

KENNEDALE CITY COUNCIL
AGENDA
REGULAR MEETING
August 8, 2013
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

WORK SESSION - 5:30 PM
REGULAR SESSION - 7:00 PM

I. CALL TO ORDER

II. WORK SESSION

**NOTE: Pursuant to Section 551.071, Texas Government Code, the City Council reserves the right to adjourn into Executive Session at any time during the work session or the regular session to discuss posted executive session items or to seek legal advice from the City Attorney on any item posted on the agenda.*

- A. Discuss insurance requirements for contractors.
- B. Discuss Village Creek risk identification grant program.
- C. Discuss Global Water contract change order.
- D. Discuss health insurance bids.
- E. Effective Tax Rate & Rollback Tax Rate Summary.
- F. Balanced Scorecard Report
- G. Discuss other agenda items as needed.

III. REGULAR SESSION

IV. ROLL CALL

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

"Honor the Texas Flag; I Pledge Allegiance to Thee, Texas, One State under God; One and Indivisible."

VIII. VISITOR/CITIZENS FORUM

At this time, any person with business before the Council not scheduled on the agenda may speak to the Council. No formal action can be taken on these items at this meeting.

IX. REPORTS/ANNOUNCEMENTS

In addition to any specific matters listed below, the city council may receive a report about items of community interest, including but not limited to recognition of individual officials, citizens or departments, information regarding holiday schedules, upcoming or attended events, etc.

A. Updates and information from the Mayor:

- Recognize Library Summer Reading Program winners
- Announce 2013 board appointment process and schedule

B. Updates and information from Council, if any.

- Special presentation

C. Updates and information from the City Manager, if any.

X. CONSENT ITEMS

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are considered to be routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately.

A. Consider approval of minutes from July 11, 2013 regular meeting.

XI. REGULAR ITEMS

A. Appointment of a councilmember to serve as the 2013-2014 Mayor Pro-Tem.

B. Discuss and consider approval of an Ordinance establishing a Planning and Zoning Commission and repealing all previous establishing ordinances for that board.

C. Discuss and consider a resolution regarding a financing agreement for the purpose of procuring water meters and related technology.

D. Discuss and approve bid award for health, dental, vision, life and AD&D, and voluntary life insurance and authorize the City Manager to sign the agreements

E. Discuss and consider approval of Developers Agreement with DR Horton for Beacon Hill Phase II.

XII. EXECUTIVE SESSION

A. The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or

dismissal of a public officer or employee.

1. Discuss City Manager performance related to code enforcement.

XIII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

XIV. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact Amethyst Cirno, City Secretary, at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the August 8, 2013, agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.



Amethyst G. Cirno, City Secretary

Date: August 8, 2013

Agenda Item No: WORK SESSION - A.

I. Subject:

Discuss insurance requirements for contractors.

II. Originated by:

Bob Hart, City Manager

III. Summary:

The city code currently states:

"(a) It shall be unlawful for a contractor, as defined herein, to perform work within the city unless such contractor has applied for and obtained appropriate registration by application to the building official; (b) such application shall contain the following information:...(3) a copy of current liability insurance evidencing minimum coverage levels, where such insurance is required by this Code or other law."

The code only requires it for plumbers and no other trades or general contractors. State law requires that trade (plumbers, electricians, and mechanical) contractors maintain insurance. There is no provision requiring a general contractor to have insurance. The general contractors addressed are those that do small jobs such as fences, decks, roofs, etc. Staff desires to have some clarity as to the intent of provision (3) requiring the submittal of proof of insurance.

The issue has been placed on the agenda to determine if/how you would want to address this issue. For example, should the city obtain a copy of the insurance coverage for the trades as a part of the building permit process? The second issue is do you wish to require general contractors to provide proof of insurance? In the area, Arlington requires the insurance of general contractors and Mansfield does not. Arlington does so in order to improve the quality of contractors working in town. A case can be made for either approach.

The staff recommendation is to require the insurance of general contractors and require the submission of proof of insurance by the trades in order to raise the expectation of quality work within Kennedale. If council agrees, an ordinance will be prepared for the September meeting.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: WORK SESSION - B.

I. Subject:

Discuss Village Creek risk identification grant program.

II. Originated by:

Bob Hart, City Manager

III. Summary:

The NCTCOG submitted a proposal to FEMA to conduct a risk analysis on a number of stream segments within the Trinity River. FEMA indicated that it would favorably consider Village Creek Watershed and the east Fork Trinity and Denton Creek Watersheds. The studies would be done under the Cooperating Technical partner (CTP) program.

Village Creek has 20 major flood events recorded in the watershed since 1916, with the last being in 2010 from tropical storm Hermine. Hydrologic and hydraulic analyses for Village Creek are over 25 years old and do not accurately represent the flood risk within the watershed. A multi-year approach is proposed to accomplish the development of accurate flood risk information and Risk MAP products to give communities the necessary tools to move toward mitigation actions.

This proposal is the first of three projects to map the entire Village Creek watershed. The first year project would encompass Kennedale, a portion of Arlington, and portions of Tarrant County. This data is especially important to Kennedale because it is the source of information required to obtain grant funding for hazard mitigation within the main stream of Village Creek. The FEMA hazard mitigation program, the Corps of Engineers flood control study and the EPA water quality programs are all essential to achieving the cleanup of Village Creek. Second, FEMA is eliminating the subsidy for flood insurance. Hence, it is important to have up to date maps that accurately reflect flood exposure for flood insurance purposes.

This has been placed on the agenda to discuss the proposed grant program in anticipation of the interlocal agreement, letter of support, and funding of local match funds. Kennedale local funds will not exceed \$86,000 and has been placed in the recommended stormwater fund budget.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

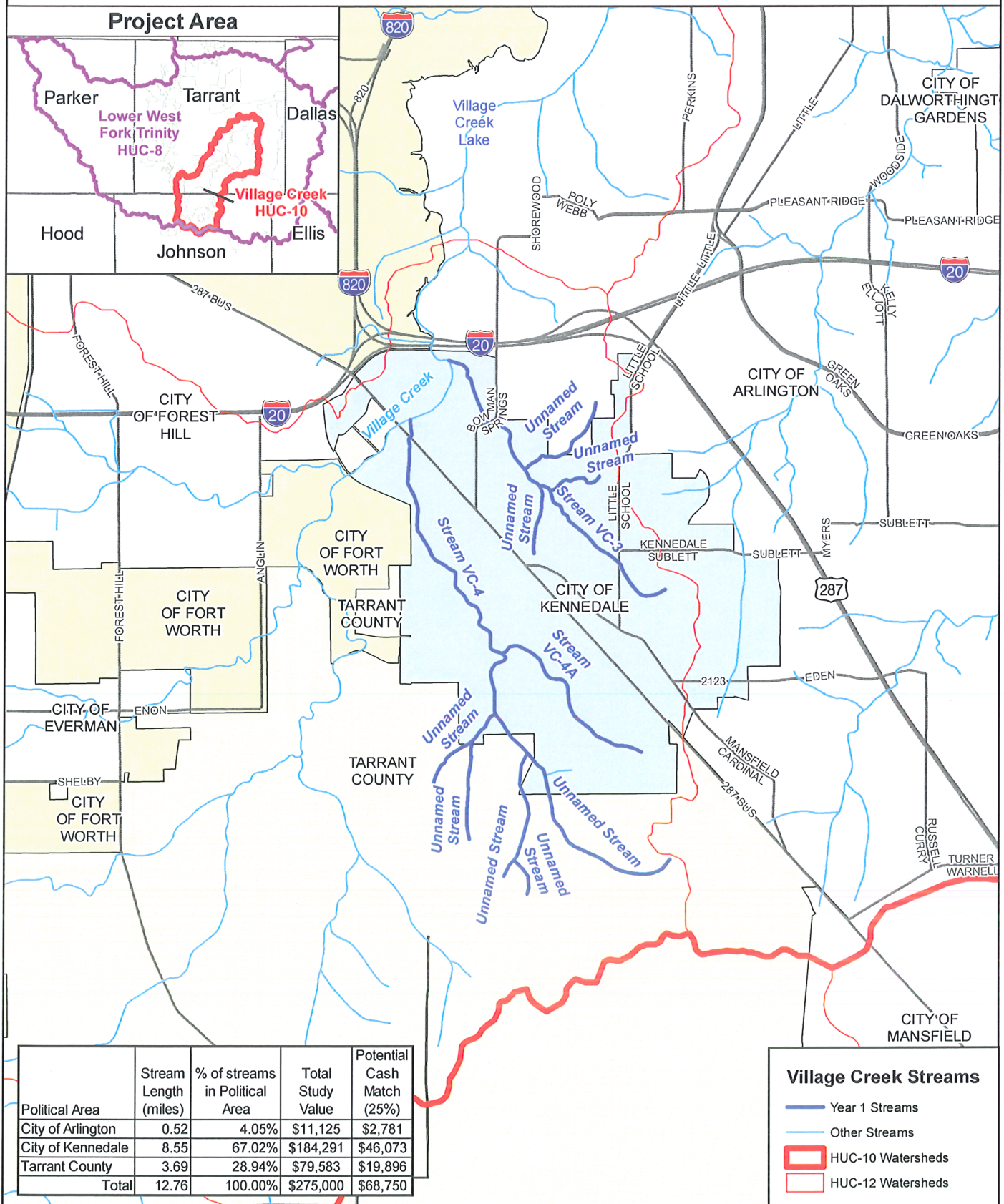
VII. Alternative Actions:

VIII. Attachments:

1.	Maps	20130802133641558.pdf
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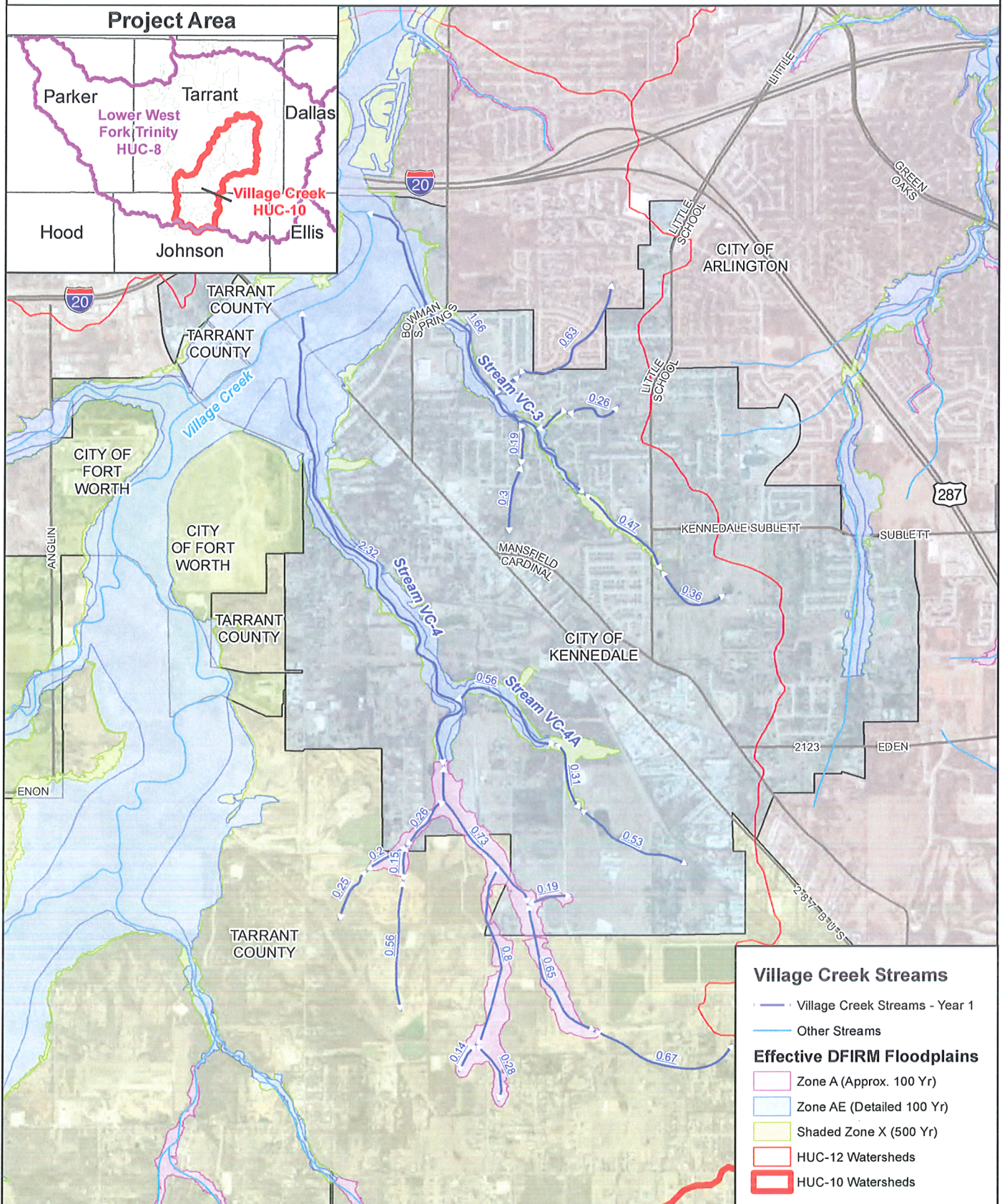
FY13 Village Creek Watershed Flood Risk Identification Project

Potential Cost-Shares based on Stream Miles



FY13 Village Creek Watershed Flood Risk Identification Project

Stream Miles with Current Floodplains



Date: August 8, 2013

Agenda Item No: WORK SESSION - C.

I. Subject:

Discuss Global Water contract change order.

II. Originated by:

Bob Hart, City Manager
Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The City has a mix of Badger meters. A portion are non-automatic read (Badger meter, Badger register), and the others are automatic read (Badger meter, Badger register, Orion transponder). The meter is obviously the meter; the register tracks water consumption to a specific gallon; the transponder relays the meter readings to the current AMI system. Over the last five years and due to obsolescence, we have been in the process of replacing old Badger meters (older than 10 years) with new Badger meters, replacing old Badger registers that read 6 digits (per 10 gallon) to new Badger registers that read 7 digits (per 1 gallon), and adding the Orion transponder to any new replacements.

Upon signing with Global Water, the project entailed completing our last and 5th year replacement schedule of Badger meters, along with an additional upgrades (Badger registers and Aclara transponders) to maximize the investment of our new AMI system and provide residents with the data granularity needed to manage household water consumption. Global's Aclara transponder varies from the Orion transponder because it enables hourly reads remotely versus automatic walk/drive by. In essence, our new utility infrastructure fleet would consist of Badger meters less than 5 years of age, new Badger registers that would read 8 digits (per 1/10 gallon), and new Aclara Endpoint transponders. The entire change out would essentially bring ALL meters up to 8 digits, which again allows for a capability of one-tenth of a gallon or better resolution. Just recently, however, Global Water informed the City that upon further talks with and its investigation into the Badger manufacturer, the 7 digit Badger registers are not compatible with the Aclara transponder (Global's AMI system). Badger originally told Global Water that not only is their 7 digit register compatible, but also their 8/9 digit registers as well. To date, none of the aforementioned registers are compatible.

Clearly a tenth of a gallon (per 1/10 gallon) or 8 digit reading is more advantageous as a component of our water conservation plan. At this point, we have two options.

The first is to continue with the Badger meters (replacing obsolete Badger meters with new Badger meters, replacing all Orion transponders to Aclara transponders, staying with 6 digit Badger registers). We would have to also convert all 7 digit Badger register back down to 6 digit in order for them to be compatible with Global's Aclara transponders since Badgers 7/8/9 digit registers are not compatible. The City could then wait several years, with hopes that either Badger or Aclara will add the ability for Badger 7/8/9 digit registers to be compatible with the Aclara AMI system. Then we would upgrade all 6 digit (per 10 gallons) Badger registers with 8 digit (per 1/10 gallons) Badger registers, keeping Badger meters and

Aclara transponders.

The second option is to replace all the Badger meters, Badger registers and Orion transponders with Neptune meters, Neptune 8 digit registers (per 1/10 gallon) and Aclara transponders. The advantage being, Neptune registers currently read 8 digit (per 1/10 gallon), and ALL City meters will be new with the enhanced ability to read more accurately. Meters are generally good for 15 years and registers for 5. The industry standard is that by replacing the meters with more accurate meters, the readings will offset additional cost.

The recommendation is option 2, to replace all the meters. In order to accomplish this complete change out, Global has agreed to do the replacement at cost. The additional cost is best included into the existing contract and amending the debt instrument to pay for the additional meters. The improved reading accuracy will pay for the cost and yield some small savings. In addition, the 1/10 of a gallon resolution will improve leak detection over the 10 gallon resolution, particularly on slow and small leaks. Several household activities use less than 10 gallons of water (flushing a toilet for example) that would not be picked up with the 10 gallon resolution register. The increased resolution will give Kennedale residents greater insights into their water consumption and make it easier for them to monitor and see success in conservation efforts.

This has been placed on the agenda for discussion and direction.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: WORK SESSION - D.

I. Subject:

Discuss health insurance bids.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Please refer to information from this item in the regular session section of the packet.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: WORK SESSION - E.

I. Subject:

Effective Tax Rate & Rollback Tax Rate Summary.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

Per our 2013 Tax Rate Worksheet calculations, the City's overall rollback tax rate is \$.804678/\$100 (adjusted down from \$.863833/\$100 for sales tax), and the overall effective tax rate is \$.730461/\$100.

The Property Tax Code specifies that "when a proposed rate exceeds the rollback rate or the effective rate, whichever is lower, the taxing unit's governing body, other than for a small taxing unit, a water district or a school district, must vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item."

The Fiscal Year 2013-14 Proposed Budget is **currently** funded with a proposed tax rate of \$0.722500 per \$100 valuation, and it represents no change from the prior year. Because the **current** proposed rate is below both the overall rollback and effective tax rate, the City is not required to conduct two separate tax public hearings nor follow strict publication and notice guidelines as prescribed by the State. Furthermore, the City Council is not required to "Vote To Place A Proposal To Adopt A Tax Rate (generating more revenue than in the previous year) On A Future Agenda." The City is only required to publish a notice and hold a hearing on the budget.

However, because the City Council is scheduled to meet on August 9, 2013 (the next day following Council's regular monthly meeting) to discuss the Fiscal Year 2013-14 Proposed Budget and tax rate, the current rate of \$.722500 per evaluation has not been set or approved. Therefore, there is a possibility that the City will be required to conduct two separate tax public hearings and "Vote To Place A Proposal To Adopt A Tax Rate (generating more revenue than in the previous year) On A Future Agenda."

Depending on Council's direction during the budget workshop, one of the two schedules below will apply:

SCHEDULE (PROPOSED RATE IS EQUAL TO OR LESS THAN EFFECTIVE RATE)

08/08/13	Provide Effective Tax Rate & Schedules To Council
08/09/13	Hold Council FY13/14 Budget Retreat
08/09/13	Publish Notice Of Effective Tax Rate & Schedules
08/23/13	Publish Notice of Public Hearing On Budget
09/12/13	Hold Public Hearing On Budget
09/19/13	Adopt Budget, Adopt Tax Rate, Ratify Budget

SCHEDULE (PROPOSED RATE IS GREATER THAN EFFECTIVE RATE)

08/08/13	Provide Effective Tax Rate & Schedules To Council
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08/09/13	Hold Council FY13/14 Budget Retreat
08/09/13	Publish Notice Of Effective Tax Rate & Schedules
08/09/13	Vote To Place Proposal For Tax Increase On Future Agenda
08/23/13	Publish Notice of Public Hearing On Budget
	Publish 1st Notice Of Public Hearing On Tax Increase
08/30/13	Publish 2nd Notice Of Public Hearing On Tax Increase
09/12/13	Hold Public Hearing On Budget
	1st Public Hearing On Tax Increase
09/19/13	2nd Public Hearing On Tax Increase
09/20/13	Publish Notice of Tax Revenue Increase
09/26/13	Adopt Budget, Adopt Tax Rate, Ratify Budget

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

1.	Notice of Effective Tax Rate	6 - Notice Of Effective Tax Rate.pdf
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2013 Property Tax Rates in City of Kennedale

This notice concerns the 2013 property tax rates for City of Kennedale. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$3,003,382
Last year's debt taxes	\$944,971
Last year's total taxes	\$3,948,353
Last year's tax base	\$546,484,844
Last year's total tax rate	\$0.722500/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$3,943,071
÷ This year's adjusted tax base (after subtracting value of new property)	\$539,805,705
=This year's effective tax rate (Maximum rate unless unit publishes notices and holds hearings.)	\$0.730461/\$100

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$3,382,718
÷ This year's adjusted tax base	\$539,805,705
=This year's effective operating rate	\$0.626655/\$100
x 1.08=this year's maximum operating rate	\$0.676787/\$100
+ This year's debt rate	\$0.187046/\$100
= This year's total rollback rate	\$0.863833/\$100
-Sales tax adjustment rate	\$0.059155/\$100
=Rollback tax rate	\$0.804678/\$100

Statement of Increase/Decrease

If City of Kennedale adopts a 2013 tax rate equal to the effective tax rate of \$0.730461 per \$100 of value, taxes would increase compared to 2012 taxes by \$100,462.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	550,259
General Fund Debt Service	22,874

Schedule B - 2013 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2005 \$790K CO	35,000	24,044	0	59,044
2007 \$4.365M GO	160,550	70,603	0	231,153
2007 \$2.735M CO	145,000	75,500	0	220,500
2008 \$4.500M CO	135,000	170,579	0	305,579
2010 \$2.000M CO	80,000	75,118	0	155,118
2011 \$3.260M CO	205,000	95,000	0	300,000
2009 \$154K ESG	22,434	3,298	0	25,732
2012 \$125 PD RADIO	16,680	3,734	0	20,414
	0	0	0	0
	0	0	0	0

Total required for 2013 debt service	\$1,317,540
- Amount (if any) paid from Schedule A	\$0
- Amount (if any) paid from other resources	\$280,773
- Excess collections last year	\$0
= Total to be paid from taxes in 2013	\$1,036,767
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2013	\$0
= Total debt levy	\$1,036,767

Schedule C - Expected Revenue from Additional Sales Tax

In calculating its effective and rollback tax rates, the unit estimated that it will receive \$327,885 in additional sales and use tax revenues.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at City Hall 405 Municipal Drive Kennedale, TX 76060.

Name of person preparing this notice: Sakura Moten-Dedrick

Title: Director of Finance & IT

Date Prepared: 08/02/2013

Date: August 8, 2013

Agenda Item No: WORK SESSION - F.

I. Subject:

Balanced Scorecard Report

II. Originated by:

Bob Hart, City Manager

III. Summary:

Data to support the Balanced Scorecard is submitted on a monthly basis. The staff is currently gathering July data for the report. I will have the July report at the August 8th meeting.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: WORK SESSION - G.

I. Subject:

Discuss other agenda items as needed.

II. Originated by:

City Council, City Council

III. Summary:

At this time City Council may choose to discuss any other items on the agenda.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: REPORTS/ANNOUNCEMENTS - A.

I. Subject:

Updates and information from the Mayor:

- Recognize Library Summer Reading Program winners
- Announce 2013 board appointment process and schedule

II. Originated by:

Gwen Bevill, Library Director

III. Summary:

2013 Library winners are as follows:

Most books read during the summer reading program:

- 145 books, read by Thomas Brayden, age 4.

Most time read during the summer reading program:

- 5,476 minutes, read by Bailey Thorpe, age 10

Board Appointment Process Dates:

- 8/1 - Applications available online
- 8/15 - Board orientation meeting
- 9/10 - Board Orientation meeting
- 9/20 - Applications DUE by 5:00PM
- 9/25 - Interviews with City Council
- 9/26 - Interviews with City Council
- 10/4 - Applicants notified of Council's recommendations
- 10/10 - Official Appointments at Council

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: REPORTS/ANNOUNCEMENTS - B.

I. Subject:

Updates and information from Council, if any.

- Special presentation

II. Originated by:

City Council, City Council

III. Summary:

At this time any councilmember may provide updates and information.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: REPORTS/ANNOUNCEMENTS - C.

I. Subject:

Updates and information from the City Manager, if any.

II. Originated by:

Bob Hart, City Manager

III. Summary:

At this time the City Manager will provide updates and information, if any.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: CONSENT ITEMS - A.

I. Subject:

Consider approval of minutes from July 11, 2013 regular meeting.

II. Originated by:

Amethyst G. Cirimo, City Secretary and Communications Coordinator

III. Summary:

Please see the attached minutes.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	minutes	07.11.2013 CC Minutes.doc
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**KENNEDALE CITY COUNCIL
MINUTES
REGULAR MEETING
July 11, 2013
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

Mayor Clark called the meeting to order at 6:36 PM.

II. WORK SESSION

A. Discuss potential agreement with the City of Mansfield for dispatch and jail services.

Several individuals spoke on this item, including Gary Fowler, Cyle Lenoir, Richard Hash, Michael Ambler, and Kennedale Chief Williams. The discussion included an overview of services offered by Mansfield and what a transition to their jail services would mean for Kennedale services. This item will be discussed at future meetings.

B. Governance/Strategic Report

1. Update on board attendance records.

Bob Hart gave an overview of board attendance, noting that this information would be useful to Council during the 2013 appointment process.

2. Balanced Scorecard report

Bob Hart introduced the balanced scorecard reporting system to Council, noting that the system is used to indicate performance in key areas of the city's mission and goals. Report will be given on a regular basis.

3. Governance Policy report

Bob Hart and Council discussed executive limitations, the ends statement, and gave a brief overview of the City Marshal report.

III. REGULAR SESSION

Mayor Clark called the regular session to order at 7:05 PM.

IV. ROLL CALL

Present: Mayor John Clark, Kelly Turner, Charles Overstreet, Liz Carrington, Frank Fernandez, Brian Johnson.

Absent: none

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

VIII. VISITOR/CITIZENS FORUM

No individuals signed up to speak.

IX. REPORTS/ANNOUNCEMENTS

A. Updates and information from the Mayor.
Mayor Clark had no updates.

B. Updates and information from the City Manager.
Bob Hart noted that the historical society was seeking additional members.

C. Updates from Councilmembers.
Councilmember Overstreet noted that he recently attending the Steeplechase Homeowners Association meeting to discuss recent water rate changes.

X. CONSENT ITEMS

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are considered to be routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately.

A. Consider approval of minutes from June 13, 2012 regular meeting.

Motion To approve the consent agenda with a correction to item XI-B as discussed. **Action** Approve, **Moved By** Liz Carrington, **Seconded By** Charles Overstreet
Motion Passed Unanimously

XI. REGULAR ITEMS

A. Consider approval of Resolution 404, establishing a board and commission appointment process.

Bob Hart gave an overview of the proposed new process, highlighting the new October annual appointment date and applicant interviews by City Council as a whole.

Motion To approve Resolution 404 as presented. **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Brian Johnson
Motion Passed Unanimously

B. Discuss and consider approval of an Ordinance establishing the Parks and Recreation Board and repealing all previous establishing ordinances for that board.

Bob Hart gave an overview of this and the following board ordinance changes, noting that most changes were being made to simplify and standardize city code. For the Parks and Recreation Board, the two alternate seats will be converted to regular seats, and two additional regular seats will be added for a total of nine regular members.

Motion To approve an Ordinance establishing the Parks and Recreation Board and repealing all previous establishing ordinances for that board as presented. **Action** Approve, **Moved By** Brian Johnson, **Seconded By** Charles Overstreet.
Motion Passed Unanimously

C. Discuss and consider approval of an Ordinance establishing the Library Board and repealing all previous establishing ordinances for that board.

Bob Hart noted that for the Library Board, the two alternate seats were eliminated for a total of five regular members.

Bob Hart noted that a change had been made to the staff report. The Library Board will still be appointed by City Council, not by staff.

Motion To approve an Ordinance establishing the establishing the Library Board and repealing all previous establishing ordinances for that board as presented. **Action** Approve, **Moved By** Brian Johnson **Seconded By** Frank Fernandez.

Motion Passed Unanimously

D. Discuss and consider approval of an Ordinance establishing the Keep Kennedale Beautiful Commission and repealing all previous establishing ordinances for that commission.

Motion To approve an Ordinance establishing the establishing the Keep Kennedale Beautiful Commission and repealing all previous establishing ordinances for that board as presented. **Action** Approve, **Moved By** Brian Johnson **Seconded By** Kelly Turner.

Motion Passed Unanimously

E. Discuss and take action regarding an ordinance amending the Code of Ordinances of the City of Kennedale by adopting Chapter 11, "Taxation," Article XII, "Hotel/Motel Occupancy Tax" levying a tax on the occupancy of hotel rooms.

Bob Hart discussed this item, noting that this Ordinance would need to be in place to set the grounds for any potential hotel or motel development within the city. Revenue from this type of tax would only be used to promote tourism and the convention and hotel industry, which would benefit events and the community overall.

Motion To approve an ordinance amending the Code of Ordinances of the City of Kennedale by adopting Chapter 11, "Taxation," Article XII, "Hotel/Motel Occupancy Tax" levying a tax on the occupancy of hotel rooms as presented. **Action** Approve, **Moved By** Frank Fernandez **Seconded By** Liz Carrington

Motion Passed Unanimously

Mayor Clark recessed into executive session at 7:24 PM.

XII. EXECUTIVE SESSION

A. The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

1. City Manager's annual performance evaluation.

XIII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

Mayor Clark reopened the regular session at 8:13 PM.

No action pursuant to executive session was necessary.

XIV. ADJOURNMENT

Motion To adjourn. **Action** Adjourn, **Moved By** Brian Johnson, **Seconded By** Liz Carrington.
Motion Passed Unanimously

The meeting was adjourned at 8:14 PM.

APPROVED:

Mayor John Clark

ATTEST:

City Secretary Amethyst G. Cirno

Date: August 8, 2013

Agenda Item No: REGULAR ITEMS - A.

I. Subject:

Appointment of a councilmember to serve as the 2013-2014 Mayor Pro-Tem.

II. Originated by:

City Council, City Council

III. Summary:

At this time the Council will vote to appoint a Mayor Pro-Tem for 2013-2014.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

Date: August 8, 2013

Agenda Item No: REGULAR ITEMS - B.

I. Subject:

Discuss and consider approval of an Ordinance establishing a Planning and Zoning Commission and repealing all previous establishing ordinances for that board.

II. Originated by:

Bob Hart, City Manager

III. Summary:

This ordinance restructures the establishing language for the Planning and Zoning commission in the same way as the re-establishing ordinance for the other boards that were completed at last month's (July 2013) meeting.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	PZ Restructure	OXXX - PZ Restructure.docx
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ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 17, ARTICLE II, “PLANNING AND ZONING COMMISSION”, OF THE CODE OF ORDINANCES OF THE CITY OF KENNEDALE, TEXAS, AS AMENDED, BY ESTABLISHING NEW SECTIONS PROVIDING FOR CREATION AND PURPOSE, MEMBERSHIP, ORGANIZATION, RULES AND REQUIREMENTS, AND POWERS AND DUTIES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council previously adopted an ordinance providing for the creation and appointment of the Planning and Zoning Commission; and

WHEREAS, the City Council now desires to amend said ordinance to revise the provisions regarding membership on the commission.

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

SECTION 1.

Chapter 17, Article II of the Kennedale City Code is hereby amended in its entirety to read as follows:

“ARTICLE II. PLANNING AND ZONING COMMISSION

Sec. 17-21. Creation and Purpose.

There is hereby created a Planning and Zoning Commission. Such commission shall be officially designated as the Planning and Zoning Commission of the City of Kennedale, Texas. The commission shall recommend to the city council the boundaries of the various zoning districts and appropriate regulations to be enforced therein and any proposed amendment thereto and shall collect data and keep itself informed as to the best practices generally in effect regarding city planning and zoning. Areas in which the commission may be qualified to act include the present and future movement of traffic, the segregation of residential and business districts, and the convenience and safety of persons and property within the City of Kennedale.

Sec. 17-22. Membership.

(a) Appointed by majority vote of the City Council, this commission shall consist of seven (7) regular members designated by Places 1 through 7. Appointments shall take place in October of each year, with Places 1, 3, 5, and 7 appointed in odd numbered years and Places 2, 4, and 6 appointed in even numbered years. The city council may, at its discretion, appoint two (2) additional persons to serve as alternate members to the planning and zoning commission, designated as Places 8 and 9. The alternate members shall only be entitled to serve at any meeting of the commission in which a regular member is absent. If only one regular member is absent the chair shall determine which alternate shall be entitled to serve during the regular member's absence. When serving in the absence of a regular member, an alternate member shall have the same powers, authority and duties as a regular member of the commission.

(b) The term for each place shall be two (2) years. Members must meet the following qualifications:

- (1) Be a registered voter of the city;
- (2) Shall have resided in the corporate limits of the city for at least one (1) year; and
- (3) Continue residency in the city during the term of office.

(c) The City Council shall appoint a replacement to fill any vacancy for the unexpired term of any member whose place has become vacant.

(d) The City Council shall have the authority to remove any member at any time, with or without cause.

Sec. 17-23. Organization, Rules, and Requirements.

(a) By November of each year, the city council shall designate a chair and a vice chair. The terms of the chair and vice chair shall be one (1) year. It will be the duty of the chair to preside over meetings and to assist in setting meeting agendas. If the chair is absent the vice chair shall assume the duties of that office.

(b) Members of the commission shall meet at least ten (10) times per year, on a regular day and time selected by its members. The chair may call special meetings as necessary.

(c) The commission shall adopt rules of procedure that are not inconsistent with state law to conduct meetings and govern its proceedings. The commission shall abide by the Texas Open Meetings Law, and shall keep a record of its proceedings, including votes and attendance, and shall submit these records to the City Secretary's Office.

(d) Members of the commission shall not take any action unless a quorum is present. A quorum shall consist of four (4) members. Each member, including the chair, is entitled to one (1) vote, and action of the commission shall require a majority of those members present.

(e) The City Manager shall designate a city employee to serve as staff liaison to the commission.

(f) Members of the commission shall receive five dollars (\$5.00) for each regular meeting attended as compensation for the performance of their duties, but no compensation shall be paid for special meetings. In addition, members may receive reimbursement of authorized expenses attendant to the performance of their duties.

Sec. 17-24. Powers and Duties.

The commission is advisory only and shall not have any decision-making authority. The commission shall have the following powers, authority and duties:

- (1) To make studies and project plans for the improvement of the city with a view to its development and extension, and to recommend to the city council all matters for the development and the advancement of city facilities, layouts and appearances, and to perform the duties imposed upon a city planning and zoning commission by the state statutes.
- (2) To make plans and maps of the whole or any portion of the city and of land outside the city limits located within the extraterritorial jurisdiction of the city, and any other land outside the city which in the opinion of the commission bears a relation to the planning of the city, and to make such changes and additions and extensions of plans or maps as it deems advisable.
- (3) To consult with and advise private property owners pertaining to location and erection of private structures with the view of having the same conform to the overall city plan.
- (4) To act with and assist all other municipal and governmental agencies, and especially the city council, in formulating and executing plans for municipal development.
- (5) To plan and recommend the location, plan and extent of city alleyways, parks, playgrounds, airports, automobile parking places, and other public grounds and improvements, for the location and planning of public buildings, schools and other properties, and of public utilities, including bus terminals, railway depots and terminals, whether public or private, water, lights, sanitation, sewage disposal, drainage, flood control, transportation, communication and shipping facilities, and for the removal, relocation, widening, extension, narrowing, vacation, abandonment or changes of use of any of the foregoing public places, works, buildings, facilities or utilities.
- (6) To select and recommend to the city council routes of streets, avenues and boulevards, and particularly to investigate and recommend the opening, widening

or abandonment of streets, avenues, boulevards and alleyways, or the changing thereof to conform to the city's system, present and future, of all streets, avenues, boulevards, alleyways and parks.

- (7) To investigate, consider and report to the city council upon the layout and plans of any new subdivision to the city and property situated within the city's extraterritorial jurisdiction, and to approve or reject all plans, plats or replats of additions within the city limits and within the extraterritorial jurisdiction.
- (8) To recommend to the city council for adoption rules and regulations governing plats and subdivisions of land within the corporate limits of the city or within the extraterritorial jurisdiction of the city, to promote health, safety, morals and general welfare of the community, and the safe, orderly and healthful development of the community, which rules and regulations may be adopted by the city council after public hearing held thereon.
- (9) To recommend plans to the city council for improving, developing, expanding and beautifying the parks, lakes and public buildings in or adjacent to the city, and to cooperate with the city council and other agencies of the city in devising, establishing, locating, improving, selecting, expanding and maintaining public parks, works, playgrounds, lakes and other areas for public recreation.
- (10) To aid and assist the city council by recommending plans for the development of civic centers, and to make investigations, consider and make recommendations to the city council concerning traffic regulations, routing and control, and highway designations.
- (11) To investigate and establish zoning regulations for the entire city, and from time to time to review all zoning regulations and make recommendations on amendments, and to review and act on all exceptions permitted under zoning changes involving major land use.

Sec. 17-26 – 17-99. Reserved.”

SECTION 2.

This Ordinance shall be cumulative of all other ordinances of the City of Kennedale, and shall not repeal any of the provisions of such ordinance except in those instances when provisions of such ordinances are in direct conflict with the provisions of this ordinance, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 3.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not

affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4.

This ordinance shall be in full force and effect from and after its passage and it is so ordained.

PASSED AND APPROVED on this 8th day of August, 2013.

Mayor, John Clark

Attest:

Amethyst G. Cirno, City Secretary

Effective Date: _____

Approved As To Form And Legality:

Wayne Olson, City Attorney

Date: August 8, 2013

Agenda Item No: REGULAR ITEMS - C.

I. Subject:

Discuss and consider a resolution regarding a financing agreement for the purpose of procuring water meters and related technology.

II. Originated by:

Bob Hart, City Manager
Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The City has a mix of Badger meters. A portion are non-automatic read (Badger meter, Badger register), and the others are automatic read (Badger meter, Badger register, Orion transponder). The meter is obviously the meter; the register tracks water consumption to a specific gallon; the transponder relays the meter readings to the current AMI system. Over the last five years and due to obsolescence, we have been in the process of replacing old Badger meters (older than 10 years) with new Badger meters, replacing old Badger registers that read 6 digits (per 10 gallon) to new Badger registers that read 7 digits (per 1 gallon), and adding the Orion transponder to any new replacements.

Upon signing with Global Water, the project entailed completing our last and 5th year replacement schedule of Badger meters, along with an additional upgrades (Badger registers and Aclara transponders) to maximize the investment of our new AMI system and provide residents with the data granularity needed to manage household water consumption. Global's Aclara transponder varies from the Orion transponder because it enables hourly reads remotely versus automatic walk/drive by. In essence, our new utility infrastructure fleet would consist of Badger meters less than 5 years of age, new Badger registers that would read 8 digits (per 1/10 gallon), and new Aclara Endpoint transponders. The entire change out would essentially bring ALL meters up to 8 digits, which again allows for a capability of one-tenth of a gallon or better resolution. Just recently, however, Global Water informed the City that upon further talks with and its investigation into the Badger manufacturer, the 7 digit Badger registers are not compatible with the Aclara transponder (Global's AMI system). Badger originally told Global Water that not only is their 7 digit register compatible, but also their 8/9 digit registers as well. To date, none of the aforementioned registers are compatible.

Clearly a tenth of a gallon (per 1/10 gallon) or 8 digit reading is more advantageous as a component of our water conservation plan. At this point, we have two options.

The first is to continue with the Badger meters (replacing obsolete Badger meters with new Badger meters, replacing all Orion transponders to Aclara transponders, staying with 6 digit Badger registers).

We would have to also convert all 7 digit Badger register back down to 6 digit in order for them to be compatible with Global's Aclara transponders since Badgers 7/8/9 digit registers are not compatible. The City could then wait several years, with hopes that either Badger or Aclara will add the ability for Badger 7/8/9 digit registers to be compatible with the Aclara AMI system. Then we would upgrade all 6 digit (per 10 gallons) Badger registers with 8 digit (per 1/10 gallons) Badger registers, keeping Badger meters and

Aclara transponders.

The second option is to replace all the Badger meters, Badger registers and Orion transponders with Neptune meters, Neptune 8 digit registers (per 1/10 gallon) and Aclara transponders. The advantage being, Neptune registers currently read 8 digit (per 1/10 gallon), and ALL City meters will be new with the enhanced ability to read more accurately. Meters are generally good for 15 years and registers for 5. The industry standard is that by replacing the meters with more accurate meters, the readings will offset additional cost.

The recommendation is option 2, to replace all the meters. In order to accomplish this complete change out, Global has agreed to do the replacement at cost. The additional cost is best included into the existing contract and amending the debt instrument to pay for the additional meters. The improved reading accuracy will pay for the cost and yield some small savings. In addition, the 1/10 of a gallon resolution will improve leak detection over the 10 gallon resolution, particularly on slow and small leaks. Several household activities use less than 10 gallons of water (flushing a toilet for example) that would not be picked up with the 10 gallon resolution register. The increased resolution will give Kennedale residents greater insights into their water consumption and make it easier for them to monitor and see success in conservation efforts.

This has been placed on the agenda for discussion and direction.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

None

VII. Alternative Actions:

VIII. Attachments:

1.	Global Water Management Change Order #1	Kennedale GWM 08 13 13 draft PPFAC.doc
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RESOLUTION # _____

A RESOLUTION REGARDING A FINANCING AGREEMENT FOR THE PURPOSE OF PROCURING WATER METERS AND RELATED TECHNOLOGY.

WHEREAS, the City of Kennedale (the "City"), has determined to enter into a financing agreement with Global Water Management, LLC, ("GWM") for the purpose of procuring additional water meters and related technology equipment.

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

Section 1. That the City will enter into a Financing Agreement dated as of August 8, 2013 with GWM for the purpose of procuring said meters and equipment.

Section 2. That the Financing Agreement is designated 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 City authorizes Bob Hart, City Manager, to sign the Financing Agreement and resolve all other matters pertaining thereto.

Adopted by the City Council in a meeting held on the 8th day of August, 2013.

City of Kennedale

Attest:

John Clark, Mayor

Amethyst G. Cirimo, City Secretary

PUBLIC PROPERTY FINANCE ACT CONTRACT

THIS Public Property Finance Act Contract No. [TBD](hereafter referred to as the "Finance Contract") is dated as of **August 8, 2012**, by and between **Global Water Management, LLC**, an Arizona corporation (herein referred to as "GWM"), and the **City of Kennedale**, a political sub-division or agency of the State of Texas (hereinafter referred to as the "Issuer").

WITNESSETH: In furtherance of the providing by GWM of financing to the Issuer in connection with the Issuer's acquisition from GWM 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 GWM and GWM'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 GWM 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 Maintenance 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 Maintenance 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 GWM and GWM'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 GWM and GWM'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 maintenance and operations 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 maintenance and operations tax as security for this obligation.

(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 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.

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 GWM'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 By Subsequent Assigns. 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, NO SUBSEQUENT ASSIGNEE OF GWM WILL MAKE ANY 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 any subsequent assignee of GWM 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 GWM. GWM's 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 to Lessee and Subsequent Assigns jointly.

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 GWM, its successors or assigns as the secured party. The grants, lien, pledge and security interest of GWM, 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 GWM, 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 GWM, 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 GWM 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 GWM or any successors or assigns of GWM to the Issuer.

(b) Remedies for Default.

(1) Upon the happening of any Event of Default, then and in every case GWM 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 GWM 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 GWM 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 GWM'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 students and other authorized users. GWM 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 GWM 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 GWM'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. GWM'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, GWM or GWM'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 GWM or GWM'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 forty-five (45) days after the due date thereof, the Issuer shall pay to GWM or any successor or assigns of GWM, 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 Act 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 GWM or any successor or assigns of GWM's obligation to accept, any such prepayment, GWM or any successor or assigns of GWM 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 2012 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 GWM or its successors or assigns. GWM'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 GWM 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 GWM 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.

IN WITNESS WHEREOF, the parties have executed this Finance Contract as of the ____ day of _____ in the year 2012.

Global Water Management, LLC,

Authorized Signature
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027

Witness Signature_____

Print Name _____

Print Title _____

The Issuer: City of Kennedale

Bob Hart, City Manager
405 Municipal Dr
Kennedale, TX 76060

Witness Signature_____

Print Name _____

Print Title _____

EXHIBIT A

DESCRIPTION OF PROPERTY

PUBLIC PROPERTY FINANCE ACT CONTRACT No. [TBD] (THE "FINANCE CONTRACT")
BY AND BETWEEN

Global Water Management, LLC, **and the Issuer**, City of Kennedale
Dated as of August 8, 2013

QTY-	DESCRIPTION
------	-------------

Water Meters/AMR

As part of this change order, the following additional equipment will be furnished and installed:

- 2,396 - 5/8" x 3/4" positive displacement meters with encoder registers
- 7 - 1" positive displacement meters with encoder registers
- 10 - 1 1/2" positive displacement meters with encoder registers
- 5 - 2" turbo meters with encoder registers
- 26 - endpoints

As part of this change order, the following equipment and installations will be removed from the quantities outlined in the original contract:

- 637 - 3/4" positive displacement meters with encoder registers
- 10 - 2" positive displacement meters with encoder registers
- 1,745 - encoder registers for retrofit

PROPERTY LOCATION:
405 Municipal Dr
Kennedale, TX 76060

EXHIBIT B

>> SCHEDULE OF PAYMENTS & EARLY REDEMPTION VALUE <<
 PUBLIC PROPERTY FINANCE ACT Contract No. [TBD] (THE "FINANCE CONTRACT")
 BY AND BETWEEN
 Global Water Management, LLC, **and the Issuer,** City of Kennedale
 Dated as of August 8, 2013

PMT NO.	PMT DATE MO. DAY YR	TOTAL PAYMENT	INTEREST PAID	PRINCIPAL PAID	EARLY REDEMPTION VALUE after pmt on this line
1	12/1/2013	15,892.30	2,198.11	13,694.19	N/A
2	12/1/2014	15,892.30	6,652.90	9,239.40	N/A
3	12/1/2015	15,892.30	6,287.94	9,604.36	N/A
4	12/1/2016	15,892.30	5,908.57	9,983.73	N/A
5	12/1/2017	15,892.30	5,514.21	10,378.09	N/A
6	12/1/2018	15,892.30	5,104.28	10,788.02	N/A
7	12/1/2019	15,892.30	4,678.15	11,214.15	110,623.81
8	12/1/2020	15,892.30	4,235.19	11,657.11	98,271.47
9	12/1/2021	15,892.30	3,774.74	12,117.56	85,523.86
10	12/1/2022	15,892.30	3,296.09	12,596.21	72,368.32
11	12/1/2023	15,892.30	2,798.54	13,093.76	58,791.81
12	12/1/2024	15,892.30	2,281.34	13,610.96	44,780.85
13	12/1/2025	15,892.30	1,743.71	14,148.59	30,321.54
14	12/1/2026	15,892.30	1,184.84	14,707.46	15,399.53
15	12/1/2027	15,892.30	603.89	15,288.41	0.00
Grand Totals		238,384.50	56,262.50	182,122.00	

Accepted by the Issuer:

Bob Hart, City Manager

INCUMBENCY CERTIFICATE

PUBLIC PROPERTY FINANCE ACT Contract No. [TBD](THE "FINANCE CONTRACT")

BY AND BETWEEN

Global Water Management, LLC, **and the Issuer**, City of Kennedale

Dated as of August 8, 2013

I, Amethyst G. Cirimo, do hereby certify that I am the duly elected or appointed and acting City Secretary, of the City of Kennedale, 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 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. _____, between City of Kennedale (the "Issuer") and Global Water Management, LLC, ("GWM").

Name

Title

Signature

Bob Hart

City Manager

IN WITNESS WHEREOF, I have duly executed this certificate hereto this _____ day of _____ 2013.

By: _____
Amethyst G. Cirimo, City Secretary

TAX AND ARBITRAGE CERTIFICATE

PUBLIC PROPERTY FINANCE ACT Contract No. [TBD](THE "FINANCE CONTRACT")

BY AND BETWEEN

Global Water Management, LLC, **and the Issuer**, City of Kennedale

Dated as of August 8, 2013

This **Tax and Arbitrage Certificate** is executed on this ____ day of _____, 2013 by the undersigned ("Issuer") and pertains to that financing agreement dated August 8, 2013, as is more fully described above (the "Financing Contract"). This Certificate is being issued pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulation Sections 1.141-1 through 1.141-15, 1.148-0 through 1.148-11, 1.149(d), 1.149(g)-1, 1.150-1 and 1.150-2 (the "Regulations"). The Issuer hereby agrees that: (a) proceeds derived from the issuance of the Finance Contract shall only be used to acquire property that has a governmental purpose and will not be used to acquire property that will benefit any private business activity; (b) proceeds derived from the issuance of the Finance Contract shall never be invested in instruments yielding an interest rate return in excess of the rate of interest set forth in the Finance Contract; (c) proceeds derived from the issuance of the Finance Contract shall be fully and completely expended for their anticipated purpose within at least one year from the date of the Finance Contract; (d) proceeds derived from the issuance of the Finance Contract shall not be used to finance any acquisition other than the purchase of that property identified in the Finance Contract along with related costs and costs of issuance; (e) the repayment of the Finance Contract is not guaranteed directly or indirectly by the federal government; (f) Issuer shall execute a Form 8038-G and allow for such to be filed of record with the Internal Revenue Service; (g) the Finance Contract is in registered form and that the Issuer shall maintain a record regarding the ownership of the Finance Contract and the payment of all sums payable under the Finance Contract; (h) the proceeds derived from the issuance of the Finance Contract are not in excess of the sums required in order to acquire the property that is the subject of the Finance Contract and to fund the costs associated with the issuance of the Finance Contract; (i) Issuer does not currently contemplate the sale or disposition of the property that is the subject of the Finance Contract prior to the expiration of the Finance Contract's payment terms; and (j) the Issuer shall otherwise abide by all applicable rules and regulations related to the issuance of the Finance Contract.

To the best of the knowledge and belief of the undersigned, the expectations as set forth above, are reasonable; and there are no present facts, estimates, and circumstances which would change the foregoing expectations. The Issuer has not been notified of the listing, or proposed listing of it, by the Internal Revenue Service as an Issuer whose arbitrage certificates may not be relied upon.

Executed on the date first referenced above.

Issuer: City of Kennedale

Bob Hart, City Manager
405 Municipal Dr
Kennedale, TX 76060

CERTIFICATE OF ACCEPTANCE

PUBLIC PROPERTY FINANCE ACT Contract No. [TBD](THE "FINANCE CONTRACT")

BY AND BETWEEN

Global Water Management, LLC, **and the Issuer**, City of Kennedale

Dated as of August 8, 2013

1. **ACCEPTANCE:** In accordance with the Finance Contract, the Issuer hereby certifies that all of the Property described herein (i) has been received by the Issuer, (ii) has been thoroughly examined and inspected to the complete satisfaction of the Issuer, (iii) had been found by the Issuer to be in good operating order, repair and condition, (iv) has been found to be of the size, design, quality, type and manufacture specified by the Issuer, (v) has been found to be and is wholly suitable for the Issuer's purposes, and (vi) is hereby unconditionally accepted by the Issuer, in the condition received, for all purposes of this Finance Contract, (vii) the Issuer hereby authorizes GWM to Pay supplying vendor(s) all available sums due and payable in conjunction with the property described in Exhibit A.

BY THE ISSUER:

_____**N/A***_____

Bob Hart, City Manager

FOR THE ISSUER: City of Kennedale

ACCEPTED on this the _____ day of _____, 2013.

(*) SIGNATURE REQUIRED ONLY WHEN AN "ESCROW AGREEMENT" IS NOT USED

2. **PROPERTY:**

Water Meters/AMR, see Exhibit A herein.

3. **USE:** The primary use of the Property is as follows-- _____

4. **INVOICING:** Invoices shall be sent to the following address, including to whose attention invoices should be directed--

City of Kennedale
Attn: Sakura Dedrick, Finance Director
405 Municipal Dr
Kennedale, TX 76060

ESCROW AGREEMENT

Public Property Finance Act Contract No. [TBD](THE "FINANCE CONTRACT")

BY AND BETWEEN

Global Water Management, LLC, and City of Kennedale, the Issuer

Federal Tax ID#75-6003070

Dated as of August 8, 2013

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into as of August 8, 2013 ("Agreement Date") by and among Global Water Management, LLC, ("GWM"), City of Kennedale (the "Issuer") and _____ ("Agent").
W I T N E S S E T H:

WHEREAS, Global Water Management, LLC, and the Issuer have entered into a certain Public Property Finance Act Contract dated as of August 8, 2013 (the "Finance Contract") pursuant to which the property more particularly described therein (the "Property") will be purchased by the Issuer under the terms stated in the Finance Contract;

WHEREAS, Global Water Management, LLC, and the Issuer desire to make funding arrangements for the acquisition of the Property, and Agent agrees to serve as escrow agent for such funding and acquisition;

NOW THEREFORE, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. Agent shall undertake the duties and obligations of escrow agent as set forth in this Escrow Agreement. Agent shall not be deemed to be a party to the Finance Contract.

2. Global Water Management, LLC, has delivered to Agent the sum of \$182,122.00 ("Escrow Amount") for deposit by Agent in the City of Kennedale Escrow Account (the "Fund"). The Fund will be administered by Agent pursuant to the terms of this Escrow Agreement.

3. Deposits in the Fund shall be used to pay for the acquisition of the Property. The Property may be acquired as individual items or as groups of items. Agent shall make disbursements from the Fund in payment for the acquisition of each item or group of items of the Property promptly upon receipt of a properly executed Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the acquisition of the Property for which payment is requested. Upon full acquisition of an item or group of items of the Property, any remaining cost of such item or group of items shall be disbursed promptly by the Agent upon receipt of a properly executed Acceptance Certificate and a corresponding Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the Property for which payment is requested. Payment by Agent shall be to the payee shown on the Escrow Disbursement Request Form.

4. Agent will invest the Fund, as specified by GWM, in general obligations of the United States or in obligations fully insured by the United States or in certificates of deposit of a bank which is either fully insured by an agency of the federal government or fully collateralized by such federal or federally guaranteed obligations, or in no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share, or Money Market Mutual Funds registered under the Investment Act of 1940. Agent will retain in the Fund all earnings from investment of the Fund until termination of the Fund pursuant to Section 5 hereof.

5. Upon execution of one or more Acceptance Certificates by the Issuer and payment of acquisition costs by Agent for all the Property, this Escrow Agreement and the Funds shall terminate, and Agent shall transfer to Global Water Management, LLC, all remaining sums in the Fund. If not terminated earlier, this Escrow Agreement and the Fund shall terminate on December 13, 2013 ("Termination Date"). In this latter event, interest accrued pursuant to investment of the Fund under the terms of Section 4 hereof and all remaining principal in the Fund shall be transferred by Agent to Global Water Management, LLC; "Exhibit A", attached to the Finance Contract shall thereupon be revised to delete any non-acquired portions of the Property and to substitute an amended amortization payment schedule to reflect the reduced acquisition costs.

6. Global Water Management, LLC, and the Issuer may by written agreement between themselves remove the Agent, at any time and for any reason, and appoint a successor escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof if provided to Agent.

7. Agent may at any time and for any reason resign as escrow agent by giving written notice to Global Water Management, LLC, and the Issuer of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving the Issuer and Global Water Management, LLC, written notice of intent to resign, nor less than thirty (30) days after being appointed by Global Water Management, LLC, and the Issuer.

8. Agent shall have no obligation under the terms of this Escrow Agreement to make any disbursement except from the Fund. Agent makes no warranties or representations as to the Property or as to performance of the obligations of Global Water Management, LLC, or the Issuer under this Escrow Agreement.

9. Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.

10. To the limited extent required to perfect the security interest granted by the Issuer to Global Water Management, LLC, in the cash and negotiable instrument from time to time comprising the Fund, Global Water Management, LLC, hereby appoints the Agent as its security agent, and the Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash negotiable instruments on behalf of Global Water Management, LLC,.

11. This Escrow Agreement may be amended by written agreement executed by all the parties.

12. This Escrow Agreement may be executed in several counterparts, each of which shall be an original.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

Global Water Management, LLC,:

BY: _____
Authorized Signer

The Issuer: City of Kennedale

BY: _____
Bob Hart, City Manager

Agent: _____

BY: _____
Agent Rep, Agent Rep Title

ESCROW AGREEMENT

Public Property Finance Act Contract No. [TBD](THE "FINANCE CONTRACT")

BY AND BETWEEN

Global Water Management, LLC, and City of Kennedale, the Issuer

Federal Tax ID#75-6003070

Dated as of August 8, 2013

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into as of August 8, 2013 ("Agreement Date") by and among Global Water Management, LLC, ("GWM"), City of Kennedale (the "Issuer") and _____ ("Agent").

WITNESSETH:

WHEREAS, Global Water Management, LLC, and the Issuer have entered into a certain Public Property Finance Act Contract dated as of August 8, 2013 (the "Finance Contract") pursuant to which the property more particularly described therein (the "Property") will be purchased by the Issuer under the terms stated in the Finance Contract;

WHEREAS, Global Water Management, LLC, and the Issuer desire to make funding arrangements for the acquisition of the Property, and Agent agrees to serve as escrow agent for such funding and acquisition;

NOW THEREFORE, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. Agent shall undertake the duties and obligations of escrow agent as set forth in this Escrow Agreement. Agent shall not be deemed to be a party to the Finance Contract.

2. Global Water Management, LLC, has delivered to Agent the sum of \$182,122.00 ("Escrow Amount") for deposit by Agent in the City of Kennedale Escrow Account (the "Fund"). The Fund will be administered by Agent pursuant to the terms of this Escrow Agreement.

3. Deposits in the Fund shall be used to pay for the acquisition of the Property. The Property may be acquired as individual items or as groups of items. Agent shall make disbursements from the Fund in payment for the acquisition of each item or group of items of the Property promptly upon receipt of a properly executed Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the acquisition of the Property for which payment is requested. Upon full acquisition of an item or group of items of the Property, any remaining cost of such item or group of items shall be disbursed promptly by the Agent upon receipt of a properly executed Acceptance Certificate and a corresponding Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the Property for which payment is requested. Payment by Agent shall be to the payee shown on the Escrow Disbursement Request Form.

4. Agent will invest the Fund, as specified by GWM, in general obligations of the United States or in obligations fully insured by the United States or in certificates of deposit of a bank which is either fully insured by an agency of the federal government or fully collateralized by such federal or federally guaranteed obligations, or in no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share, or Money Market Mutual Funds registered under the Investment Act of 1940. Agent will retain in the Fund all earnings from investment of the Fund until termination of the Fund pursuant to Section 5 hereof.

5. Upon execution of one or more Acceptance Certificates by the Issuer and payment of acquisition costs by Agent for all the Property, this Escrow Agreement and the Funds shall terminate, and Agent shall transfer to Global Water Management, LLC, all remaining sums in the Fund. If not terminated earlier, this Escrow Agreement and the Fund shall terminate on December 13, 2013 ("Termination Date"). In this latter event, interest accrued pursuant to investment of the Fund under the terms of Section 4 hereof and all remaining principal in the Fund shall be transferred by Agent to Global Water Management, LLC; "Exhibit A", attached to the Finance Contract shall thereupon be revised to delete any non-acquired portions of the Property and to substitute an amended amortization payment schedule to reflect the reduced acquisition costs.

6. Global Water Management, LLC, and the Issuer may by written agreement between themselves remove the Agent, at any time and for any reason, and appoint a successor escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof if provided to Agent.

7. Agent may at any time and for any reason resign as escrow agent by giving written notice to Global Water Management, LLC, and the Issuer of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving the Issuer and Global Water Management, LLC, written notice of intent to resign, nor less than thirty (30) days after being appointed by Global Water Management, LLC, and the Issuer.

8. Agent shall have no obligation under the terms of this Escrow Agreement to make any disbursement except from the Fund. Agent makes no warranties or representations as to the Property or as to performance of the obligations of Global Water Management, LLC, or the Issuer under this Escrow Agreement.

9. Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.

10. To the limited extent required to perfect the security interest granted by the Issuer to Global Water Management, LLC, in the cash and negotiable instrument from time to time comprising the Fund, Global Water Management, LLC, hereby appoints the Agent as its security agent, and the Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash negotiable instruments on behalf of Global Water Management, LLC.

11. This Escrow Agreement may be amended by written agreement executed by all the parties.

12. This Escrow Agreement may be executed in several counterparts, each of which shall be an original.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

Global Water Management, LLC,:

BY: _____
Authorized Signer

The Issuer: City of Kennedale

BY: _____
Bob Hart, City Manager

Agent: _____

BY: _____
Agent Rep, Agent Rep Title

ESCROW AGREEMENT
Public Property Finance Act Contract No. [TBD](THE "FINANCE CONTRACT")
BY AND BETWEEN

Global Water Management, LLC, and City of Kennedale, the Issuer
Federal Tax ID#75-6003070 Dated as of August 8, 2013

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into as of August 8, 2013 ("Agreement Date") by and among Global Water Management, LLC, ("GWM"), City of Kennedale (the "Issuer") and _____ ("Agent").
W I T N E S S E T H:

WHEREAS, Global Water Management, LLC, and the Issuer have entered into a certain Public Property Finance Act Contract dated as of August 8, 2013 (the "Finance Contract") pursuant to which the property more particularly described therein (the "Property") will be purchased by the Issuer under the terms stated in the Finance Contract;

WHEREAS, Global Water Management, LLC, and the Issuer desire to make funding arrangements for the acquisition of the Property, and Agent agrees to serve as escrow agent for such funding and acquisition;

NOW THEREFORE, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. Agent shall undertake the duties and obligations of escrow agent as set forth in this Escrow Agreement. Agent shall not be deemed to be a party to the Finance Contract.

2. Global Water Management, LLC, has delivered to Agent the sum of \$182,122.00 ("Escrow Amount") for deposit by Agent in the City of Kennedale Escrow Account (the "Fund"). The Fund will be administered by Agent pursuant to the terms of this Escrow Agreement.

3. Deposits in the Fund shall be used to pay for the acquisition of the Property. The Property may be acquired as individual items or as groups of items. Agent shall make disbursements from the Fund in payment for the acquisition of each item or group of items of the Property promptly upon receipt of a properly executed Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the acquisition of the Property for which payment is requested. Upon full acquisition of an item or group of items of the Property, any remaining cost of such item or group of items shall be disbursed promptly by the Agent upon receipt of a properly executed Acceptance Certificate and a corresponding Escrow Disbursement Request Form, in the form attached hereto as "Schedule 1", for that portion of the Property for which payment is requested. Payment by Agent shall be to the payee shown on the Escrow Disbursement Request Form.

4. Agent will invest the Fund, as specified by GWM, in general obligations of the United States or in obligations fully insured by the United States or in certificates of deposit of a bank which is either fully insured by an agency of the federal government or fully collateralized by such federal or federally guaranteed obligations, or in no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share, or Money Market Mutual Funds registered under the Investment Act of 1940. Agent will retain in the Fund all earnings from investment of the Fund until termination of the Fund pursuant to Section 5 hereof.

5. Upon execution of one or more Acceptance Certificates by the Issuer and payment of acquisition costs by Agent for all the Property, this Escrow Agreement and the Funds shall terminate, and Agent shall transfer to Global Water Management, LLC, all remaining sums in the Fund. If not terminated earlier, this Escrow Agreement and the Fund shall terminate on December 13, 2013 ("Termination Date"). In this latter event, interest accrued pursuant to investment of the Fund under the terms of Section 4 hereof and all remaining principal in the Fund shall be transferred by Agent to Global Water Management, LLC.; "Exhibit A", attached to the Finance Contract shall thereupon be revised to delete any non-acquired portions of the Property and to substitute an amended amortization payment schedule to reflect the reduced acquisition costs.

6. Global Water Management, LLC, and the Issuer may by written agreement between themselves remove the Agent, at any time and for any reason, and appoint a successor escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof if provided to Agent.

7. Agent may at any time and for any reason resign as escrow agent by giving written notice to Global Water Management, LLC, and the Issuer of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving the Issuer and Global Water Management, LLC, written notice of intent to resign, nor less than thirty (30) days after being appointed by Global Water Management, LLC, and the Issuer.

8. Agent shall have no obligation under the terms of this Escrow Agreement to make any disbursement except from the Fund. Agent makes no warranties or representations as to the Property or as to performance of the obligations of Global Water Management, LLC, or the Issuer under this Escrow Agreement.

9. Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.

10. To the limited extent required to perfect the security interest granted by the Issuer to Global Water Management, LLC, in the cash and negotiable instrument from time to time comprising the Fund, Global Water Management, LLC, hereby appoints the Agent as its security agent, and the Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash negotiable instruments on behalf of Global Water Management, LLC,.

11. This Escrow Agreement may be amended by written agreement executed by all the parties.

12. This Escrow Agreement may be executed in several counterparts, each of which shall be an original.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

Global Water Management, LLC,:

BY: _____
Authorized Signer

The Issuer: City of Kennedale

BY: _____
Bob Hart, City Manager

Agent: _____

BY: _____
Agent Rep, Agent Rep Title

ESCROW AGREEMENT - SCHEDULE 1

Public Property Finance Act Contract No. [TBD](THE "FINANCE CONTRACT")

BY AND BETWEEN

Global Water Management, LLC, and City of Kennedale, the Issuer

Dated as of August 8, 2013

ESCROW DISBURSEMENT REQUEST FORM

_____, acting as escrow agent (the "Agent") under the Escrow Agreement dated as of August 8, 2013 (Escrow Date), by and among the Agent, Global Water Management, LLC, and City of Kennedale, is hereby requested to pay to the person or corporation designated below as Payee the sum set forth below in payment of the acquisition and installation costs of the property described below. The amount shown below is due and payable under the invoice of Payee with respect to the described property and has not formed the basis for any prior request for payment.

PAYEE: _____

AMOUNT: _____

DESCRIPTION OF PROPERTY: _____

INVOICE # _____ DATED: _____

Indicate Method for Payment Disbursement:

_____ Overnight Check***

_____ Regular Mail Check

_____ Wire Funds

Mailing Address: _____

Wire Instructions: _____

[***Please note that there might be a fee charged for overnight delivery. This fee will be deducted from the Escrow Balance before disbursement is made.]

By Issuer: City of Kennedale

Bob Hart, City Manager

By: Global Water Management, LLC, or its Assigns

Name: _____

Title: _____

ACCEPTANCE CERTIFICATE

City of Kennedale as purchaser under that certain Finance Contract dated as of August 8, 2013 ("Agreement Date") (the "Finance Contract"), hereby acknowledges receipt in good condition of all the property described on the attached Vendor Invoice(s), hereby accepts such property and hereby certifies that Global Water Management, LLC, has fully and satisfactorily performed all covenants and conditions to be performed by it under the Finance Contract with regard to such property, and that such property constitutes all or a portion of the Property as that term as defined in the Finance Contract.

Date: _____, 2012.

By Issuer: City of Kennedale

Bob Hart, City Manager

For Issuer: City of Kennedale

[to be retyped on letterhead of the Issuer counsel]

Global Water Management, LLC,
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027

RE: Public Property Finance Act Contract No.[TBD]

I have examined the Public Property Finance Act Contract No. [TBD](the "Finance Contract") between the City of Kennedale (the "City") and Global Water Management, LLC, ("GWM"). The Finance Contract provides financing for the purchase by the City of Kennedale of certain Property and provides that the Issuer shall finance the Property by making Payments as specified in the Finance Contract.

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 City 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 City of the Finance Contract have been duly authorized by all necessary action on part of the City; and
3. The Finance Contract constitutes a legal, valid and binding obligation of the City enforceable in accordance with its terms.

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

Sincerely,

Attorney at Law

Date: August 8, 2013

Agenda Item No: REGULAR ITEMS - D.

I. Subject:

Discuss and approve bid award for health, dental, vision, life and AD&D, and voluntary life insurance and authorize the City Manager to sign the agreements

II. Originated by:

Kelly Cooper, Director of Human Resources

III. Summary:

In April 2013, staff met with Brinson Benefits, the city's current insurance consultant regarding the city's benefit plans, plan utilization and preparation for the July bid process. At that time the 12 month claims loss ratio was approximately 75%, the 24 month claims loss ratio was approximately 65%, the 36 month claims loss ratio was 56% and only three (3) claims over \$15,000.

July 15, 2012, staff received the insurance renewal with an overall increase of 18.25%, staff then immediately bid the insurance to review other competitive offers. The City advertised and received bids from five companies (BCBS, Aetna, Trustmark, Humana and United Health Care).

In reviewing the proposals, Trustmark and Humana were both removed from consideration due to limitations and exclusions in the plan design as well as providing only illustrative rates, meaning these companies reserved the right to increase the proposed quoted rates after the application process.

United Health Care (UHC) offered similar plans with a 7% increase, however but these plans substantially increased the out of pocket costs for employees.

Aetna offered the most competitive rates (2% decrease) and offered to provide similar plan designs with minimal changes. The City will maintain the Health Savings Account and offer one PPO plan with a \$2,500 deductible. In doing so, with the savings, staff proposes offering a \$600 one-time incentive for all employees that sign-up for the HSA. A chart comparing current plans with the proposed plans is attached.

Given consideration to current budget and economic conditions, staff recommends moving to Aetna for a total premium decrease of 2.07%(\$48,696). In addition, staff also recommends providing a \$600 contribution to employees enrolling in the HSA plan, offer Consult a Doctor and Compass which are services that assist employees in making consumer driven healthcare decisions. In moving to Aetna and providing these three additional services, the overall savings in health insurance line item is approximately \$2,984.

Dental

Insurance

Staff also recommends moving to a new dental provider, Assurant. Blue Cross Blue Shield provided a

63% rate increase and notified Brinson of their desire to leave the market. The City received quotes from five other companies all of which quoted a 1.07% to a 21.26% increase in dental rates. Assurant offered the second to the lowest rate increase (6.90%), and provides a solid network, similar plan design, as well as reasonable rates for employees covering dependents.

Lincoln Financial offered the lowest increase (1.08%), however the network and ADA codes actually reduced the benefit coverage for employees. Staff recommends moving to Assurant with an increase in the City's annual cost by \$1,404.

Vision

Insurance

The City's current vision provider, Ameritas, increased rates by 6.82%. Four other companies (Block Vision, Guardian, Lincoln and Assurant) provided quotes with Block Vision providing similar plan design and a 28.27% decrease in premium costs. Block offers a good network of providers including Wal-Mart, Sam's Club, Eyemasters and private practices. Staff recommends moving the vision insurance to Block Vision.

Life

Insurance

The City received a 22.62% increase in the basic life and AD&D insurance plan. Two other companies quoted life insurance all with increases from 30.9% to 73.98% over the current rates provided by Dearborn. Staff recommends remaining with Dearborn for another year.

In closing, with the changes proposed by staff for the benefits program, moving medical insurance to Aetna, moving dental insurance to Assurant, vision insurance to Block Vision and maintaining the current life insurance coverage through Dearborn, the City will experience an overall expenditure of \$452,279 a savings of \$9,707 in the proposed budget.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Medical Insurance Comparison	2013 Medical Insurance Proposed Comparison to Current.docx
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2013 Medical Insurance Proposed Comparison to Current

	Current Plans			Proposed Plans	
	HSA	PPO Core	PPO Buy-up	HSA	PPO
Deductible	2,500	2,500	1,500	3,500	2,500
Out of Pocket	2,500	5,500	4,500	3,500	7,500
Coinsurance	100%*	80%	80%	100%*	80%
Office Visit Copay	100%*	\$25.00	\$30.00	100%*	\$30.00
Preventative	100%	100%	100%	100%	100%
Hospital	100%*	80%	80%	100%*	80%
ER Copay	100%*	\$100.00	\$100.00	100%*	\$200.00
Urgent Care	100%*	\$50.00	\$55.00	100%*	\$100.00
Prescription	100%*	\$10/40/60	\$20/35/50	100%*	\$15/40/60

*After Deductible

Date: August 8, 2013

Agenda Item No: REGULAR ITEMS - E.

I. Subject:

Discuss and consider approval of Developers Agreement with DR Horton for Beacon Hill Phase II.

II. Originated by:

James Cowey, Director of Development Services

III. Summary:

In 2007 a Developers Agreement was signed with Jerry Jordon, President of Sierra Developers, Inc for Beacon Hill Addition - Phase II.

Phase II construction was never completed. Over the past year DR Horton has built on the empty lots of Phase I with all lots now complete. DR Horton is in the process of purchasing the property that is related to Phase II. Over the past couple months City staff has been working with DR Horton and their Engineers to update the construction plans for Phase II. On Wednesday July 31, 2013 a pre-construction meeting was held with all parties including the contractor that will be doing the work. City staff has approved plans for the construction of Phase II.

Since the Developers Agreement from 2007 was done with Sierra Developers, Inc, who does not wish to develop the property, the project is going to be completed by DR Horton a new agreement is required to be executed with DR Horton and the City. DR Horton plans on starting construction as soon as possible.

City staff requests your consideration and approval to execute this updated developer's agreement.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Developers Agreement	Developer's Agreement - Beacon Hill Addition - Phase II.doc
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APPENDIX A
CITY OF KENNEDALE
DEVELOPER'S AGREEMENT
FOR THE
BEACON HILL ADDITION - PHASE II

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

THIS AGREEMENT is entered into on the 8th of August 2013, between the City of Kennedale, Texas, hereinafter referred to as the "CITY", and D.R. Horton – Texas Ltd., whose address is 6751 North Freeway, Fort Worth, TX 76131, hereinafter referred to as the "DEVELOPER".

WHEREAS, the DEVELOPER has requested the CITY to permit the platting and/or development of a tract of land known as the Beacon Hill Phase II Addition (the "Addition"); and

WHEREAS, the CITY has approved such platting and/or development which requires the construction of community facilities and improvements to serve the Addition as provided herein; and

WHEREAS, this Agreement shall operate as a covenant running with the land and shall be binding upon the DEVELOPER and its representatives, officers, agents, servants, employees, successors and assigns.

NOW, THEREFORE, the CITY and the DEVELOPER, in consideration of the mutual covenants and agreements contained herein, do mutually agree as follows:

A. ZONING, PLATTING and ADDITION PLANNING

All property owned by the DEVELOPER and located within the limits of the Addition shall be zoned and platted in accordance with the Zoning Ordinance and the Subdivision Ordinance of the CITY before any Building Permit will be issued. The

DEVELOPER shall dedicate, at no cost to the CITY, all easements and other dedications as required by CITY regulations at the time of platting.

The DEVELOPER shall comply with all requirements in this Agreement as a condition of approval of the Addition.

8. PUBLIC IMPROVEMENTS

All public and private infrastructure improvements, including streets, utilities, drainage, sidewalks, street lighting, street signage, and all other required improvements, shall be provided by the DEVELOPER, at no cost to the CITY, in accordance with the Subdivision Ordinance and other Regulations of the CITY, and as approved by the City Engineer or his agent. Such improvements shall be installed within all applicable time frames in accordance with the Subdivision Ordinance of the CITY and this Agreement.

The DEVELOPER shall employ a civil engineer licensed to practice in the State of Texas for the design and preparation of plans and specifications for the construction of the public improvements. The DEVELOPER shall assume all responsibility for the adequacy and accuracy of the design, plans and specifications. Engineering studies, plan/profile sheets, and other construction documents (hereinafter referred to as the "Construction Plans") prepared by the licensed engineer shall be provided by the DEVELOPER at the time of platting as required by the Subdivision Ordinance. Such documents shall be approved by the City Engineer or his agent prior to approval and filing of a Final Plat. Construction of such improvements shall not be initiated until a Pre-Construction Conference has been conducted regarding the proposed construction.

In accordance with the Subdivision Ordinance of the CITY, construction of all public improvements shall be subject to routine review by the City Engineer or his agent to evaluate conformance with the construction plans, project specifications and CITY standards. However, such review and evaluation shall not relieve the DEVELOPER, his engineer and/or agent of responsibility for the design, construction and maintenance of the improvements as set out in this Agreement and relevant ordinances of the CITY.

Upon completion of construction of public improvements as required by this Agreement and the Subdivision Ordinance, the DEVELOPER shall deliver to the CITY the following As-Built construction plans for the public improvements constructed or engineered by the DEVELOPER:

1. One FULL set in AutoCAD 14 (or the City's most recent version);
2. One FULL MYLAR set;
3. One FULL Blue-Line set;
4. One Blue-Line copy of the executed ("filed") Final Plat sheet;
5. One 11" X 17" copy of the Final Plat Sheet;
6. Two (2) Blue-Line copies of the Water and Sanitary Sewer Layout sheet at a scale of 1:200; and
7. One Blue-Line copy of the Storm Drain Layout sheet at a scale of 1:200.

No building permits will be issued for the Addition until all public improvements have been installed and inspected and a Letter of Acceptance has been issued by the City.

C. CONSTRUCTION BONDS

Prior to initiating any construction for the Addition, the construction contractor(s) for the DEVELOPER shall provide the CITY with one original and one quality copy of the following construction bonds:

1. **PERFORMANCE BOND**

A good and sufficient Performance Bond in an amount equal to one hundred percent (100%) of the total contract price of the contract between the DEVELOPER and the Prime Contractor for the construction of public improvements (and any private improvements constructed in lieu thereof), guaranteeing the full and faithful execution of the work and performance of this contract and for the protection of the CITY against any improper execution of the work or the use of inferior materials. The Performance Bond shall guarantee completion of the improvements within one year of execution of this Agreement.

2. **PAYMENT BOND**

A good and sufficient Payment Bond in an amount equal to one hundred percent (100%) of the total contract price of the contract between the DEVELOPER and the Prime Contractor for the construction of public improvements (and any private improvements constructed in lieu thereof), guaranteeing payment for all labor, materials and equipment used in the construction of the improvements.

3. **MAINTENANCE BOND**

A good and sufficient Maintenance Bond in an amount equal to one

hundred percent (100%) of the total cost of the public improvements (and any private improvements constructed in lieu thereof), guaranteeing the maintenance in good condition of the facilities for a period of two (2) years from and after the date that a Letter of Acceptance is issued by the CITY indicating that the public improvements have been completed by the DEVELOPER and accepted by the CITY.

Each of the above bonds shall be in a form acceptable to the CITY. Any surety company through which a bond is written shall be duly authorized to do business in the State of Texas, provided that the CITY, through its Mayor, shall retain the right to reject any surety company for any work under this Agreement regardless of such company's authorization to do business in the State of Texas. Approval by the City shall not be unreasonably withheld or delayed.

D. STREETS

1. In conjunction with the platting and development of the Addition, all required on-site and off-site street improvements shall be constructed by the DEVELOPER in accordance with the plans and specifications prepared by the DEVELOPER's engineer and accepted by the CITY prior to the issuance of any Building Permit. Streets shall be constructed of portland cement and DEVELOPER shall install curb and gutter in accordance with CITY standards. The CITY shall assume maintenance responsibilities of the street improvements once the two-year maintenance bond is released.
2. Street lighting shall be installed by Oncor Electric Delivery or its agent ("Oncor") in accordance with a street lighting layout plan provided by Oncor and approved by the City Engineer or his agent. The DEVELOPER shall be responsible for the installation costs of any required street lighting as provided herein.

E. SIDEWALKS

Sidewalks are required to be installed by the DEVELOPER in accordance with the CITY's Subdivision Ordinance. Due to the possible reconstruction of Mansfield Cardinal Road and Swiney-Hiett Road, the DEVELOPER and the CITY have agreed that the DEVELOPER will pay an escrow fee in lieu of the Developer's obligation to construct sidewalks. Any portion of this fee that is not used by the CITY for

construction of sidewalks within ten (10) years from receipt of the fee shall be refunded to the DEVELOPER. The sidewalk escrow fee shall be \$16,114. (1,151 L.F. x 4 = 4,604 S.F. x \$3.50 per S.F.)

F. FENCES

The DEVELOPER shall be required to install and maintain a fence meeting the requirements of City ordinances along all residential lots, excluding open areas, that abut Mansfield Cardinal Road and Swiney-Hiett Road, as shown on sheet #14 of the construction drawings. The DEVELOPER shall retain ownership of the fence and the DEVELOPER, its successors and assigns, shall be responsible to properly maintain the fence in a neat and presentable condition and to replace the fence as necessary during the period Developer owns the lots where fence is located.

G. UTILITIES

1. WATER

All required on-site and off-site water mains, valves, fire hydrants and other improvements shall be constructed by the DEVELOPER in accordance with the plans and specifications prepared by the DEVELOPER's engineer and accepted by the CITY prior to the issuance of any building permit. The CITY shall assume maintenance responsibilities of the water system once the two-year maintenance bond is released.

2. SANITARY SEWER

All required on-site and off-site sanitary sewer mains, manholes and other improvements shall be constructed by the DEVELOPER in accordance with the plans and specifications prepared by the DEVELOPER's engineer and accepted by the CITY prior to the issuance of any building permit. The CITY shall assume maintenance responsibilities of the sewer system once the two-year maintenance bond is released.

3. DRAINAGE

All required on-site and off-site drainage improvements shall be constructed by the DEVELOPER in accordance with the plans and specifications prepared by the DEVELOPER's engineer and accepted by the CITY prior to the issuance of any building permit. The DEVELOPER agrees to comply with all applicable EPA, TCEQ and other federal, state and local requirements relating to the planning, permitting and management of storm water. The DEVELOPER agrees

to construct the necessary drainage facilities within the Addition.

These facilities shall be designed and constructed in accordance with the CITY's Subdivision Ordinance and the Construction Plans. The DEVELOPER agrees to comply with all provisions of the Texas Water Code. The CITY shall assume maintenance responsibilities of the drainage facilities once the two-year maintenance bond is released.

I. PUBLIC FACILITIES TO BE PROVIDED BY THE CITY

1. The CITY makes no guarantee that water supply or wastewater treatment capacity will be available at any particular time or place, it being fully understood by both parties hereto that the ability of the CITY to supply water and wastewater services is subject to the CITY's water and wastewater system capacity. The CITY shall be the sole judge of the availability of such capacity to supply such water and/or wastewater services; provided, however, that the CITY will use its best efforts to insure that said water supply and wastewater treatment capacity is available.
2. The CITY does note to the DEVELOPER that the following water mains exist for connections:
 - 12-inch line in Swiney-Hiett and a 6" line in Mansfield Cardinal.
3. The CITY does note to the DEVELOPER that the following sewer main exists for connections:
 - 8-inch Swiney-Hiett and Mansfield Cardinal.
 - A sanitary sewer manhole is required for 6-inch connections and larger.

J. FEES TO BE PAID BY THE DEVELOPER

1. **PLAT FEES**
The CITY acknowledges that the DEVELOPER has paid the required plat application fee.
2. **CONSTRUCTION INSPECTION FEES**
The DEVELOPER hereby agrees to pay the CITY construction

inspection fees equal to four percent (4%) of the construction costs of water and sanitary sewer infrastructure improvements and four percent (4%) of the construction costs of street and drainage improvements for The Addition. Payment is due prior to initiating construction of these infrastructure improvements.

3. **STREET NAME SIGNS and TRAFFIC CONTROL DEVICE SIGNAGE**

The DEVELOPER is responsible for material costs, installation costs and maintenance costs of all street name signs, traffic control devices and school zone signs, including flashing light school zone signs as required by the City Engineer. All street name signs and traffic control device signs shall meet the current CITY standards and comply with the requirements of the Texas Manual on Uniform Traffic Control Devices at the time of installation. Installation must be completed prior to CITY acceptance of the Addition's infrastructure improvements. Traffic Control or regulatory signs shall be installed by the DEVELOPER where required.

4. **IMPACT FEES**

It is understood and agreed that impact fees will be assessed by the CITY at the time of final platting of the Addition, including the applicable sanitary sewer and water impact fees assessed by both the CITY and the City of Fort Worth. These fees must be paid prior to obtaining building permits for lots in the Addition.

5. **PARK FEES**

Required park fees in the amount of \$666 per residential lot times 50 residential lots for a total of \$33,300.00 (in lieu of dedication of park land) shall be paid by the DEVELOPER at the time of final plat approval.

6. **PUBLIC UTILITIES**

The DEVELOPER agrees to pay the public utility companies (Oncor Electric Delivery) for their required costs of main installations, for street lighting, etc. for the Addition.

K. GENERAL CONDITIONS

1. **LAW COMPLIANCE**

The DEVELOPER agrees to comply with all federal, state and local laws that are applicable to development of the Addition.

2. EROSION CONTROL

During construction of the Addition and after the streets have been installed, the DEVELOPER agrees to keep the streets free from soil build-up. The DEVELOPER agrees to use soil control measures such as silt screening, hydromulch, etc., to prevent soil erosion. It will be the DEVELOPER'S responsibility to present to the City Engineer a soil control development plan that will be implemented for the Addition. When, in the opinion of the City Engineer or his agent, there is sufficient soil build-up on the streets or other drainage areas and notification has been given to the DEVELOPER, the DEVELOPER will have twenty-four (24) hours to clear the soil from the streets or affected areas. If the DEVELOPER does not remove the soil from the streets within the twenty-four (24) hours, the CITY may cause the soil to be removed either by contract or CITY forces and place the soil within the Addition at the DEVELOPER'S expense. All expenses must be paid to the CITY prior to acceptance of the Addition.

3. PRIVATE AMENITIES

It is understood that the Addition may incorporate a number of unique amenities and aesthetic improvements such as ponds, aesthetic lakes, unique landscaping, fences and walls, street furniture, etc. and may incorporate specialty signage and accessory facilities. The DEVELOPER, its successors and assigns, agrees to accept responsibility for the construction and maintenance of all such aesthetic or specialty items. The CITY shall not be responsible for the maintenance or replacement of these items under any circumstances.

The DEVELOPER, its successors and assigns, agrees to accept responsibility for the continued upkeep and maintenance of that certain parcel of land identified as Lot 20R as a drainage area and detention pond to serve the development and to establish a mandatory property owners association to assume such responsibility from the DEVELOPER. The documents of the property owners association shall reflect such obligation and shall further reflect that such obligation may not be amended or repealed without the prior written consent of the City.

4. AMENITIES WITHIN PUBLIC RIGHT-OF-WAY

Only those amenities or specialty items listed in this section may be constructed within the public right-of-way. The CITY shall not be responsible for the replacement of these items under any circumstances. The DEVELOPER, its successors and assigns, agrees to accept

responsibility for the installation and maintenance of all landscaping and irrigation, as specified on the approved Construction Plans, within any open spaces or other public right-of-way within the Addition and agrees to indemnify and hold harmless the CITY from any and all damage, loss or liability of any kind whatsoever by reason of injury to property or third persons occasioned by the location of these amenities within the public right-of-way, and the DEVELOPER, its successors and assigns, shall defend and protect the CITY against all such claims and demands. The DEVELOPER, its successors and assigns, shall replace any plants, trees, or grass that die with the same type of plant, tree, or grass that is the same size and in the same stage of growth as the landscaping that died.

5. VENUE

Venue for any action brought hereunder shall be in Tarrant County, Texas.

6. ASSIGNMENT

This Agreement or any part hereof or any interest herein shall not be assigned by the DEVELOPER without the express written consent of the Mayor, which consent shall not be unreasonably withheld.

L. FINAL ACCEPTANCE OF SUBDIVISION INFRASTRUCTURE

The CITY will not issue a Letter of Acceptance until the Addition's public improvements are completely constructed (Final Completion) to the satisfaction of the City Engineer or his agent. However, upon Substantial Completion, a "punch list" of outstanding items shall be presented to the DEVELOPER'S contractor(s) indicating those outstanding items and their deficiencies that need to be addressed for Final Completion of the Addition.

The DEVELOPER agrees to deliver to the CITY clear and unencumbered title to all public improvements. Upon issuance of a Letter of Acceptance, title to all public improvements mentioned herein shall be vested in the CITY and the DEVELOPER hereby relinquishes any right, title or interest in and to such improvements or any part thereof. It is understood and agreed that the CITY shall have no liability or responsibility in connection with such public improvements until the Letter of Acceptance is issued.

M. NON-WAIVER

The DEVELOPER expressly acknowledges that by entering into this Agreement, the DEVELOPER, its successors, heirs, assigns, grantees, trustees, and/or

representatives, shall never construe this Agreement as waiving any of the requirements of the Zoning Ordinance or Subdivision Ordinance or any other ordinance of the CITY.

N. HOLD HARMLESS AGREEMENT

THE DEVELOPER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT APPROVAL BY THE CITY ENGINEER OR OTHER CITY EMPLOYEE OF THE CONSTRUCTION PLANS OR ANY OTHER PLANS, DESIGNS OR SPECIFICATIONS SUBMITTED BY THE DEVELOPER PURSUANT TO THIS AGREEMENT SHALL NOT CONSTITUTE OR BE DEEMED TO BE A RELEASE OF THE RESPONSIBILITY AND LIABILITY OF THE DEVELOPER, HIS ENGINEER, EMPLOYEES, OFFICERS OR AGENTS FOR THE ACCURACY AND COMPETENCY OF THEIR DESIGN AND SPECIFICATIONS. SUCH APPROVAL SHALL NOT BE DEEMED TO BE AN ASSUMPTION OF SUCH RESPONSIBILITY AND LIABILITY BY THE CITY FOR ANY DEFECT IN THE DESIGN AND SPECIFICATIONS PREPARED BY THE DEVELOPER'S ENGINEER, HIS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES, IT BEING THE INTENT OF THE PARTIES THAT APPROVAL BY THE CITY ENGINEER SIGNIFIES THE CITY'S APPROVAL ON ONLY THE GENERAL DESIGN CONCEPT OF THE IMPROVEMENTS TO BE CONSTRUCTED. IN THIS CONNECTION, THE DEVELOPER SHALL, FOR A PERIOD OF TWO (2) YEARS AFTER THE ACCEPTANCE BY THE CITY OF THE COMPLETED CONSTRUCTION OF INFRASTRUCTURE FOR THE ADDITION, INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM ANY LOSS, DAMAGE, LIABILITY OR EXPENSE ON ACCOUNT OF DAMAGE TO PROPERTY AND INJURIES, INCLUDING DEATH, TO ANY AND ALL PERSONS WHICH MAY ARISE OUT OF ANY DEFECT, DEFICIENCY OR NEGLIGENCE OF THE DEVELOPER'S ENGINEER'S DESIGNS AND SPECIFICATIONS INCORPORATED INTO ANY IMPROVEMENTS CONSTRUCTED IN ACCORDANCE THEREWITH, WHETHER OR NOT CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OF THE CITY, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES, AND THE DEVELOPER SHALL DEFEND AT HIS OWN EXPENSE ANY SUITS OR OTHER PROCEEDINGS BROUGHT AGAINST THE CITY, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES OR ANY OF THEM, ON ACCOUNT THEREOF, AND SHALL PAY ALL EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE FEES AND EXPENSES OF ATTORNEYS) AND SATISFY ALL JUDGMENTS WHICH MAY BE INCURRED BY OR RENDERED AGAINST THEM OR ANY OF THEM IN CONNECTION THEREWITH.

THE DEVELOPER, ITS SUCCESSORS, ASSIGNS, VENDORS, GRANTEEES, AND/OR TRUSTEES DO HEREBY FULLY RELEASE AND AGREE TO, INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS,

AGENTS, SERVANTS AND EMPLOYEES FROM ALL CLAIMS, SUITS, JUDGMENTS, AND DEMANDS OF ANY NATURE WHATSOEVER, FOR PROPERTY DAMAGE OR PERSONAL INJURY, INCLUDING DEATH, RESULTING FROM OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS AND FACILITIES IN THE ADDITION OR THE FAILURE TO SAFEGUARD THE CONSTRUCTION WORK, OR ANY OTHER ACT OR OMISSION OF THE DEVELOPER RELATED THERETO, WHICH ACCRUE PRIOR TO ACCEPTANCE OF THE IMPROVEMENTS BY THE CITY, WHETHER OR NOT CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OF THE CITY, ITS OFFICERS, AGENTS OR EMPLOYEES.

O. AMENDMENTS

This Agreement may be changed or modified only with the written consent of both the DEVELOPER and the City Council of the CITY.

P. ASSESSMENT

In the event the DEVELOPER fails to comply with any of the provisions of this Agreement, the CITY shall be authorized to cease issuance of any further Certificates of Occupancy or building permits on property owned by the DEVELOPER, and the CITY shall be further authorized to file this Agreement in the Mechanic's Lien/Deed Records of Tarrant County as a mechanic's lien against the DEVELOPER'S property; and in the alternative, the CITY shall be authorized to levy an assessment against the DEVELOPER'S property for public improvements in accordance with applicable state law.

Q. CONTINUITY

This Agreement shall be a covenant running with the land and shall be binding upon the DEVELOPER, its successors, heirs, assigns, grantees, trustees and/or representatives.

R. SEVERABILITY

The provisions of this Agreement are severable and, in the event any word, phrase, sentence, paragraph, section or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect and the application thereof to any other person or circumstance shall not be affected thereby. The

invalid, illegal or unenforceable provision shall be rewritten by the parties to this Agreement to accomplish the parties' original intent as nearly as possible.

S. TERMINATION AND RELEASE

Upon the satisfactory completion by the DEVELOPER and final acceptance by the CITY of all requirements of this Agreement, this Agreement shall terminate and if this Agreement has been filed in the county records, the CITY will execute a release of covenant to the DEVELOPER, its assigns, successors, grantees, trustees and/or representatives and the CITY shall file said release in the county records.

T. OTHER FEES/COST/AGREEMENTS

CITY has requested that DEVELOPER install certain water facilities (1) to a size and specification in excess of the minimum CITY Ordinance required Standards in order to remain consistent with the provision of the CITY's Master Plan, (2) offsite from the Developer's project. The Developer agrees to perform the requested installation in consideration for the City's payment or credit to the Developer of an amount equal to all of the cost of the offsite water plus the difference between the cost of the CITY Standard Required size and the Oversized line requested, as illustrated below. The CITY required minimum water line is 8 inch. Under the previously stated conditions, the Developer agrees to construct approximately 333 linear feet of 16-inch water line offsite and approximately 322 linear feet of 16-inch water line onsite in accordance with CITY approved design and placement specifications. The sizes and comparative costs are shown below. Given that Lot C, Phase II currently has adequate water to serve the requirements of a fully developed commercial lot, the extension of a 16-inch water main along Eden Road will not benefit Lot C. Accordingly the Developer's cost of that portion of the City requested 16-inch water main along the Eden Road frontage of Lot C shall be paid as illustrated below.

CITY COST

Offsite 16-inch Water Line Cost	
Station 0+80 to Station 4+13	\$ 49,709.40
Onsite 16-inch Water Line Cost	
Station 4+13 to Station 8+41	\$ 50,638.64
Total	\$100,348.04
Less Developer Cost	- 18,920.82
City Expenses Incurred by Developer	\$ 81,427.22

DEVELOPER understands perimeter sidewalks are required and that a sum equal to the estimated cost of the required sidewalks is to be escrowed with the City, as per Section E, in an amount of \$3.50/SF. The perimeter length of sidewalk along Swiney-Hiett and Mansfield-Cardinal is 1,151 linear feet by 4 feet wide, totaling 4,604 square feet.

The DEVELOPER has petitioned the CITY to abandon certain right-of-way along Swiney-Hiett Road to be incorporated into the ADDITION. In consideration thereof, the DEVELOPER agrees that the value of the land is determined to be \$31,500 per acre and therefore the land is determined to be worth \$4,000.

Sidewalk Escrow due 4,604 SF @ \$3.50/SF = \$ 16,114.00

Const. Inspection Fees for Water & Sewer 4% of \$209,195.00

Const. Inspection Fees for Paving & Drainage 4% of \$464,230.00 = \$8,367.80

= \$ 18,569.20

Total DEVELOPER

= \$ 43,051.00

Construction Fees Due

DEVELOPER CREDIT

CITY expenses incurred by Beacon Hill Joint Venture = \$81,427.22

Less Total DEVELOPER Fees Due (by Beacon Hill Joint Venture in 2007) = - **40,892.00**

Less Value of .127 acre of Land = - **4,000.00**
Abandoned by City to Beacon Hill Phase II in 2007

Amount Paid to Beacon Hill Joint Ventures = \$36,535.22

CURRENT DEVELOPER CONSTRUCTION FEES DUE
Amount to be Paid by DEVELOPER = \$ 2,159.00
(Current Total less \$40,892.00 previously credited)

PARK FEES DUE 50 RESIDENTAL LOTS X \$666.00/LOT = \$33,300.00

TOTAL DEVELOPER FEES DUE = \$35,459.00

The DEVELOPER agrees that in lieu of reimbursement, the CITY may apply such balance toward future CITY assessed development fees associated with Phase II of the Addition. Notwithstanding anything to the contrary contained herein, the CITY and the DEVELOPER agree that the dollar amounts set forth in this Section T are estimated and may not reflect the actual cost or credit ultimately incurred.

The CITY's participation shall be subject to the provisions of Subchapter C of Chapter 212 of the Texas Local Government Code.

In Witness whereof, each of the parties hereto has caused this Agreement to be executed by its undersigned duly authorized representative as of the date herein above first mentioned.

D.R. Horton – Texas, Ltd., a Texas Limited Partnership
By D.R. Horton, Inc., a Delaware Corporation
Its authorized agent

NAME: _____

Don E. Allen, Assistant Secretary

CITY OF KENNEDALE

By: _____

John Clark, Mayor

ATTEST:

By: _____

Amethyst Cirimo, City Secretary

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority in and for Tarrant County, Texas, on this day personally appeared Don E. Allen in the capacity shown herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he is the Assistant Secretary of D.R. Horton, Inc. and that he executed the same on behalf of D.R. Horton – Texas, Ltd. for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of
_____ 20 .

Notary Public in and for the State of Texas

Type or Print Notary's Name

My Commission Expires: _____

Date: August 8, 2013

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:

The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

1. Discuss City Manager performance related to code enforcement.

II. Originated by:

Bob Hart, City Manager

III. Summary:

This item will be discussed during executive session.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments: