are based solely on the information available to him. GEE's responsibility

shall be to develop data, interpretations and recommendations in a reasonably prudent manner exercising the care and skill noted in the preceding paragraph. GEE shall not be responsible for the interpretation or use by others of the information developed.

INSURANCE

GEE agrees to indemnify and save the CLIENT harmless from and against any loss, damage, or liability arising from any negligent acts by GEE, his agents, staff, and consultants employed by him. GEE shall not be responsible for any loss, damage or liability beyond the amounts, limits, and conditions of GEE's insurance. GEE shall not be responsible for any loss, damage, or liability arising from any acts by the CLIENT, his agents, staff, and other consultants employed by him.

LIMITATION OF LIABILITY

**In recognition of the relative risks and benefits of the Project to both the CLIENT and GEE, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of GEE, and its individual owners, officers, employees and consultants, hereafter referred to as "GEE" to the CLIENT for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorney's fee and costs and expert-witness fees and costs, so that the total aggregate liability of GEE to the CLIENT shall not exceed \$25,000, or GEE's total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.**

In the event the CLIENT does not agree to limit GEE's liability to this sum, and if client requests a modification in the limitation of liability sum in writing prior to the acceptance of this Agreement, GEE agrees to negotiate a greater amount of liability in exchange for an increase in scope and fee appropriate to the project and liability risks involved.

TERMINATION

This Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, GEE shall be paid for services performed to the termination notice date plus reasonable termination expenses.

In the event of termination, or suspension for more than three (3) months, prior to completion of all reports contemplated by this Agreement, GEE may complete such analyses and records as are necessary to complete their files and may also complete a report on the services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs of GEE in completing such analyses, records, and reports.

ASSIGNS

Neither the CLIENT nor GEE may delegate, assign, sublet or transfer his duties, data generated by this investigation, or interest in this Agreement without the written consent of the other party.

Signature of CLIENT responsible for payment of work performed by GEE CONSULTANTS, INC. (GEE)

Client: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



January 6, 2021  
Proposal No. 1-4

Jones & Carter  
2805 Dallas Parkway, Suite 600  
Plano, Texas 75093  
ATTN: Mr. Adam C. Ray, P.E.

**ROUTINE WETLAND DELINEATION  
PROPOSED MUNICIPAL DEVELOPMENT  
FROM WALTON ROAD TO SOUTH OF CORINTH PKWY.  
CORINTH, TEXAS**

Mr. Ray:

Submitted here is our proposal to perform a "Routine Wetland Delineation" for the above referenced project. This proposal is based on a guidance document for Clean Water Act Jurisdiction Following the U.S. Supreme Court's Decision in *Rapanos v. United States & Carabell v. United States* that was prepared by the United States Environmental Protection Agency (EPA) and United States Army Corps of Engineers (USACE) on June 5, 2007, and Federal Register/Volume 85, No. 77, dated April 21, 2020 concerning The Navigable Waters Protection Rule: Definition of "Waters of the United States - Final Rule, our review of the site, and your request for proposal on January 5, 2021.

**Site Description**

The subject property is an irregular-shaped tract of vacant land that encompasses approximately 15.5 acres on the north and south sides of Corinth Parkway. The property is located from south of Walton Road to south of Corinth Parkway, within the City of Corinth, Denton County, Texas. Stelly previous delineated approximately 10.5 acres on the north side of Corinth Parkway (Stelly Project No. 1220, dated May 13, 2020) and identified approximately 690 linear feet of ephemeral stream channel. The stream is an unnamed tributary to Lake Lewisville. Surrounding properties consist of commercial and retail businesses, City of Corinth municipal buildings, schools, and vacant land.

**Scope of Services**

Stelly Environmental, LLC (Stelly) will conduct the Routine Wetland Delineation in accordance with the USACE Wetlands Delineation Manual (January 1987). The procedures are as follows.

**Routine Wetland Delineation:** Stelly will perform a Routine Wetland Delineation to identify USACE jurisdictional waters that may be present at the subject property for purposes of permitting under Section 404 of the Clean Water Act (1972). During the delineation field work, pin flags will be placed at the wetland/stream and upland boundaries. Subsequent to the on-site delineation, the pin flags can be surveyed and used for project design purposes.

Jones & Carter  
Proposal No. 1-4  
January 6, 2021  
Page 2 of 4

Prepare Delineation Report: Upon completion of the delineation, Stelly will prepare a written report that provides the findings, conclusions, and recommendations of the delineation.

Submit Delineation Report and AJD: At the request of the Jones & Carter, Stelly will complete an Approved Jurisdictional Determination (AJD) form and required spreadsheets and then submit the delineation report and forms to the Corps of Engineers Fort Worth District for concurrence. Stelly will also work with the Corps of Engineers during the AJD review process. An additional site visit with the Corps of Engineers may be required.

**Report Timeframe**

The work should be completed within approximately four weeks of authorization, providing Stelly receives timely access to the project site and good weather. Obtaining verification from the Corps of Engineers could take an additional 45 – 60 days.

**Proposed Budget**

Based on the proposed scope of services, we anticipate a budget of \$3,600.00 and \$3,700.00 to complete the Wetland Delineation and ADJ review process. The maximum budget of \$3,700.00 will not be exceeded without prior authorization.

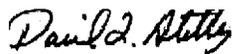
Unless prior arrangements are agreed to in writing, payment for services is due upon receipt of the invoice. Payment not received within 30 calendar days will be charged interest at a rate of 1.0% per month.

**Authorization**

We appreciate the opportunity to present this proposal and look forward to working with you on the project. Authorization to proceed may be indicated by signing and returning a copy of this proposal to our office, via email or mail. If any questions arise, do not hesitate to call.

Sincerely,

STELLY ENVIRONMENTAL, LLC



David L. Stelly  
Environmental Scientist

\_\_\_\_\_  
Authorized by

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

DLS/dls

copies submitted: (1) Via Email Only

Jones & Carter  
 Proposal No. 1-4  
 January 6, 2021  
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**COST ESTIMATE  
 ROUTINE WETLAND DELINEATION  
 PROPOSED MUNICIPAL DEVELOPMENT  
 FROM WALTON ROAD TO SOUTH OF CORINTH PKWY.  
 CORINTH, TEXAS**

**Field Services**

8 Hours, Travel Time and On-Site Delineation Field Work – Environmental Scientist	<u>\$ 640.00</u>
Subtotal, Field Services	<u>\$ 640.00</u>

**Engineering Analysis and Report**

15 Hours, Research, and Delineation Report Preparation – Environmental Scientist	\$1,200.00
12 Hours, ADJ Form and Aquatic Resource Spreadsheet Preparation, Report Verification Submittal, Additional Site Visit, and Project Coordination - Environmental Scientist	960.00
10 Hours, Drafting and Secretarial Support	500.00
Aerial Photographs	200.00
Miscellaneous Field and Office Equipment	120.00
Photographic Documentation	<u>20.00</u>
Subtotal, Engineering	<u>\$3,000.00</u>

TOTAL ESTIMATED AMOUNT \$3,640.00

Based on the above work, the total cost for our services is estimated to be \$3,640.00. Stelly Environmental, LLC reserves the right to vary quantities and types of services, as the project requires.



January 6, 2021  
 Proposal No. 1-5

Jones & Carter  
 2805 Dallas Parkway, Suite 600  
 Plano, Texas 75093  
 ATTN: Mr. Adam C. Ray, P.E.

**NATIONWIDE PERMIT APPLICATION PREPARATION  
 PROPOSED MUNICIPAL DEVELOPMENT  
 FROM WALTON RD. TO SOUTH OF CORINTH PKWY.  
 CORINTH, TEXAS**

Mr. Ray:

Submitted here is our proposal to perform work associated with the above proposed project that will be constructed within jurisdictional waters of the United States at the above referenced property. Stelly previously performed a Routine Wetland Delineation (Stelly Project No. 1220) on a portion of the proposed project site to identify potential waters of the United States and found approximately 690 linear feet of ephemeral stream channel across the property between Walton Road and Corinth Parkway. The work within this proposal is a requirement for obtaining a Nationwide Permit No. 39 (Commercial and Institutional Developments) from the United States Army Corps of Engineers (USACE) for the proposed project.

The work will include the preparation of an Endangered Species review, Section 401 Water Quality Certification, and a Nationwide Permit No. 39 application for the site. In addition, Stelly Environmental, LLC will work with state and federal regulatory agencies during the permitting process. This proposal assumes that the project will be eligible for a Nationwide Permit for proposed impacts to waters of the United States (WOTUS) at the project site.

**Site Description**

The subject property is an irregularly-shaped tract of vacant land that encompasses approximately 15.5 acres. The property is located from Walton Road to south of Corinth Parkway, within the City of Corinth, Denton County, Texas. Surrounding properties consist of City of Corinth municipal buildings, commercial properties, and vacant land.

**Scope of Services**

Stelly Environmental, LLC (Stelly) will prepare a Mitigation Proposal with Alternative Analysis based on the development needs of the project and acceptable mitigation measures. The procedures are as follows:

**Prepare Mitigation Proposal with Alternatives Analysis:** Stelly will provide a draft copy of the Mitigation Proposal to Jones & Carter for review.

**Submit the Mitigation Proposal with Alternatives Analysis:** Upon approval of the draft Mitigation Proposal, a final copy of the proposal will be submitted to the USACE Fort Worth District.

Jones & Carter  
Proposal No. 1-5  
January 6 2021  
Page 2 of 3

Nationwide Permit No. 39 Application Preparation: Stelly will prepare a Nationwide Permit No. 39 application for the proposed municipal development. Upon approval by Jones & Carter, the application will be submitted to the USACE Fort Worth District for review.

Endangered Species Review: Stelly will conduct an endangered and threatened species review for the project. Copies of the review will be submitted to Jones & Carter for acceptance prior to submittal to USACE. If site conditions warrant further investigation, an endangered or threatened species survey may be necessary for the project.

Section 401 Water Quality Certification: Stelly will prepare the Water Quality Certification and submit the certification to Jones & Carter for approval. Upon approval, the certification will be submitted to the USACE Fort Worth District.

**Proposed Budget**

Based on the proposed scope of services, we anticipate a budget of \$4,950.00 to \$5,050.00 to complete the above work. The maximum budget of \$5,050.00 will not be exceeded without prior authorization.

Unless prior arrangements are agreed to in writing, payment for services is due upon receipt of the invoice. Payment not received within 30 calendar days will be charged interest at a rate of 1.0% per month.

**Authorization**

We appreciate the opportunity to present this proposal and look forward to working with you on the project. Authorization to proceed may be indicated by signing and returning a copy of this proposal to our office, via email or mail. If any questions arise, do not hesitate to call.

Sincerely,

STELLY ENVIRONMENTAL, LLC



David L. Stelly  
Environmental Scientist

\_\_\_\_\_  
Authorized by

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

DLS/dls

copies submitted: (1) Via Email Only

Jones & Carter  
 Proposal No. 1-5  
 January 6 2021  
 Page 3 of 3

**COST ESTIMATE  
 NATIONWIDE PERMIT APPLICATION PREPARATION  
 PROPOSED MUNICIPAL DEVELOPMENT  
 FROM WALTON RD. TO SOUTH OF CORINTH PKWY.  
 CORINTH, TEXAS**

**Environmental Analysis and Reports**

24 Hours, Mitigation Proposal with Alternative Analysis Preparation - Environmental Scientist	\$1,920.00
20 Hours, Permit Application and Water Quality Certification Preparation – Environmental Scientist	1,600.00
2 Hours, Endangered Species Review – Environmental Scientist	160.00
10 Hours, Drafting and Secretarial Support	500.00
10 Hours, Project Coordination and Meetings	<u>800.00</u>
Subtotal, Analysis and Reports	\$4,980.00
<b>TOTAL ESTIMATED AMOUNT</b>	<b><u>\$4,980.00</u></b>

Based on the above work, the total cost for our services is estimated to be between \$4,950.00 and \$5,050.00. Stelly Environmental, LLC reserves the right to vary quantities and types of services as the project requires. The upper limit budget will not, however, be exceeded without prior written authorization.



6 January 2021

Mr. David Stelly  
Stelly Environmental, LLC  
309 N. Adelaide St., Suite A  
Terrell, Texas 75160

**Re: CMEC Proposal for Archeological Services for the Proposed Detention/Floodplain Improvements along Lynchburg Creek Tributary 3, Corinth, Denton County, Texas**

Dear Mr. Stelly:

Cox|McLain Environmental Consulting, Inc. (CMEC) is pleased to submit this proposal to provide archeological services for the above-referenced project. It is understood that the project entails the construction of municipal buildings between Walton Road and Corinth Parkway and stormwater management south of Corinth Parkway along approximately 1,386 feet along Lynchburg Creek Tributary 3. The area north of Corinth Parkway will be filled and leveled for construction of municipal buildings while below the Parkway improvements will be made for preventing detention and flooding through clearing the heavily wooded stream banks and constructing ponds away from potential jurisdictional areas of the stream diverting water through diversion/discharge structures and use of riprap where necessary. Approximately 10 acres of City-owned land will be involved.

CMEC understands that the project is owned and funded by the City of Corinth which makes it subject to the Antiquities Code of Texas. Likewise, it is subject to Section 106 of the National Historic Preservation Act (NHPA) due to the potential for a Nationwide Permit from the U.S. Army Corps of Engineers (USACE). Coordination with the USACE and Texas Historical Commission (THC) will be conducted at the same time.

**Scope of Work—Desktop Review and THC/USACE Letter Submittal**

Based on the data as we understand it, CMEC proposes that a desktop review be conducted, and that a results letter be prepared for submittal to the THC/USACE for review. This letter will detail key aspects of the project that support the probability of intact cultural deposits being considered low.

CMEC cultural resources personnel will conduct searches of the Texas Archeological and Historic Sites Atlas, maintained by the THC and Texas Archeological Research Laboratory to identify previously documented archeological sites, cemeteries, historical markers, properties and districts listed on the National Register of Historic Places (NRHP), and State Antiquities Landmarks (SALs). Results of the search will be integrated with soil information, topographic maps, aerial photographs, and other pertinent data in a formal consultation letter to the THC and USACE on behalf of the City of Corinth.

Assuming THC and USACE acceptance and concurrence of the results letter from the desktop review, the project will be allowed to proceed without any additional archeological investigations. The cost of this service described above would be conducted for a fee of **\$1,946**, to be billed on a **lump-sum** basis. This fee is valid for 90 days.



### Assumptions and Exclusions

- THC and USACE coordination will be conducted at the same time
- Stelly Environmental will provide shapefiles of the project for use in the letter report maps.
- Exclusions: archeological survey (pedestrian or mechanical trenching), archeological monitoring, testing, or data recovery; ecological services; right-of-entry coordination; human environment studies; Section 4(f) services; historic resources reconnaissance or intensive study, NRHP nominations, or HABS/HAER documentation; human remains evaluation, coordination, removal, or reinterment; or artifact processing, detailed analysis, or curation. All excluded services could be provided under separate scope/budget.

CMEC greatly appreciates the opportunity to submit this proposal. Please feel free to contact me at 469-647-4866 or [missig@coxmcclain.com](mailto:missig@coxmcclain.com) if you have any questions.

Sincerely,

Melissa M. Green, RPA  
Senior Archeologist / Principal Investigator  
Cox|McLain Environmental Consulting, Inc.

**Stelly Environmental, LLC - Lynchburg Creek Tributary 3 Coordination Letter  
Cox|McLain Environmental Consulting, Inc.**

**LABOR**

Description	Sr. Env. Scientist	Env. Scientist	Env. Prof. II	Env. Prof. I	Env. Staff II Sr. GIS	Env. Staff I/ GIS Analyst	Env. Tech II/ Tech Editor	Admin	Totals
	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours
<b>Task 1</b> Desktop Review & THC/USACE Letter		12			6		2	2	22
<b>Task 2</b> Project Management									0
<b>Task 3</b> Permit Application Preparation (assume none; 106 only)									0
<b>Task 4</b> Pre-field Preparation									0
<b>Task 5</b> Field Investigations									0
<b>Task 6</b> Interim and Draft Report Preparation/Editing, QC									0
<b>Task 7</b> Agency Review and Comment Response									0
<b>Task 8</b> Final Report Production/Distribution/Curation									0
<b>Total Labor Hours</b>	0	12	0	0	6	0	2	2	22
<b>Rate</b>	\$125.00	\$110.00	\$95.00	\$80.00	\$70.00	\$60.00	\$55.00	\$48.00	
<b>SUBTOTAL Labor Cost</b>	\$0	\$1,320	\$0	\$0	\$420	\$0	\$110	\$96	\$1,946

**EXPENSES**

	Unit	Quantity	Rate	Total
Backhoe + operator	Day	0	\$ 1,500.00	\$0
Mileage (Allowable IRS Rate)	Miles	0	\$ 0.580	\$0
Hotel	Day	0	\$ 94.00	\$0
Per Diem	Day	0	\$ 55.00	\$0
Vehicle Rental and Fuel	Day	0	\$ 90.00	\$0
Airfare	R/T	0	\$ 400.00	\$0
Overnight Delivery	Letter	0	\$ 15.00	\$0
Field Supplies (At cost)	Misc	0	\$ 100.00	\$0
GPS Camera Use	Day	0	\$ 25.00	\$0
Film Process and Development	36 Exp.	0	\$ 20.00	\$0
Color Reproduction - Plates	Page	0	\$ 1.00	\$0
Copies - B&W	Page	0	\$ 0.10	\$0
CAS Curation - records only	Inch	0	\$ 250.00	\$0
Texas Site Forms	Each	0	\$ 96.00	\$0
<b>TOTAL Non-labor Expenses</b>				\$0

Notes/Assumptions: Coordination letter for THC & USACE

**TOTAL COSTS - CMEC** **\$1,946**