CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, MARCH 17, 2008
5:00 P.M.

A.1 CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY DEPUTY MAYOR CHIP ADAMI

A.4 APPROVE MINUTES OF THE CALLED CITY COUNCIL MEETING OF FEBRUARY 29, 2008, AND THE REGULAR CITY COUNCIL MEETING OF MARCH 3, 2008

Introduction and Public Hearing of Ordinances

B.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5523
Amending Chapter 13 of the Code of Ordinances, "Utilities", Article 13.07, "Water, Sewers and Sewage Disposal" at Division 3, "Sewers and Sewage Disposal", and adding Division 6, "Fats, Oil, Grease and Sediment Control"

B.2 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5524
Providing for a Permanent "Stop" Sign at the Intersection of Knollwood Drive and North Creek Drive, Stopping Westbound Traffic on North Creek Drive within the City Limits of the City of Sherman

B.3 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5525
Providing for Two (2) Permanent "Yield" Signs at the Intersection of Crestview Drive and West College Street within the City Limits of the City of Sherman

Close Public Hearing and Consider Adoption of Ordinances

B.4 ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Numbers:
a) 5523
b) 5524
c) 5525

B.5 CONSENT AGENDA
Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Resolutions

C.1 RESOLUTION NO. 5180
Authorizing the Execution of a Depository Contract with Landmark Bank

C.2 RESOLUTION NO. 5181
Approving the Form of Resolution of the Texoma Area Solid Waste Authority Authorizing the Issuance of Regional Solid Waste Disposal Contract Revenue Bonds, Series 2008; Approving the Private Placement of Such Bonds; and Containing Other Provisions Relating to the Subject

C.3 RESOLUTION NO. 5182
Authorizing the Execution of an Amendment to the Professional Engineering Design Services Contract with Bucher, Willis & Ratliff for the Reconstruction of Brockett Street from Travis Street to Grand Avenue

C.4 ** RESOLUTION NO. 5183*
Authorizing Execution of a Contract with Lone Tree Resources and Consulting, Inc. for the Installation of a 6,000 Gallon Fuel Tank at the Sherman Municipal Airport

C.5 ** RESOLUTION NO. 5184*
Awarding a Bid to and Authorizing Execution of a Contract with Tom Hernandez, individually and doing business as Martin Asphalt Company, for the Purchase of an Annual Supply of Emulsified Asphalt Oil for the 2008 Seal Coat Program

C.6 ** RESOLUTION NO. 5185*
Awarding a Bid to and Authorizing Execution of a Contract with James Thorpe, individually and doing business as Thorpe Trucking, for the Purchase of an Annual Supply of Cover Stone for the 2008 Seal Coat Program

C.7 ** RESOLUTION NO. 5186*
Authorizing the Purchase of One (1) 3/4 Ton Pickup Truck through the Houston-Galveston Area Council of Governments (H-GAC) for the Street Services Department

C.8 ** RESOLUTION NO. 5187*
Authorizing the Purchase of Two (2) 2-1/2 Ton Dump Trucks through the Houston-Galveston Area Council of Governments (H-GAC) for the Street Services Department

Change Order

D.1 ** CHANGE ORDER NO. 2*
Lockhart Street Water Main Replacement; $10,002.61, Decrease

Requests to Advertise

D.2 ** REQUEST TO ADVERTISE*

Sale of Property located at 1624 East King Street, being Lot 1, Block 1 of the Replat of Lot 19, Block 3, and a Portion of Harrison Street between Block 3 and 4 of the J. C. Linnstaedt's Addition

D.3 ** REQUEST TO ADVERTISE*

Sale of Property located at 800 North Brents Street, being a 60' x 150' tract of land (a closed and abandoned portion of Carter Street) lying between Lot 12 in Block 1 and Lot 7 in Block 2 of the Keliehor's Fourth Addition

D.4 ** REQUEST TO ADVERTISE*

Sale of Property located in the 500 Block of East Lake Street being 4.024 acres in the Preston Kitchens Survey, Abstract No. 667, and the Samuel Blagg Survey, Abstract No. 56, and of the Spring Glen Park Addition, Block 9 and Part of Blocks 3 and 4, and a Part of Adjacent Streets

Other Business

D.5 OTHER BUSINESS

Receive GTUA General Manager Jerry Chapman's Update on the Proposed Mandated Groundwater Conservation District to Include Grayson County

D.6 OTHER BUSINESS

Accept Annual Audit Report for Year Ended September 30, 2007 from Patillo, Brown & Hill, LLP

D.7 OTHER BUSINESS

Receive Quarterly Report from Tourism Director Shawnda Rains

D.8 ** OTHER BUSINESS*

Consider Bid Rejection for the Sherman Police Department's Data Collection Equipment

D.9 CITIZEN REQUESTS

D.10 MEDIA QUESTIONS

D.11 COUNCIL COMMENTS

Executive Session

E.1 EXECUTIVE SESSION

In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections"

Section 551.072 Deliberations Regarding Real Property

a) Deliberate Regarding the Potential Purchase of a Piece of Real Property

Section 551.087 Deliberations Regarding Economic Development Negotiations:

a) Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:

1) Panda Energy

The Council reconvenes into General Session

F.1 OPEN MEETING

Reconvene into Open Meeting and consider action, if any, on items discussed in Executive Session

F.2 ADJOURNMENT

COUNCIL CALENDAR

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. A.1

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Chip Adami, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. A.3

INVOCATION BY DEPUTY MAYOR CHIP ADAMI

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. A.4

APPROVE MINUTES
THE CALLED CITY COUNCIL MEETING OF FEBRUARY 29, 2008,
AND THE REGULAR CITY COUNCIL MEETING OF MARCH 3, 2008

STATE OF TEXAS §

February 29, 2008

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Called Meeting of the Sherman City Council was begun and held in Grayson Hall at Kelly Square, First Floor, 115 South Travis Street, Sherman, Texas, on February 29, 2008, when a quorum of Council Members met with Chamber of Commerce Board Members.

COUNCIL MEMBERS PRESENT: Mayor Bill Magers.
Council Members Smith, T. Steele, W. Steele, Wacker.

COUNCIL MEMBERS ABSENT: Deputy Mayor Chip Adami; Council Member Hughes.

CITY STAFF PRESENT: George Olson, City Manager; Robby Hefton, Assistant City Manager/CFO; Doreen McGookey, City Attorney; Linda Ashby, City Clerk.

CHAMBER BOARD MEMBERS PRESENT: Mark Tooley, Chairman; Kelly Sexton, Randy Hensarling, Janie Bates, Joel Bedgood, Brad Douglass, Pete Farris, Franklin Fry, Mike Gerleman, Judy Gharis, Tommy Gibbs, Jerry Griffin, Brad Morgan, Stacy Rake, Stephanie Singleton, Deborah Tarver.

CHAMBER STAFF PRESENT: Traci Carlson, President; RuthAnn Rogers, Office Manager.

PURPOSE: **Call to Order, Quorum Determined, Meeting Declared Open**

Introduction of New Chamber Board Members

Discuss Items of Common Interest for the Betterment of the City of Sherman and its Citizens

Adjournment

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

Mayor Magers called the meeting to order at 12:10 p.m., declared a quorum present, and opened the City Council Meeting. He introduced the Council Members and City staff that were present. Mayor Magers thanked the Chamber of Commerce for hosting the event and said the Council appreciates the opportunity to work with them.

INTRODUCTION OF NEW CHAMBER BOARD MEMBERS

Traci Carlson, Chamber of Commerce President, asked Board Members to introduce themselves.

DISCUSS ITEMS OF COMMON INTEREST FOR THE BETTERMENT OF THE CITY OF SHERMAN AND ITS CITIZENS

Mayor Magers addressed several issues concerning the community such as economic development, the proposed County jail, and air quality. He emphasized the great relationship and communication between the City Council and the Chamber of Commerce.

Mrs. Carlson introduced a new Sherman Magazine that will be distributed quarterly to every home and business in Sherman. The magazine will feature articles about Sherman and will be geared toward the community.

ADJOURNMENT

There being no further business to come before the City Council, motion was duly made and approved to adjourn the Called Meeting at 12:51 p.m.

MAYOR

ATTEST

CITY CLERK

STATE OF TEXAS §

March 3, 2008

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on March 3, 2008.

MEMBERS PRESENT:	**MAYOR BILL MAGERS; DEPUTY MAYOR CHIP ADAMI. COUNCIL MEMBERS HUGHES, SMITH, T. STEELE, W. STEELE, WACKER.**
MEMBERS ABSENT:	**NONE.**

CALL TO ORDER

CALL TO ORDER

Mayor Bill Magers called the meeting to order at 5:00 p.m. The Pledge of Allegiance and the Invocation were given by Council Member Cary Wacker.

APPROVE MINUTES

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of February 18, 2008. Deputy Mayor Adami moved to approve the Minutes as presented; Second by Council Member Terrence Steele. All present voted AYE.
MOTION CARRIED.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 5155
CERTIFICATES OF OBLIGATION

Mayor Magers introduced Ordinance 5515 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ISSUANCE OF "CITY OF SHERMAN, TEXAS TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2008." SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES. PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF THE NET REVENUES FROM THE OPERATION OF THE CITY'S COMBINED WATERWORKS AND SEWER SYSTEM. RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE AGREEMENT. PROVIDING AN EFFECTIVE DATE.

Garry Kimball, Senior Vice President with First Southwest Company, presented a summary of the financing for the Certificates of Obligation.

The market experienced a 65 basis point increase in tax exempt interest rates last week. First Southwest had recommended using a private placement and that strategy

paid off. The rate on the Certificates of Obligation was set approximately three weeks ago and was "locked in" at 3.62%, putting this deal ahead of the unprecedented spike in rates experienced last week.

Therefore, the rate obtained is better and saved the City about $35,000. The project deposit was also reduced by approximately $137,000 because of the use of a private placement. The Certificates of Obligation will be obtained with about $175,000 less spent for the $5 million in principal. Mayor Magers reiterated that taxpayer dollars were saved.

No other citizens appeared before the City Council to discuss Ordinance 5515.

ORD 5516 SUP FOR DUPLEX

Mayor Magers introduced Ordinance 5516 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO LARRY COX (OWNER) TO ALLOW A TWO-FAMILY DWELLING (DUPLEX) IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AT 1200 SOUTH THROCKMORTON STREET, BEING LOT 1, BLOCK 1 OF THE REPLAT OF LOTS 5 THRU 7 AND PART OF LOT 8, BLOCK 4, W.D. FITCH SUBDIVISION. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

No citizens appeared before the City Council to discuss Ordinance 5516.

ORD 5517 SUP FOR DUPLEX

Mayor Magers introduced Ordinance 5517 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO TEXOMA DEVELOPMENT, INC. (OWNERS), BOOTHE ENTERPRISES (DEVELOPER), AND SARTIN AND ASSOCIATES (SURVEYORS) TO ALLOW THREE DUPLEXES IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 1300 BLOCK OF WEST LAMAR STREET AND THE 100 BLOCK OF SOUTH HOLLY STREET, BEING FUTURE LOTS 8R, 9R, AND 10R, BLOCK 2 OF THE REPLAT OF THE NORTH ONE-HALF OF LOT 8, AND ALL OF LOTS 9 AND 10, BLOCK 2, W. ELLIOTT'S GRAY'S HILL ADDITION. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

No citizens appeared before the City Council to discuss Ordinance 5517.

Mayor Magers introduced Ordinance 5518 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ROBERT TATE AND NEWCREST HOTELS, LTD. (OWNERS), DANNY PATEL (REPRESENTATIVE), AND UNDERWOOD DRAFTING AND SURVEYING, INC. (SURVEYORS) TO ALLOW A HOTEL IN A C-1 (RETAIL BUSINESS) DISTRICT AND THE O-1 (75 & 82) OVERLAY DISTRICT IN THE 2900 BLOCK OF U.S. HIGHWAY 75 NORTH, BEING 1.55 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND ALL OF LOTS 1 AND 2, BLOCK 1 OF HOLIDAY INN SHERMAN, A REPLAT OF TEXOMA HOSPITALITY ADDITION. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

ORD 5518
SUP FOR
HOTEL

No citizens appeared before the City Council to discuss Ordinance 5518.

Mayor Magers introduced Ordinance 5519 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO LEONARD COFFMAN (OWNER) TO ALLOW MODEL HOME AND STORAGE BUILDING SALES / DISPLAYS WITH DISTRIBUTION IN A C-1 (RETAIL BUSINESS) DISTRICT AT 1509 WEST HOUSTON STREET, BEING 1.04 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

ORD 5519
SUP FOR
MODEL HOME

No citizens appeared before the City Council to discuss Ordinance 5519.

Mayor Magers introduced Ordinance 5520 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO UNITED RENTALS (OWNERS), JAMIE LEGG (REPRESENTATIVE), TO ALLOW ONE-YARD CAPACITY CONCRETE MIXER WITH A MAXIMUM OF SIX (6) TRAILERS AS AN ACCESSORY USE TO HEAVY EQUIPMENT SALES AND RENTAL IN A C-2 (GENERAL COMMERCIAL) DISTRICT AND THE O-1 (75 & 82) OVERLAY DISTRICT AT 117 U.S. HIGHWAY 82 WEST, BEING 3.67 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

ORD 5520
SUP FOR TRAILERS
AT RENTAL YARD

Joe Cooper, 109 Forest Creek Drive, originally planned to oppose the Specific Use Permit. His residence did not fall within the 200 feet notification area, and he felt that for uses such as this, the 200 feet should be expanded to include a larger area.

Mayor Magers had provided Mr. Cooper with a photograph of the type of concrete mixer that was being considered, and he confirmed that there would be no "ovens," only a dry mix use. Mayor Magers confirmed that the request is for United Rentals to have a small concrete mixer to rent for small jobs.

Mr. Cooper said if the description provided is correct, he has no objection to the Specific Use Permit.

Jamie Legg, representative from United Rentals, said the unit is a small mixing unit, which will have only a limited amount of dust, if any. The capacity will be from ¼ yard to one yard of concrete for small jobs. The unit has been permitted by the Texas Commission on Environmental Quality. The Planning and Zoning Commission also placed restrictions on the Specific Use Permit, which will be met.

No other citizens appeared before the City Council to discuss Ordinance 5520.

ORD 5521
ZONE CHANGE
(115 E. COLLEGE)

Mayor Magers introduced Ordinance 5521 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-1 (RETAIL BUSINESS) DISTRICT AT 115 EAST COLLEGE STREET, BEING 0.158 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (TED AND PAMELA HOELLER, OWNERS; STEVE GRAHAM, REPRESENTATIVE). PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5521.

ORD 5522
ZONE CHANGE
(504 S. WALNUT)

Mayor Magers introduced Ordinance 5522 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AT 504 SOUTH WALNUT STREET (FIRST BAPTIST CHURCH, OWNERS; HABITAT FOR HUMANITY, PROSPECTIVE OWNER). PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5522.

CLOSE PUBLIC
HEARING

The Ordinances were introduced and the Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5515

ORD 5155
CERTIFICATES OF OBLIGATION

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ISSUANCE OF "CITY OF SHERMAN, TEXAS TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2008." SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES. PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF THE NET REVENUES FROM THE OPERATION OF THE CITY'S COMBINED WATERWORKS AND SEWER SYSTEM. RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE AGREEMENT. PROVIDING AN EFFECTIVE DATE.

Ordinance 5516

ORD 5516
SUP FOR DUPLEX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO LARRY COX (OWNER) TO ALLOW A TWO-FAMILY DWELLING (DUPLEX) IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AT 1200 SOUTH THROCKMORTON STREET, BEING LOT 1, BLOCK 1 OF THE REPLAT OF LOTS 5 THRU 7 AND PART OF LOT 8, BLOCK 4, W.D. FITCH SUBDIVISION. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

Ordinance 5517

ORD 5517
SUP FOR DUPLEX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO TEXOMA DEVELOPMENT, INC. (OWNERS), BOOTHE ENTERPRISES (DEVELOPER), AND SARTIN AND ASSOCIATES (SURVEYORS) TO ALLOW THREE DUPLEXES IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 1300 BLOCK OF WEST LAMAR STREET AND THE 100 BLOCK OF SOUTH HOLLY STREET, BEING FUTURE LOTS 8R, 9R, AND 10R, BLOCK 2 OF THE REPLAT OF THE NORTH ONE-HALF OF LOT 8, AND ALL OF LOTS 9 AND 10, BLOCK 2, W. ELLIOTT'S GRAY'S HILL ADDITION. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

Ordinance 5518

ORD 5518
SUP FOR HOTEL

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION

(5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ROBERT TATE AND NEWCREST HOTELS, LTD. (OWNERS), DANNY PATEL (REPRESENTATIVE), AND UNDERWOOD DRAFTING AND SURVEYING, INC. (SURVEYORS) TO ALLOW A HOTEL IN A C-1 (RETAIL BUSINESS) DISTRICT AND THE O-1 (75 & 82) OVERLAY DISTRICT IN THE 2900 BLOCK OF U.S. HIGHWAY 75 NORTH, BEING 1.55 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND ALL OF LOTS 1 AND 2, BLOCK 1 OF HOLIDAY INN SHERMAN, A REPLAT OF TEXOMA HOSPITALITY ADDITION. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

Mayor Magers said the rumor is that the hotel will be a Marriott Fairfield and that will be a good addition to the Hotel/Motel Sales Tax for the area.

Ordinance 5519

ORD 5519
SUP FOR
MODEL HOME

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO LEONARD COFFMAN (OWNER) TO ALLOW MODEL HOME AND STORAGE BUILDING SALES / DISPLAYS WITH DISTRIBUTION IN A C-1 (RETAIL BUSINESS) DISTRICT AT 1509 WEST HOUSTON STREET, BEING 1.04 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

Deputy Mayor Adami asked the location of the request. Mayor Magers said it was located behind PAC Furniture on the northwest corner of Tolbert Street. He also confirmed that it would not be metal buildings.

Leonard Coffman, 1509 W. Houston, said the buildings will all be constructed out of wood and will be a nice display lot.

Ordinance 5520

ORD 5520
SUP FOR TRAILERS
AT RENTAL YARD

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO UNITED RENTALS (OWNERS), JAMIE LEGG (REPRESENTATIVE), TO ALLOW ONE-YARD CAPACITY CONCRETE MIXER WITH A MAXIMUM OF SIX (6) TRAILERS AS AN ACCESSORY USE TO HEAVY EQUIPMENT SALES AND RENTAL IN A C-2 (GENERAL COMMERCIAL) DISTRICT AND THE O-1 (75 & 82) OVERLAY DISTRICT AT 117 U.S. HIGHWAY 82 WEST, BEING 3.67 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763. PROVIDING FOR A REPEALER. PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS. PROVIDING A PENALTY NOT TO EXCEED $2,000.

Ordinance 5521

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-1 (RETAIL BUSINESS) DISTRICT AT 115 EAST COLLEGE STREET, BEING 0.158 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (TED AND PAMELA HOELLER, OWNERS; STEVE GRAHAM, REPRESENTATIVE). PROVIDING FOR A REPEALER.

ORD 5521
ZONE CHANGE
(115 E. COLLEGE)

Ordinance 5522

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AT 504 SOUTH WALNUT STREET (FIRST BAPTIST CHURCH, OWNERS; HABITAT FOR HUMANITY, PROSPECTIVE OWNER). PROVIDING FOR A REPEALER.

ORD 5522
ZONE CHANGE
(504 S. WALNUT)

ACTION TAKEN.

Motion by Council Member Smith to approve Ordinance Nos. 5515, 5516, 5517, 5518, 5519, 5520, 5521, and 5522, as presented. Second by Council Member Hughes.

VOTING AYE: Adami, Hughes, Smith, T. Steele, W. Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

<u>CONSENT AGENDA</u>

CONSENT AGENDA

The Council reviewed the Consent Agenda. Mayor Magers received a request from a citizen to remove Item D-2 entitled "Final Plat Approval of Veteran's No. 1 Addition, being 1.812 acres in the Fleming Jennings Survey, Abstract No. 638; Mike Bernard, Owner (2900 Block of U.S. Highway 82 East)" from the Consent Agenda for consideration in its regular order of business.

Council Member Terrence Steele moved to approve the Consent Agenda, with the exception of Item D-2, which will be considered in its regular order of business. Second by Deputy Mayor Adami. All present voted AYE.

<u>RESOLUTIONS</u>

<u>RESOLUTION NO. 5171 – ADOPTING AND PROMOTING THE "LESS TEARS . . . MORE YEARS"™ CAMPAIGN AND URGING REPRESENTATIVES OF THE TEXAS LEGISLATURE TO ADDRESS THE PROBLEM OF TEENAGE TRAFFIC FATALITIES IN TEXAS</u>

RES 5171
LESS TEARS,
MORE YEARS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ADOPTING AND PROMOTING THE "LESS TEARS . . . MORE YEARS"™ CAMPAIGN AND URGING REPRESENTATIVES OF THE TEXAS LEGISLATURE TO ADDRESS THE PROBLEM OF TEENAGE TRAFFIC FATALITIES IN TEXAS.

Brett Arterburn, Pottsboro Police Chief, appeared to request that the City Council participate in the "Less Tears . . . More Years" Campaign to address the problem of teenage traffic fatalities in Texas.

He explained that the campaign was originally begun in 2007 because of the tragic deaths of several Pottsboro teenagers from vehicle accidents. Local concerned citizens came together to determine what they could do to prevent future tragic deaths of this nature. They also met with County and State officials to determine a plan of action.

Three areas that continued to come up in discussions were road safety, driver's education, and awareness and education. After researching, it was found that 6,000 teenagers die annually in motor vehicle accidents and it is the leading cause of death among 15 to 20 year olds.

Next the citizens reviewed the Department of Public Safety's driver's test, which was made optional in 1995. At that time a parent was allowed to sign a form and determine whether or not their child took a driver's test. In 1997, driver's education became available on the Internet in a "parent taught" driver's education program.

Chief Arterburn explained that a parent can now teach their child to drive and verifies that the child completes the course. There are no checks and balances to assure that the child has actually driven a vehicle or completed the required assignments.

He listed several of the partners that have joined with them to assure that changes are made to the system that will help prevent teenage deaths from traffic accidents.

He asked the City Council to consider a resolution to join the fight for Legislative changes, to add checks and balances, to reinstitute the driver's test through the Department of Public Safety, and to create legislation to keep teenagers safe on the roadways.

Council Member Smith asked if Chief Arterburn supported putting driver's education back in the schools. He said the cost of the local driver's school could be very prohibitive for some families. Council Member Smith felt driver's education classes belong in the school's curriculum.

Chief Arterburn said the proposed resolution includes the reinstitution of a public school based driver's education program and the reinstitution of a driver's education test that is administered by the Department of Public Safety before a driver's license is issued.

The resolutions will be presented to State Representative Larry Phillips and Senator Craig Estes. Some States have enacted a $1 fee on traffic citations or an additional $1 on the

registration of vehicles to fund the driver's education program.

ACTION TAKEN.
Motion by Council Member Hughes to approve Resolution No. 5171, as presented. Second by Council Member Smith.
VOTING AYE: Magers, Adami, Hughes, Smith, T. Steele, W. Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

RES 5172
NORTH TEXAS
FUSION SYSTEM

<u>RESOLUTION NO. 5172 – AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE NORTH CENTRAL TEXAS FUSION SYSTEM</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE NORTH CENTRAL TEXAS FUSION SYSTEM.
CONSENT AGENDA.

RES 5173
WATER PRODUCTION
FLEET

<u>RESOLUTION NO. 5173 – AUTHORIZING THE PURCHASE FROM BOB UTTER FORD OF A UTILITY TRUCK CHASSIS FOR THE WATER PRODUCTION DEPARTMENT</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE FROM BOB UTTER FORD OF A UTILITY TRUCK CHASSIS FOR THE WATER PRODUCTION DEPARTMENT.
CONSENT AGENDA.

RES 5174
WATER LINE
REPLACEMENT

<u>RESOLUTION NO. 5174 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH TIMOTHY L. MORRIS, P.E. D/B/A MORRIS ENGINEERS FOR THE DESIGN OF THE HIGHLAND AVENUE WATER LINE REPLACEMENT BETWEEN McGEE STREET AND TAYLOR STREET</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH TIMOTHY L. MORRIS, P.E. D/B/A MORRIS ENGINEERS FOR THE DESIGN OF THE HIGHLAND AVENUE WATER LINE REPLACEMENT BETWEEN McGEE STREET AND TAYLOR STREET.
CONSENT AGENDA.

RES 5175
HWY 82 WEST
WATER MAIN

<u>RESOLUTION NO. 5175 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO ENTER INTO AN AGREEMENT WITH LYNN VESSELS CONSTRUCTION, LLC FOR CONSTRUCTION OF THE U.S. HIGHWAY 82 WEST WATER MAIN FROM LAMBERTH ROAD TO PROPOSED STATE HIGHWAY 289</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO ENTER INTO AN AGREEMENT WITH LYNN VESSELS CONSTRUCTION, LLC FOR CONSTRUCTION OF THE U.S. HIGHWAY 82 WEST WATER MAIN FROM LAMBERTH ROAD TO PROPOSED STATE HIGHWAY 289.

Mayor Magers explained that the resolution was for the construction phase of the water main on Highway 82 West, from Lamberth Road to the proposed State Highway 289.

George Olson, City Manager, said the Council budgeted $700,000 for the project, however they received eleven bids and the low bidder was $426,000. Mayor Magers addressed the additional money saved for the taxpayers.

ACTION TAKEN.
Motion by Council Member Smith to approve Resolution No. 5175, as presented. Second by Deputy Mayor Adami.
VOTING AYE: Adami, Hughes, Smith, T. Steele, W. Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

RES 5176
HILLCREST DR.
WATER MAIN

<u>RESOLUTION NO. 5176 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO ENTER INTO AN AGREEMENT WITH B. BRAY CONSTRUCTION CO., INC. FOR REPLACEMENT OF THE HILLCREST DRIVE WATER MAIN BETWEEN RICKETTS STREET AND SUNSET AVENUE</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO ENTER INTO AN AGREEMENT WITH B. BRAY CONSTRUCTION CO., INC. FOR REPLACEMENT OF THE HILLCREST DRIVE WATER MAIN BETWEEN RICKETTS STREET AND SUNSET AVENUE.
CONSENT AGENDA.

RES 5177
RESIDENTIAL TAX
ABATEMENT
(613 S. VADEN)

<u>RESOLUTION NO. 5177 – AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 613 SOUTH VADEN STREET</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 613 SOUTH VADEN STREET.
CONSENT AGENDA.

RES 5178
RESIDENTIAL TAX
ABATEMENT
(709 E. SYCAMORE)

<u>RESOLUTION NO. 5178 – AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 709 EAST SYCAMORE STREET</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 709 EAST SYCAMORE STREET.
CONSENT AGENDA.

RESOLUTION NO. 5179 – AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 713 EAST SYCAMORE STREET

RES 5179 RESIDENTIAL TAX ABATEMENT (713 E. SYCAMORE)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 713 EAST SYCAMORE STREET.
CONSENT AGENDA.

OTHER BUSINESS

REPLAT APPROVAL OF THE NEWCREST ADDITION, A REPLAT OF LOTS 1 AND 2, BLOCK 1 OF HOLIDAY INN SHERMAN AND LOT 2, BLOCK 1 OF THE REPLAT OF LOT THREE, BLOCK 1 OF THE ACTION-75 ADDITION, BEING 1.55 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763; ROBERT TATE AND NEWCREST HOTELS, LTD., OWNERS (2900 BLOCK OF U.S. HIGHWAY 75 NORTH)

APPROVE REPLAT NEWCREST ADDITION

The City Council approved the Replat of the NewCrest Addition, a Replat of Lots 1 and 2, Block 1 of Holiday Inn Sherman, a Replat of Texoma Hospitality Addition Replate. The property is located in the 2900 block of U.S. Highway 75 North in front of the Holiday Inn Express at 2909 Michelle Drive.

The owners, NewCrest Hotels, Ltd. and Robert Tate, would like to join three tracts into one site for a hotel. The Planning and Zoning Commission recommended approval of the Replat.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF VETERAN'S NO. 1 ADDITION, BEING 1.812 ACRES IN THE FLEMING JENNINGS SURVEY, ABSTRACT NO. 638; MIKE BERNARD, OWNER (2900 BLOCK OF U.S. HIGHWAY 82 EAST)

APPROVE FINAL PLAT VETERAN'S NO. 1 ADDITION

Mayor Magers received a request to remove Item D-2 from the Consent Agenda for consideration in its regular order of business. Edna Bishop, 209 Forest Creek Drive, had asked to speak on the request, but left the meeting before the issue was discussed.

ACTION TAKEN.

> **Motion by Council Member Hughes to approve the Final Plat of Veteran's No. 1 Addition, in the 2900 block of U.S. Highway 82 East, as presented. Second by Council Member Terrence Steele.**

VOTING AYE: Adami, Hughes, Smith, T. Steele, W. Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

REPLAT APPROVAL OF THE NORTH ONE-HALF OF LOT 8, AND ALL OF LOTS 9 AND 10, BLOCK 2 OF W. ELLIOTT'S GRAY'S HILL ADDITION, BEING 0.43 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763; TEXOMA

APPROVE REPLAT ELLIOTT'S GRAY'S HILL ADDITION

DEVELOPMENT, INC., OWNERS (1300 BLOCK OF WEST LAMAR STREET AND 100 BLOCK OF SOUTH HOLLY STREET)

The City Council approved the Replat of the North one-half of Lot 8, and all of Lots 9 and 10, Block 2 of W. Elliott's Gray's Hill Addition, located on the northeast corner of Holly and Lamar Streets.

The owner, Texoma Development, Inc., would like to replat two and one-half lots into three lots to construct a duplex on each of the lots. The Planning and Zoning Commission recommended approval of the Replat.
CONSENT AGENDA.

CITIZENS REQUESTS

CITIZENS REQUESTS
There were no citizen's requests.

MEDIA QUESTIONS

VOTING IN THE PRIMARY ELECTION

URGED VOTERS TO DO THE "TEXAS TWO-STEP" TOMORROW
Kathy Williams, Herald Democrat Reporter, urged citizens to do the "Texas Two-Step" tomorrow when they vote. The "Texas Two-Step" is a reference to the Texas system of voting whereby voters have to return to the polling place after voting has ended and caucus.

CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS:

PARKS & REC ADVISORY BOARD (TABLED)

PARKS AND RECREATION ADVISORY BOARD (2)
ACTION TAKEN.

> **Motion by Deputy Mayor Adami to table discussion of appointments to the Parks and Recreation Advisory Board. Second by Council Member Terrence Steele.**

VOTING AYE: Adami, Hughes, Smith, T. Steele, W. Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED TO TABLE.

COUNCIL COMMENTS

PRIMARY ELECTION

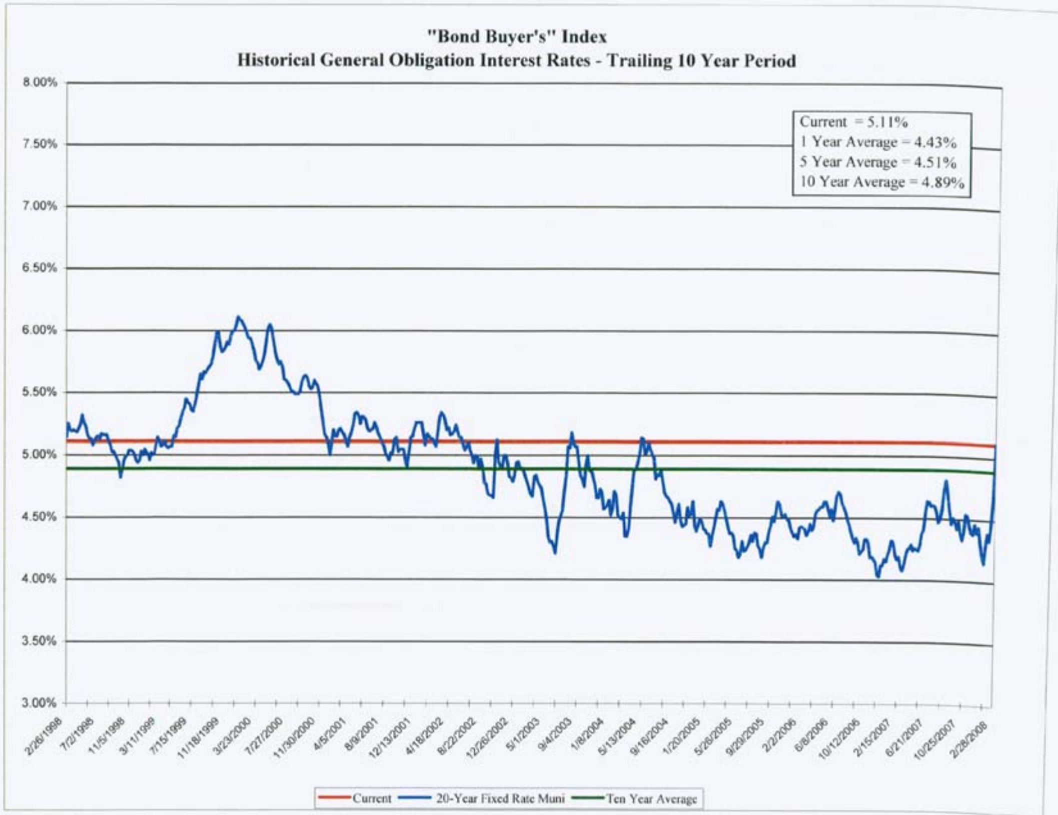
PRIMARY ELECTION
Mayor Magers urged citizens to vote in the Primary Election tomorrow.

ADJOURNMENT

ADJOURNMENT
On Motion duly made and carried, the meeting adjourned at 5:36 p.m.

____
MAYOR

____
CITY CLERK


"Bond Buyer's" Index
Historical General Obligation Interest Rates - Trailing 10 Year Period
Current = 5.11%
1 Year Average = 4.43%
5 Year Average = 4.51%
10 Year Average = 4.89%
8.00%
7.50%
7.00%
6.50%
6.00%
5.50%
5.00%
4.50%
4.00%
3.50%
3.00%
2/26/1998
7/2/1998
11/5/1998
3/11/1999
7/15/1999
11/18/1999
3/23/2000
7/27/2000
11/30/2000
4/5/2001
8/9/2001
12/13/2001
4/18/2002
8/22/2002
12/26/2002
5/1/2003
9/4/2003
1/8/2004
5/13/2004
9/16/2004
1/20/2005
5/26/2005
9/29/2005
2/2/2006
6/8/2006
10/12/2006
2/15/2007
6/21/2007
10/25/2007
2/28/2008
Current
20-Year Fixed Rate Muni
Ten Year Average

City of Sherman, Texas

Estimated Debt Service and Proceeds Comparison

$5,000,000 Combination Tax & Revenue Certificates of Obligation, Series 2008

FYE	Est. Open Market Transaction			FINAL Private Placement Transaction			DIFFERENCE
	Est. TIC: 3.749%		(A)	FINAL TIC: 3.618%		(B)	
9/30	Principal	Interest	Total	Principal	Interest	Total	(A) - (B)
2008	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2009	-	233,131	233,131	-	243,344	243,344	(10,214)
2010	185,000	171,322	356,322	175,000	177,833	352,833	3,489
2011	190,000	166,913	356,913	185,000	171,317	356,317	597
2012	195,000	162,051	357,051	190,000	164,529	354,529	2,522
2013	205,000	156,697	361,697	200,000	157,470	357,470	4,227
2014	210,000	150,823	360,823	210,000	150,049	360,049	774
2015	215,000	144,488	359,488	215,000	142,357	357,357	2,132
2016	225,000	137,610	362,610	225,000	134,393	359,393	3,217
2017	235,000	130,167	365,167	235,000	126,067	361,067	4,101
2018	245,000	122,185	367,185	245,000	117,379	362,379	4,806
2019	250,000	113,694	363,694	255,000	108,329	363,329	366
2020	260,000	104,690	364,690	265,000	98,917	363,917	774
2021	275,000	95,017	370,017	280,000	89,052	369,052	965
2022	285,000	84,683	369,683	290,000	78,735	368,735	948
2023	300,000	73,698	373,698	305,000	67,966	372,966	733
2024	315,000	61,964	376,964	315,000	56,744	371,744	5,221
2025	330,000	49,466	379,466	330,000	45,069	375,069	4,397
2026	345,000	36,217	381,217	345,000	32,852	377,852	3,365
2027	360,000	22,239	382,239	360,000	20,091	380,091	2,148
2028	375,000	7,538	382,538	375,000	6,788	381,788	750
	$ 5,000,000	$ 2,224,590	$ 7,224,590	$ 5,000,000	$ 2,189,275	$ 7,189,275	$ 35,315

Est. Project Fund Deposit: $ 4,813,254 Project Fund Deposit: $ 4,950,500

(1) Est. Open Market Transaction shown for purposes of illustration only. Preliminary, subject to change.
(2) Final Private Placement Transaction based on bid of Bank of America on February 19, 2008.

City of Sherman, Texas

$5,000,000 Combination Tax & Revenue Certificates of Obligation, Series 2008
Bank of America Bid (QTEO)
Final

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2008	-	-	-	-	-
02/01/2009	-	-	152,844.44	152,844.44	-
08/01/2009	-	-	90,500.00	90,500.00	-
09/30/2009	-	-	-	-	243,344.44
02/01/2010	175,000.00	3.620%	90,500.00	265,500.00	-
08/01/2010	-	-	87,332.50	87,332.50	-
09/30/2010	-	-	-	-	352,832.50
02/01/2011	185,000.00	3.620%	87,332.50	272,332.50	-
08/01/2011	-	-	83,984.00	83,984.00	-
09/30/2011	-	-	-	-	356,316.50
02/01/2012	190,000.00	3.620%	83,984.00	273,984.00	-
08/01/2012	-	-	80,545.00	80,545.00	-
09/30/2012	-	-	-	-	354,529.00
02/01/2013	200,000.00	3.620%	80,545.00	280,545.00	-
08/01/2013	-	-	76,925.00	76,925.00	-
09/30/2013	-	-	-	-	357,470.00
02/01/2014	210,000.00	3.620%	76,925.00	286,925.00	-
08/01/2014	-	-	73,124.00	73,124.00	-
09/30/2014	-	-	-	-	360,049.00
02/01/2015	215,000.00	3.620%	73,124.00	288,124.00	-
08/01/2015	-	-	69,232.50	69,232.50	-
09/30/2015	-	-	-	-	357,356.50
02/01/2016	225,000.00	3.620%	69,232.50	294,232.50	-
08/01/2016	-	-	65,160.00	65,160.00	-
09/30/2016	-	-	-	-	359,392.50
02/01/2017	235,000.00	3.620%	65,160.00	300,160.00	-
08/01/2017	-	-	60,906.50	60,906.50	-
09/30/2017	-	-	-	-	361,066.50
02/01/2018	245,000.00	3.620%	60,906.50	305,906.50	-
08/01/2018	-	-	56,472.00	56,472.00	-
09/30/2018	-	-	-	-	362,378.50
02/01/2019	255,000.00	3.620%	56,472.00	311,472.00	-
08/01/2019	-	-	51,856.50	51,856.50	-
09/30/2019	-	-	-	-	363,328.50
02/01/2020	265,000.00	3.620%	51,856.50	316,856.50	-
08/01/2020	-	-	47,060.00	47,060.00	-
09/30/2020	-	-	-	-	363,916.50
02/01/2021	280,000.00	3.620%	47,060.00	327,060.00	-
08/01/2021	-	-	41,992.00	41,992.00	-
09/30/2021	-	-	-	-	369,052.00

City of Sherman, Texas

$5,000,000 Combination Tax & Revenue Certificates of Obligation, Series 2008

Bank of America Bid (QTEO)

Final

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2022	290,000.00	3.620%	41,992.00	331,992.00	-
08/01/2022	-	-	36,743.00	36,743.00	-
09/30/2022	-	-	-	-	368,735.00
02/01/2023	305,000.00	3.620%	36,743.00	341,743.00	-
08/01/2023	-	-	31,222.50	31,222.50	-
09/30/2023	-	-	-	-	372,965.50
02/01/2024	315,000.00	3.620%	31,222.50	346,222.50	-
08/01/2024	-	-	25,521.00	25,521.00	-
09/30/2024	-	-	-	-	371,743.50
02/01/2025	330,000.00	3.620%	25,521.00	355,521.00	-
08/01/2025	-	-	19,548.00	19,548.00	-
09/30/2025	-	-	-	-	375,069.00
02/01/2026	345,000.00	3.620%	19,548.00	364,548.00	-
08/01/2026	-	-	13,303.50	13,303.50	-
09/30/2026	-	-	-	-	377,851.50
02/01/2027	360,000.00	3.620%	13,303.50	373,303.50	-
08/01/2027	-	-	6,787.50	6,787.50	-
09/30/2027	-	-	-	-	380,091.00
02/01/2028	375,000.00	3.620%	6,787.50	381,787.50	-
09/30/2028	-	-	-	-	381,787.50
Total	**$5,000,000.00**	-	**$2,189,275.44**	**$7,189,275.44**	-

Yield Statistics

Bond Year Dollars	$60,477.22
Average Life	12.095 Years
Average Coupon	3.6200000%

IRS Form 8038

Net Interest Cost	3.6200000%
Weighted Average Maturity	12.095 Years

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. B.1

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5523
Amending Chapter 13 of the Code of Ordinances, "Utilities", Article 13.07, "Water, Sewers and Sewage Disposal" at Division 3, "Sewers and Sewage Disposal", and adding Division 6, "Fats, Oil, Grease and Sediment Control"

Issue
To consider amending Chapter 13 of the Code of Ordinances, "Utilities", Article 13.07, "Water, Sewers and Sewage Disposal", at Division 3, "Sewers and Sewage Disposal," and adding Division 6, "Fats, Oil, Grease and Sediment Control"

Background
This proposed ordinance updates the portion of the Sherman City Code which regulates the non-domestic introduction of fats, oils, grease, and sediment into the City's sanitary sewer system. Written to be compatible with the model ordinance directed by the Texas State Legislature in 2003, these changes to the City Code will help protect the sanitary sewer system and wastewater treatment plant from blockages, interferences, and deterioration caused by fats, oils, grease, and sediments. These same measures will also help protect downstream property owners and citizens from damage caused by the illicit discharge of these materials. Adoption of these code changes is consistent with the City's participation in its Sanitary Sewer Overflow (SSO) Initiative Program; and it affords the City with an affirmative defense against enforcement by the State for sanitary sewer overflow violations of our wastewater discharge permit. The overall impact of these ordinance changes is to make non-domestic dischargers responsible for their own actions and to help prevent the problems caused by the discharge of fats, oils, grease and sediment.

Origination
Engineering and Utility Department

Staff Recommendation
The staff recommends that the Council adopt the proposed ordinance.

Alternatives
As may be directed by the City Council

Attachments
Ordinance No. 5523

Prepared by:
Mark Gibson, Engineering & Utilities Director

Approved by:
George Olson, City Manager

ORDINANCE NO. 5523

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, "UTILITIES", ARTICLE 13.07, "WATER, SEWERS, AND SEWAGE DISPOSAL", AT DIVISION 3, "SEWERS AND SEWAGE DISPOSAL", AND ADDING DIVISION 6, "FATS, OIL, GREASE AND SEDIMENT CONTROL"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR A REPEALER CLAUSE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Article 13.07, "Water, Sewers, and Sewage Disposal" shall be amended at Division 3, Sewers and Sewage Disposal," as follows:

Sec. 13.07.110 – 13.07.~~140~~*137* Reserved

Division 3. Sewers and Sewage Disposal

Part I. In General

Sec. 13.07.138 Administration

Except as otherwise provided herein, the Director of Utilities and Engineering (the "director") shall administer, implement and enforce the provisions of this division. Any powers granted to or duties imposed upon the director may be delegated to other city personnel.

Sec. 13.07.139 Definitions

(a) Unless the context specifically indicates otherwise, the following terms and phrases, as used in this division, shall have the meanings hereinafter designated:

(1) Building sewer. A sewer conveying wastewater from the premises of user to the POTW.

(2) City. The city, or any authorized person acting in its behalf.

(3) Control authority. The city or its designated representative.

(4) Director of utilities and engineering (director). The person designated by the city to supervise the POTW and be responsible for water pollution control for the city, and who is charged with certain duties and responsibilities by this division, or his duly authorized representative.

(5) Excessive. Amounts of discharge in which the average concentration exceeds more than two hundred fifty (250) mg/l for BOD and TSS.

(6) Garbage. Animal and vegetable wastes and residue from preparation, cooking and dispensing of food; and from the handling, processing, storage and sale of food products and produce.

(7) Holding tank waste. Any waste from holding tanks such as vessels, chemical toilets, campers, trailers, septic tanks and vacuum-pump tank trucks.

(8) Normal domestic wastewater. Wastewater excluding industrial wastewater discharged by a person into sanitary sewers and in which the average concentration of TSS is not more than two hundred fifty (250) mg/l and BOD is not more than two hundred fifty (250) mg/l.

(9) Overload. The addition of organic or hydraulic loading on a treatment facility in excess of its engineered design capacity.

(10) pH. A measure of the acidity or alkalinity of a substance, expressed in standard units.

(11) Pollutant. Any dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, medical wastes, chemical wastes, industrial wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, agricultural, industrial wastes and municipal wastes, and the characteristics of the wastewater (i.e., pH, temperature, TSS, turbidity, color, BOD, COD, toxicity, odor).

(12) Pollution. The manmade or man-induced introduction of a harmful quantity of any pollutant into water or wastewater.

(13) Sanitary sewer. A pipe or conduit that carries liquid and water-carried wastes from residences, commercial buildings, industrial plants and institutions together with minor quantities of ground, storm and surface waters.

(14) Sewer. A pipe or conduit that carries wastewater or drainage water.

(15) Storm drain (sometimes termed "storm sewer"). A drain or sewer for conveying water, groundwater, subsurface water, or unpolluted water from any source into which domestic wastewater or industrial wastewater is not intentionally passed.

(16) Stormwater. Any flow occurring during or following any form of natural precipitation, and resulting therefrom, including snowmelt.

(17) Unpolluted water. Water of quality equal to or better than the effluent criteria in effect or water that would not cause violation of receiving water quality standards and would not be benefited by discharge to the sanitary sewers and the POTW.

(18) Wastewater (sewage). The liquid and water-carried industrial or domestic wastes from dwellings, commercial buildings, industrial facilities, and institutions, together with any groundwater, surface water, and stormwater that may be present, whether treated or untreated, which is contributed into or permitted to enter the POTW.

Sec. 13.07.14~~1~~*0* ***Additional Definitions***

(a) Unless the context specifically indicates otherwise, the following terms and phrases used in this division, shall have the meanings hereafter designated:

(1) Act. The Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. 1251 et seq.

(2) Domestic or sanitary wastes (Liquid). Wastewater from normal residential activities including, but not limited to wastewater from kitchen, bath, and laundry facilities; or wastewater from the personal sanitary conveniences (toilets, showers, bathtubs, fountains, non-commercial sinks and similar structures) of commercial, industrial or institutional buildings, provided that the wastewater exhibits characteristics that are similar to those of wastewater from normal residential activities.

(3) Fats, oils and greases (FOG) means organic polar compounds derived from animal and/or plant sources that contain multiple carbon chain triglyceride molecules. These substances are detectable and measurable using analytical test procedures established in 40 CFR 136, and amendments thereto. All are sometimes referred to herein as "grease."

(4) Infiltration. The penetration of water through the ground surface into sub-surface soil or the penetration of water from the soil into sewer or other pipes through defective joints, connections, or manhole walls.

(5) Inflow. Water other than wastewater that enters a sewer system (including sewer service connections) from sources such as roof leaders, cellars drains, yard drains, area drains, drains from springs and swampy areas, manhole covers, cross connections between storm sewers and sanitary sewers, catch basins, storm waters, surface runoff, street wash waters, or drainage. Inflow does not include, and is distinguished from infiltration.

(6) Municipal separate storm sewer system (MS4). The system of conveyances (including sidewalks, roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, culverts, pipes, or storm drains) owned and operated by the city and designed or used for collecting or conveying storm water, and which is not used for collecting or conveying sewage.

(7) Non-Domestic User or Industrial User. A source of indirect discharge which does not constitute a discharge of pollutants under regulations issued pursuant to Section 402 of the Act; any person including those located outside the jurisdictional boundaries of the City, who contribute, cause or permits the contribution or discharge of non-domestic wastewater into the POTW, including persons who contribute such wastewater from mobile sources.

(8) Non-Domestic Wastewater. Wastewater resulting from any industrial, commercial, manufacturing, food preparation or food processing operation or from development of any natural resource, or any mixture of these with water or domestic wastewater.

(9) Person. Any individual, partnership, copartnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity or any other legal entity, or their legal representatives, agents, successors, or assigns. This definition includes all federal, state or local governmental entities.

(10) Publicly owned treatment works or POTW. A "treatment works" as defined by section 212 of the act (33 U.S.C. 1292), which is owned by the state or municipality (as defined by section 502(4) of the act). This definition includes any devices or systems used in the collection, storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature and any conveyances which convey wastewater to a treatment plant. The term also means the municipal entity having jurisdiction over the industrial users and responsibility for the operations and maintenance of the treatment works.

(11) Wastewater collection system. The piping, conduits, pumping stations, force mains, and all other constructions, devices, and appurtenance appliances used to transport wastewater.

Sec. 13.07.141 Emergency suspension of water supply and/or discharge

(a) Whenever the director finds that an emergency exists which requires immediate action, he may, without notice or hearing, issue an order reciting the existence of such an emergency and requiring that such action be taken as he may deem necessary to meet the emergency, including suspending a user's city-provided water supply and/or wastewater discharge when such suspension is necessary in the opinion of the director to stop an actual or threatened discharge which:

(1) Presents or may present imminent and substantial danger to the environment or to the health or welfare of persons;

(2) Presents or may present imminent and substantial danger to the POTW; or

(3) Causes or will cause pass through or interference of the POTW.

(b) If time permits, the director should notify the user prior to the suspension.

(c) Any user notified of a suspension of its water supply and/or wastewater discharge shall immediately stop or eliminate its contribution. In the event of a user's failure to comply immediately and voluntarily with the suspension order, the director may take such steps as deemed necessary to prevent or minimize damage to the POTW, its receiving stream, or endangerment to any individuals. Such steps may include immediate severance of the user's water service and sewer connection.

(d) The user shall not recommence its water service/discharge until the director so authorizes and:

(1) The user presents proof satisfactory to the director that the noncomplying discharge has ceased;

(2) The user presents proof satisfactory to the director that the conditions creating the threat of imminent and substantial danger have been eliminated;

(3) The user pays the city for all costs incurred by the city in responding to the discharge or threatened discharge; and

(4) The user pays the city for all costs the city will incur in reinstating services.

(e) Notwithstanding any other provisions of this article, such order shall be effective immediately. Any person to whom such an order is directed shall comply therewith immediately, but upon petition to the director shall be afforded a hearing as soon as possible, as provided by section 13.07.877 of this article.

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(f) The remedies provided by this section are in addition to any other remedies set out in this article. Exercise of this remedy shall not be a bar against nor a prerequisite for, taking other action against a violator.

Sec. 13.07.142 Non-emergency termination of water supply and/or discharge

(a) A user who violates the following conditions is subject to the termination of its city-provided water supply and/or its discharge:

(1) Failure to accurately report the wastewater constituents and characteristics of its discharge;

(2) Failure to provide reasonable access to the user's premises for the purpose of inspection, monitoring, or sampling; or

(3) Failure to pay FOG program fees, surcharges or other applicable fees.

(b) The user will be notified of the proposed termination of its water supply and/or discharge, and may petition for a reconsideration and hearing as provided by section 13.07.877 of this article prior to the termination of services.

(c) The user shall not recommence its discharge until the director so authorizes and:

(1) The user presents proof satisfactory to the director that all noncompliance has been corrected and

(2) The user pays the city for all costs the city will incur in reinstating services.

(d) Exercise of this option by the director shall not be a prerequisite for taking any other action against the user.

~~**Sec. 13.07.142 Authority to disconnect services**~~

~~The city may terminate water and wastewater disposal service and disconnect an industrial customer from the system when:~~

~~(1) A governmental agency informs the city that the effluent from the POTW is no longer of a quality permitted for discharge to a receiving stream and it is found that the customer is delivering wastewater to the city's system that cannot be sufficiently treated or requires treatment that is not provided by the city as normal wastewater treatment; or~~

~~(2) The industrial customer non-domestic user fails to pay monthly bills for water and sanitary sewers or natural watercourse.~~

~~(3) If service is discontinued pursuant to subsection (1) or (2) of this section, the city shall:~~

~~(A) Disconnect the customer;~~

~~(B) Supply the customer with the governmental agency's report and require additional pretreatment or other facilities designed to remove the objectionable characteristics from his industrial wastes.~~

~~(4) Any person failing to pay industrial surcharge bills when due shall be in violation of this division and shall be so notified in writing and be given thirty (30) days to make payment.~~

~~(5) Any person failing to pay administrative fees required by section 13.07.751 of this division.~~

[the rest of Part I remains the same]

Part II. General ~~Industrial~~ *Non-Domestic User* Requirements

Sec. 13.07.176 *Reserved.* ~~Requirements for traps~~

~~(a) Discharges requiring a trap include, but are not limited to:~~

~~(1) Grease or waste containing grease in excessive amounts;~~

~~(2) Oil;~~

~~(3) Sand;~~

~~(4) Flammable wastes; and~~

~~(5) Other harmful ingredients.~~

~~(b) Any person responsible for discharges requiring a trap shall, at his own expense, and as required by the control authority:~~

~~(1) Provide equipment and facilities of type and capacity approved by the control authority;~~

~~(2) Locate the trap in a manner that provides ready and easy accessibility for cleaning; and~~

~~(3) Maintain the trap in effective condition.~~

Sec. 13.07.177 Requirements for building sewers

Any person responsible for discharges through a building sewer carrying industrial *or non-domestic* wastes shall at his own expense and as required by the ~~control authority~~ *city*:

(1) Install an accessible and safely located control manhole as required in section 13.07.179;

(2) Install meters, *sample ports* and other appurtenances to facilitate observation, sampling, and measurement of the waste *and flows discharging into the POTW as specified in divisions 5 and 6 of this article*; and

(3) Maintain the equipment and facilities.

Sec. 13.07.178 Payment and agreement required

When discharges of industrial *or non-domestic* waste are approved by the *city* ~~control authority,~~ the city or its representative shall enter into an agreement or arrangement providing:

(1) Terms of acceptance by the city; and

(2) Payment by the person making the discharge.

Sec. 13.07.179 Control chambers

(a) Any person discharging or desiring to discharge an industrial *or non-domestic* waste mixture into the sewers or POTW of the city, or any sewer connected therewith, shall provide and maintain in a suitable accessible position on his premises, or such premises occupied by him, an inspection chamber, or manhole, near the outlet of each sewer, drain, pipe, channel, or connection which communicates with any sewer or POTW of the city, or any sewer connected therewith. ~~Every such manhole or inspection chamber shall be of such design and construction which will prevent infiltration by ground and surface waters.~~

(b) Plans for the construction of control manholes or inspection chamber, including such flow measuring devices as may be hereinafter required, shall be approved by the director ~~of utilities and engineering~~ prior to the beginning of construction.

Sec. 13.07.180 Volume of waste

(a) When the public water supply is used exclusively, the water consumption during the previous month, as determined from the meter records of the water department, shall be the valid basis for computing sewage flow, unless actual sewage flow is measured by a recording meter of a type to be approved by the director of utilities and engineering. The owner shall maintain such device in proper condition to accurately measure such flow. Upon failure to do so, the water consumption shall be the basis for charges.

(b) In cases where all or part of the water consumed is obtained from private supplies, wells, etc., such persons shall provide and maintain at all times suitable metering and recording devices, approved by the director of water utilities, in connection with each or all sources of private water unless the control manhole provided for in section 13.07.179 shall be equipped with an approved volume measuring and recording device. The volume of private water consumed during the previous month, together with the consumption of public water as determined from the records of the water department, shall be the basis for computing the sewage volume or the owner may install at his own expense an approved metering device to accurately measure flow as before mentioned.

(c) When water is contained in a product or is evaporated or is discharged as unpolluted waste in an uncontaminated condition to surface drainage, an application may be made for a reduction in the volume of waste discharged to the public sewer, provided supporting data satisfactory to the director of water utilities is furnished.

(d) This data shall include a flow diagram, destination of the water supply and/or wastes, supported by sub-metering data installed on such process piping at the expense of the private owner.

Sec. 13.07.181 Protection of the wastewater collection system

(a) Protection from damage and tampering

(1) No person shall intentionally, knowingly, or with criminal negligence, break, damage, deface, or tamper with any structure, appurtenance, or equipment which is part of the wastewater collection system.

(2) Unless approved by the director, no person shall cover any manhole, sewer cleanout, or other openings in the wastewater collection system with earth, paving, or otherwise render it inaccessible.

(3) No building or structure shall be located on top of the wastewater collection system.

(4) No person shall remove the cover (lid) from any manhole, sewer cleanout, or other openings in the wastewater collection system for any purpose except as authorized by the city.

(b) Protection from inflow and infiltration

(1) Connections to the wastewater collection system from roof headers, catch basins, unroofed area drains (e.g., commercial car washing facilities, solid waste container storage areas, etc.) or any other direct or indirect connection which allows inflow from stormwater or runoff to enter the wastewater collection system are prohibited.

(2) All portions of the user’s building sewer and/or private sewer system connected to the city’s wastewater collection system directly or indirectly, including, but not limited to,

piping, connections, cleanouts, and manholes shall be properly maintained to prevent the introduction of infiltration from entering the wastewater collection system through defective joints, connections, manhole walls or other sources.

(3) The city may require users to implement best management practices (BMPs) as specified in section 13.07.793 of this article or take other measures necessary to reduce and/or eliminate inflow or infiltration from entering the user's building sewer system, treatment devices, or other connections to the city's wastewater collection system.

(c) Storage of chemicals, materials, substances or wastes

(1) No chemicals, materials, or substances, including but not limited to, paints, solvents, boiler or water treatment chemicals, sludges, chemicals, or wastes shall be stored in proximity to a floor drain or other sewer openings. Containers shall be clearly labeled and stored in a place where the chemicals, materials, substances or wastes, in case of leakage or rupture of the container, cannot enter the wastewater collection system.

(2) The storage of any chemicals, materials, substances or wastes that leak or have potential to leak or discharge into the wastewater collection system which, because of discharge or leakage from such storage, may create an explosion hazard or in any way have a deleterious effect to the POTW or constitute a nuisance or a hazard to POTW personnel, the general public, the environment, or the receiving stream shall be subject to review by the city.

(3) The director may require a user to provide reasonable safeguards to prevent the discharge or leakage of stored chemicals, materials, substances or wastes into the wastewater collection system. These safeguards include, but are not limited to:

(A) Providing physical containment that is adequate to contain at least one hundred twenty percent (120%) of the maximum volume of the stored chemicals, materials, substances or wastes;

(B) Labeling, moving or relocating containers of stored chemicals, materials, substances or wastes;

(C) Providing material safety data sheets (MSDS) or other necessary documentation to identify constituents in the chemicals, materials, substances or wastes stored;

(D) Providing temporary spill protection such as booms, pigs or drain covers, or more permanent spill protections such as sealing floor drains to prevent stored chemicals, materials, substances or wastes from discharging or leaking into the wastewater collection system; or

(E) Analyzing chemicals, materials, substances or wastes to determine if wastes exhibit toxic or hazardous characteristics.

(4) The director may also require a user to develop and implement best management practices (BMPs) or a slug control plan as defined in section 13.07.393 to prevent the discharge or leakage of such chemicals, materials, or wastes.

(5) The requirements to install safeguards or the city's approval of slug control plans or BMPs shall not exempt the user from compliance with any other applicable code, ordinance, rule, regulation or order of any governmental authority. Additionally, these requirements or approvals shall not be construed as or act as a guaranty or assurance that the user is, or will be, in compliance with any other applicable code, ordinance, rule, regulation or order of any governmental authority.

(6) The costs for implementing any safeguards, slug control plans, BMPs or other requirements established by the city are the responsibility of the user.

Secs. 13.07.18~~1~~*2*–13.07.205 Reserved

Part III. Prohibited Discharges

Sec. 13.07.206 ~~Deposit~~ *Discharge* of sewage so as to pollute water supply

No person shall discharge or cause the discharge of ~~It shall be unlawful for any person to dump or otherwise deposit any sewage of any kind~~ *pollutants, substances, or wastewater* in any abandoned water well or at or in any other place which would pollute any source of water supply.

Sec. 13.07.207 *Prohibited pollutants, substances or wastewater* ~~Deposit of garbage, offal, etc.~~

~~It shall be unlawful for any person to throw or deposit or cause to be thrown or deposited in any sewer opening or receptacle connecting with the sewer system any garbage, offal, dead animal, vegetable parings, ashes, cinders, rags or any other matter or thing whatsoever, except feces, urine and the necessary toilet paper or substance other than toilet paper that is suitable for passing through sanitary sewers.~~

(a) No person shall discharge or cause the discharge of the following in the wastewater collection system:

(1) Prohibited materials including, but not limited to ashes, wax, paraffin, cinders, sand, mud, straw, wood shavings, sawdust, bone, paunch manure, hair, hides or fleshings, entrails, whole blood, feathers, beer or distillery slops, grain processing wastes, compounds and residues from grinding operations (excluding food grinders), acetylene generation sludge, chemical residues, acid residues, plastics, rubber, tar, asphalt residues, food processing bulk solids, or any rubbish, refuse, sludge or other discarded materials requiring disposal as a solid waste as defined in Article 13.06 of this Code;

(2) Solids or viscous substances, including, but not limited to fats, oils, and grease in amounts which cause obstruction of flow resulting in pass through or interference of the POTW and/or result in sanitary sewer overflows that discharge into the MS4;

(3) Wastewater containing excessive amounts of fats, oils, and grease in amounts which may, alone or in combination with other wastes, cause accumulation and/or result in blockages or obstruction of flow in the wastewater collection system, interfere with the normal operations of pumps and their control, and/or contribute waste of a strength or form that is beyond the treatment capability of the wastewater treatment plant;

(4) Garbage that is not properly shredded to such an extent that all particles will be carried freely under the flow conditions normally prevailing in the wastewater collection system, with no particles having greater than one-half inch (1/2") cross-sectional dimension;

(5) Wastes from interceptors and traps, including, but not limited to: wastes collected from cleaning or pumping grease/sand interceptors, grease traps, oil/water separators, sand traps or other similar waste collection devices;

(6) Pollutants, substances or wastewater which imparts color which cannot be removed by the existing wastewater treatment plant processes, including, but not limited to: tannins, dye wastes and vegetable canning solutions;

(7) Wastewater containing materials which can exert, cause, or contain unusual concentrations of solids, including but not limited to: inert total suspended solids, fuller's earth, lime slurries, lime residues, or unusual concentrations of dissolved solids including, but not limited to, sodium chloride, calcium chloride and sodium sulfate;

(8) Pollutants, substances or wastewater not amenable to treatment by the existing processes and facilities employed by the city's wastewater treatment plant and/or pollutants, substances or wastewater that is amenable to treatment only to such a degree that the wastewater treatment plant effluent cannot meet the requirements of the city's TPDES wastewater discharge permit;

(9) Specific prohibitions listed in section 13.07.352 of this article; or

(10) Pollutants, substances or wastewater that exceed specific pollutant limitations established in section 13.07.356 of this article.

~~Sec. 13.07.208 Greasy, oily substances~~

~~No person may discharge into sanitary sewers any grease or oil-containing substances that may:~~

~~(1) Deposit grease or oil into sanitary sewers in such a manner as to clog sewers;~~

~~(2) Overload skimming and grease handling equipment at the POTW;~~

~~(3) Pass to the receiving stream without being effectively treated by normal wastewater treatment processes due to the nonamenability of the substance to bacterial action; or~~

~~(4) Deleteriously affect the treatment process due to excessive quantities.~~

Sec. 13.07.208 Prohibited discharge practices

(a) The following discharge practices are prohibited unless otherwise authorized by the director:

(1) Removing wastes collected in a grease trap, grease/sand interceptor, waste collection tank or other treatment device and reintroducing any portion of the wastes back into the wastewater collection system either directly or indirectly;

(2) Discharging pollutants, substances, or wastewater directly into a manhole or other opening in the wastewater collection system other than through an approved sewer service line;

(3) Discharging hauled waste which has been transported from another site onto a residential, commercial, or industrial site except as outlined in section 13.07.361 of this article; and

(4) Discharging pollutants, substances, or wastewater from non-domestic sources into the collection system at a residential or other domestic wastewater source.

Sec. 13.07.209 Wastewater discharges into the MS4

(a) No person shall discharge or cause the discharge of pollutants, substances or wastewater from a building sewer or wastewater collection system onto any portion of the MS4.

~~**Sec. 13.07.209 Substances which are nontreatable, resistant to treatment**~~

~~No person may discharge any substance into sanitary sewers which:~~

~~(1) Is not amenable to treatment only to or reduction by the processes and facilities employed;~~

~~(2) Is amenable to treatment only to such a degree that the POTW effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving stream.~~

Secs. 13.07.210–13.07.235 Reserved
Secs. 13.07.753-13.07.759 Reserved

<u>SECTION 2.</u> That Division 6, “Fats, Oil, Grease and Sediment Control,” is hereby added as follows:

Division 6. Fats, Oil, Grease and Sediment Control

Part I. In General

Sec. 13.07.760 Purpose and policy

(a) This division is established to prevent the discharge of fats, oils and grease, flammable wastes, sand and other objectionable wastes into the non-domestic user's building drainage system or the POTW by requiring users to provide a device to intercept and treat objectionable wastes, and to set forth uniform requirements for installing, operating, monitoring, and maintaining these devices.

(b) The objectives of this division are:

(1) To prevent the introduction of wastewater containing fats, oils and grease in amounts which may cause and/or contribute to blockages or obstruction of flow, or in any other way prevent or inhibit operation of the POTW;

(2) To prevent blockages in sewer service lines, laterals, mains, manholes, lift stations or any other portions of the wastewater collection system which cause and/or contribute to back-ups or sanitary sewer overflows onto public or private property resulting in potential liability to the city;

(3) To enable the City of Sherman, Texas to comply with its Texas Pollutant Discharge Elimination System (TPDES) permit conditions and any federal or state laws to which the POTW is subject;

(4) To implement procedures to recover costs incurred in cleaning, maintaining and disposing of fats, oils and grease, flammable wastes, sand and other objectionable wastes that cause and/or contribute to accumulation or blockages in the POTW or cause and/or contribute to back-ups or sanitary sewer overflows into the MS4;

(5) To implement procedures to recover costs for any liability incurred by the city for damage caused by blockages in the POTW that cause and/or contribute to back-ups or sanitary sewer overflows resulting in the flooding of public or private property;

(6) To establish uniform requirements for the sizing, installation, operation, and maintenance of treatment devices and sample ports;

(7) To establish legal authority to carry out all inspection, surveillance and monitoring procedures to ensure compliance with this division;

(8) To establish administrative review procedures and reporting requirements;

(9) To establish enforcement procedures for violations of any part or requirement of this division; and

(10) To establish fees for the recovery of costs resulting from the Fats, Oils & Grease and Sediment (FOG) control program established herein.

Sec. 13.07.761 Administration

Except as otherwise provided herein, the Director of Utilities and Engineering (the "director") shall administer, implement and enforce the provisions of this division. Any powers granted to or duties imposed upon the director may be delegated to other city personnel.

Sec. 13.07.762 Definitions

(a)Except as otherwise provided herein, abbreviations, terms and phrases as defined in other divisions of this article shall apply to the extent they are not in conflict with the provisions of this division.

(b) Unless the context specifically indicates otherwise, the following terms and phrases used in this division, shall have the meanings hereafter designated:

(1) *<u>Best management practices (BMP).</u> Schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce the pollution of the MS4 and waters of the United States; implementation of procedures and practices that reduce the discharge of fats, oils and grease, sand and other objectionable wastes to the building sewer drain and to the POTW. BMP also includes treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage.*

(2) <u>Biochemical oxygen demand (BOD).</u> The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure, five (5) days at twenty (20) degrees centigrade expressed in terms of mass per volume concentration (milligrams per liter (mg/1)).

(3) <u>Bioremediation media</u>. Bacterial cultures, enzymes, or other media that are designed, intended, or used to eliminate or reduce the need for mechanical cleaning of traps.

(4) <u>Brown grease</u>. Grease trap wastes that are designated for recycling or disposal.

(5) <u>Carpet cleaning and extraction facilities.</u> Mobile units specifically designed for carpet cleaning and extraction operations.

(6) <u>Chemical oxygen demand (COD).</u> The measure of the oxygen equivalent of the organic matter content of a sample that is susceptible to oxidation by a strong chemical oxidant present in water or wastewater expressed in mg/l.

(7) <u>City or city.</u> The City of Sherman, Texas, or any authorized person acting in its behalf.

(8) <u>Efficient operating condition.</u> A condition of operation where there is no obstruction to the flow of wastewater due to fats, oils and grease or other harmful pollutants occurs in the sewer lateral, sewer main, or the manhole to which the facility discharges, and/or in the opinion of the city, no significant amounts of fats, oils and grease or other wastes

accumulates or settles inside the sewer lateral, sewer main, manhole, or lift station to which the facility discharges.

(9) Fats, oils and greases (FOG). Organic polar compounds derived from animal and/or plant sources that contain multiple carbon chain triglyceride molecules. These substances are detectable and measurable using analytical test procedures established in 40 CFR 136, and amendments thereto. All are sometimes referred to herein as "grease."

(10) FOG control program. A source control program designed to protect the city's POTW by controlling discharges of fats, oils and grease, sediment and other objectionable wastes that cause and/or contribute to blockages, obstruction of flow, back-ups in the wastewater collection system, or sanitary sewer overflows that discharge onto public or private property resulting in potential liability to the city.

(11) Food service establishments Restaurants, food courts, food packagers, grocery stores, bakeries, lounges, churches, schools, institutions, food manufacturers, food processors, hospitals, hotels, motels, prisons, nursing homes, mobile food vendors, cold dairy and frozen foodstuff preparation and serving establishments, and any other facility preparing, serving, or otherwise making any foodstuff available, or any establishment that is required to have a Grayson County Health Department food permit, and that performs one or more of the following preparation activities:

(A) Frying, baking, broiling, grilling, sautéing, rotisserie cooking, boiling, blanching, roasting, toasting, or poaching;

(B) Infrared heating, searing, barbequing; and/or

(C) Any other food manufacturing, processing, preparation or food service activity that generates wastes and/or requires clean-up in a plumbing receptacle connected to the building sewer which discharges or has the potential to discharge to the wastewater collection system.

(12) Food grinder. Any device installed in a user's building sewer system for the purpose of grinding food waste or food preparation products for the purpose of disposing it in the wastewater collection system.

(13) Garages and service stations. Facilities where automobiles are serviced, greased, repaired or washed or where gasoline, diesel fuel, or other petroleum-based fuel is dispensed.

(14) Generator. Any person who owns or operates an interceptor, separator and trap, or whose act or process produces a waste.

(15) Grease trap/grease interceptor. A passive device that is utilized to affect the separation of grease and oils in wastewater effluents from food service and related establishments. These devices also serve to collect settleable solids, generated by and from food/product

preparation activities, prior to the wastes exiting the device and entering the wastewater collection system. Such traps or interceptors may be of the "outdoor" or underground type normally referred to as large grease interceptors, or the "under-the-sink" package units normally referred to as the smaller grease traps.

(16) <u>Hazardous waste.</u> A hazardous waste in accordance with Title 40 of the Code of Federal Regulations, Part 261.3.

(17) <u>Holding tank.</u> A receptacle not connected to the wastewater collection system, designed to hold objectionable waste that is prohibited from being discharged into the wastewater collection system, the contents of which must be hauled to a recycling or disposal site.

(18) <u>Incompatible wastes.</u> Wastes that have different processing, storage or disposal requirements, or whose mixture would inhibit the proper disposal or treatment of each type of waste or combination of wastes; or wastes that if mixed may cause a dangerous chemical or physical reaction.

(19) <u>Intensified dwellings.</u> Users such as adult day care facilities, assisted living facilities, convalescent homes, nursing and child care facilities, halfway houses, homes for the mentally challenged, nursing homes, retirement and life care facilities, or other facilities where there is a commercial food preparation service or the facility requires a food service license as required by the Grayson County Health Department or other appropriate regulatory agency.

(20) <u>Interceptor.</u> A receptacle designed and constructed to intercept, separate and prevent the passage of sand, grit or other objectionable solids into the system to which it is connected.

(21) <u>Laundries.</u> Commercial laundries, laundromats, dry cleaners, or parts of a facility which perform laundering operations.

(22) <u>Living quarters.</u> A facility or an area of a facility where a person or family has a distinct living area, which includes individual kitchen and bath facilities, utilized solely by that person or family.

(23) <u>Municipal separate storm sewer system (MS4).</u> The system of conveyances (including sidewalks, roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, culverts, pipes, or storm drains) owned and operated by the city and designed or used for collecting or conveying storm water, and which is not used for collecting or conveying sewage.

(24) <u>Non-domestic user or industrial user.</u> A source of indirect discharge which does not constitute a discharge of pollutants under regulations issued pursuant to Section 402 of the Act; any person(s) including those located outside the jurisdictional boundaries of the City, who contribute, cause or permit the contribution or discharge of non-domestic

wastewater into the POTW, including persons who contribute such wastewater from mobile sources.

(25) Reasonable hours. Any time during which a facility is open for business to the public and any time when a facility is closed to the public when a owner, manager, employee, and/or contractor is present at the facility that is involved in cleanup, food preparation, or any business activity.

(26) Remodeling or renovating. A physical change or operational change including, but not limited to, changes to a user's building plumbing system, an increase in the public seating or serving area of a facility, an increase in the size of the kitchen or other area of a facility where objectionable wastes can be generated, or any change in the size, type or number of food preparation/equipment or plumbing fixtures which increases or has the potential to increase the amount of fats, oils and grease, flammable wastes, sand or other pollutants discharging to the wastewater collection system.

(27) Residential users. Single-family dwellings, duplexes, multiplex housing and apartments where the individual units are each on a separate water meter; or in cases where two (2) or more units are served by one (1) meter; excludes intensified dwellings.

(28) Sample port. A manhole or other approved device installed in the building sewer specifically designed to facilitate sampling of the wastewater discharge.

(29) Separator or oil/water separator. A receptacle designed to remove oils and grease from wastewater by separation, usually by simple flotation, physical separation, or by chemical addition where the oils or greases are soluble or emulsified. For the purpose of this division, the term shall apply to oil/water separators used for vehicle wash facilities or other non-food related establishments.

(30) Sewer lateral. A building sewer as defined in the plumbing code adopted by the city; also means the wastewater connection between the building's sewer facilities and the public sewer system.

(31) Transporter. A person who is registered with and authorized by the TCEQ to transport sewage sludge, water treatment sludge, domestic septage, chemical toilet waste, grit trap waste, or grease trap waste in accordance with 30 TAC § 312.141 or amendments thereto.

(32) Treatment devices. Grease traps, grease interceptors, oil/water separators, sand or grit traps, lint traps, catch basins, interceptors, reclamation equipment, acid/caustic dilution, basins or any other device designed to use the differences in specific gravities to separate and retain light density liquids, waterborne fats, oils, and greases prior to the wastewater entering the POTW.

(33) TSS (total suspended solids). Solids that either float on the surface, or are in suspension in, water, wastewater, or other liquids, and which are generally removable by a laboratory filtration device. TSS is expressed in milligrams per liter.

(34) Twenty-five percent (25%) rule. A requirement for treatment devices to be maintained such that the combined fats, oil and grease and solids accumulation does not exceed twenty-five percent (25%) or more of the wetted capacity of the treatment device, as measured from the bottom of the device to the static level of liquid in the device. This ensures that the minimum hydraulic retention time and required available hydraulic volume is maintained to effectively intercept and retain objectionable wastes from discharging to the wastewater collection system.

(35) Vehicle wash facilities Automatic and hand wash facilities, detail shops, mobile vehicle washing operations, hand wash bays in service stations, truck washing operations, and other facilities with similar installations.

(36) Yellow grease. Used cooking oil, fryer grease or any other recycled oil or grease that does not originate from any interceptor or trap.

Sec. 13.07.763 Applicability

(a) This division shall apply to all non-domestic users of the POTW whether the user discharges into the POTW, transports the wastes to the POTW where allowed in section 13.07.361 of this article or such user has been issued a wastewater discharge permit as required in section 13.07.428 of this article. These users include:

(1) Food service establishments;

(2) Vehicle wash facilities;

(3) Garages and service stations;

(4) Carpet cleaning and extraction facilities;

(5) Laundries; or

(6) Any other non-domestic user with the potential to discharge fats, oil & grease, flammable substances, sand and other harmful wastes into the wastewater collection system which may be incompatible with the POTW.

(b) Compliance with this division is a required condition for sewer service by the city.

Sec. 13.07.764 User exemptions

(a) The private living quarters of residential users where food is prepared or served for guests and individual family consumption is exempted from the requirements of this division unless there are commercial uses within the dwelling that generate amounts of non-domestic wastes including, but not limited to fats, oil and grease beyond that generated by a residential dwelling.

(b) The following food service establishments may be exempted from the requirements to install and maintain treatment devices as required in this division:

(1) Bars, clubs or other establishments serving drinks only and where no food is prepared or served;

(2) Snow cone and shaved ice stands, provided no other type of food is prepared;

(3) Grocery or convenience stores without food preparation, meat cutting, or packaging, delicatessens or bakeries;

(4) Child care centers who serve microwaveable dishes using single service items;

(5) Confectionary stores which exclusively sell pre-packaged items such as sweets, confections, nuts, ice cream, yogurt, and variety food items;

(6) Produce or farmers markets;

(7) Mobile food units, pushcarts, roadside food vendors, and temporary food establishments as defined in 25 TAC, Part 1, Subchapter U, § 229.371 that do not discharge to the wastewater collection system; and

(8) A bed and breakfast with seven or fewer rooms for rent that serves only breakfast to its overnight guests.

(c) The following garages and service stations may be exempted from the requirements of this division:

(1) Parking garages in which servicing, repairing or washing is not conducted, and which gasoline, diesel fuel, or other petroleum-based fuel is not dispensed; and

(2) Areas of commercial garages utilized only for storage of automobiles.

Secs. 13.07.765-13.07.779 Reserved

Part II. Prohibitions

Sec. 13.07.780 Prohibited discharges

(a) No person shall discharge or cause the discharge of any yellow grease or waste oil to the MS4 or any drains or grease trap, interceptor, separator, cleanout, manhole or other opening which is part of the wastewater collection system. Such waste shall be placed in a container specifically designed to hold such waste and either be recycled or disposed of at suitable locations.

(b) No person shall discharge or cause the discharge of any pollutants, substances, or wastewater prohibited by section 13.07.207 of this article into the wastewater collection system.

(c) No person shall allow any sanitary wastes from toilets, urinals, wash basins, or other fixtures from restroom facilities containing fecal coliform to discharge to grease traps, interceptors or other treatment devices.

Sec. 13.07.781 General prohibitions

(a) No person shall bypass any installed treatment device or sample port to avoid complying with the requirements of this division.

(b) Any wastes prohibited by this division shall not be processed or stored in such a manner that they could be discharged to the wastewater collection system or MS4.

(c) No person shall allow an accumulation of fats, oils and grease, or solids to occupy more than twenty-five percent (25%) or more of the wetted capacity of the treatment device, as measured from the bottom of the device to the static level of liquid in the device (25% Rule).

(d) No fats, oils and grease or solids accumulated in a grease trap shall be allowed to pass into the wastewater collection system or MS4 during maintenance activities.

(e) No liquid wastes shall be returned to a treatment device or holding tank during or after cleaning, either from the same device or holding tank or from other treatment devices or holding tanks.

(f) No person shall increase the use of water or in any other way attempt to dilute a wastestream in lieu of adequate treatment.

(g) No person shall introduce, cause, permit, or suffer the introduction of any additives that include, but are not limited to: enzymes, emulsifiers, chemicals, degreasers, surface active agents (surfactants), solvents, or other agents into a treatment device which allows fats, oils and grease or other objectionable wastes to pass through the treatment device into the wastewater collection system.

(h) It is an affirmative defense to an enforcement action under subsection (g) of this section that the use of surfactants or soaps is incidental to normal kitchen hygiene operations.

Secs. 13.07.782 – 13.07.789 Reserved

Part III. Pretreatment and Storage of Wastes

Sec. 13.07.790 Requirement for treatment devices

(a) Treatment devices shall be provided for the proper handling of wastes containing fats, oils and grease, flammable wastes, sand and other pollutants which may be harmful to the non-domestic user's building sewer system or the wastewater collection system for the following:

(1) Food service establishments not specifically exempted by section 13.07.764;

(2) Vehicle wash facilities;

(3) Automotive repair facilities including, but not limited to: machine shops or any facility or part of a facility which manufacturers, rebuilds, repairs, overhauls, or maintains motors, transmissions, hydraulic systems, or similar facilities where fluids are changed, shall not have floor drains or other devices draining to the wastewater collection system.

(A) Areas described above shall be physically separated, either by berm, separate buildings, or other suitable method from any area with drains connected to the wastewater collection system.

(B) Drainage from areas described above shall be discharged into a holding tank or shall be picked up with a suitable absorbent and disposed of properly.

(4) Garages and service stations shall be equipped with a separator.

(5) Carpet cleaning and extraction facilities will ensure efficient removal of the non-biodegradable sand and grit.

(6) Laundries shall be equipped with an interceptor in order to reduce the quantity of lint and silt that enters the wastewater collection system.

(7) Bottling Establishments shall be equipped with an interceptor that will provide for the separation of broken glass or other solids before discharging into the wastewater collection system.

(8) Slaughterhouses including, but not limited to: those areas used for slaughtering or dressing shall be equipped with a separator that will prevent the discharge of feathers, entrails and other materials that cause clogging.

(b) Interceptors or other treatment devices installed for laundries, bottling establishments, slaughterhouses, or other facilities with the potential to discharge large solids must include a wire basket or similar device, removable for cleaning, that prevents the passage into the wastewater collection system of solids 0.5 inches (12.7 mm) or larger in size, strings, rags, buttons, or other materials detrimental to the wastewater collection system.

(c) The city may require non-domestic users to implement additional pretreatment measures as required in section 13.07.392 of this article.

(d) Anyone wishing to request an exemption from requirements to install a treatment device shall apply to the city, in writing, for an exemption. The written request shall include, at a minimum, the information provided on an exemption request or other similar form developed by the city.

Sec. 13.07.791 Alternate grease removal devices or technologies

(a) A non-domestic user may propose the use of an alternate grease removal devices (AGRD) or other technologies in lieu of a treatment device in those cases where the user can demonstrate that it is impossible or impractical to install, operate, or maintain such a device due to one or more of the following conditions:

> *(1) Archeological or historical circumstances prevent the disturbance of the ground or structure where the passive treatment device and/or plumbing connecting the building fixtures to the passive treatment device must be installed;*
>
> *(2) There is not adequate space or alternate locations for installing and maintaining a treatment device;*
>
> *(3) There is not adequate slope for gravity flow in the sewer lateral between plumbing fixtures in the building and the passive treatment device and/or between the treatment device and the city's sewer system;*
>
> *(4) Other conditions or obstacles, in the opinion of the city, prevent the installation of an adequately sized treatment device and sample port as required by this division.*

(b) Alternate grease removal devices or technologies may include, but are not limited to dissolved air flotation, system baffling, active devices, automated grease removal devices, electronic alarms and shut offs or any combination of devices and procedures that in the opinion of the city will generate a discharge in compliance with this division.

(c)Proposals for the installation of alternate grease removal devices or technologies shall be made in writing to the city and shall contain specifications, calculations or other documentation necessary to demonstrate treatment capabilities sufficient to maintain compliance with this division. Proposals shall be signed by a registered professional engineer.

(d) Alternate grease removal devices or technologies shall be approved by the city in writing prior to the commencement of the installation. This approval by the city in no way endorses the design, device, or its performance, or relieves the user of responsibility to comply with requirements specified in this division.

(e) Where the user proposes alternate grease removal devices or technologies, the city may require data demonstrating the user is able to comply with the limitations or other requirements outlined in this division. The user may also be subject to periodic monitoring to demonstrate continued compliance.

(f) Installed alternate grease removal devices or technologies shall be maintained in an efficient operating condition and shall consistently produce an effluent in compliance with requirements of this division as demonstrated by analytical data or other requirements specified by the city.

(g) The decision of the city to disapprove the use of alternate grease removal devices or technologies shall be final.

Sec. 13.07.792 Alternative treatment

(a) Bioremediation media may be used with the city's approval if the person has proven to the satisfaction of the city that laboratory testing which is appropriate for the type of treatment device to be used has verified that:

> *(1) The media is a pure live bacterial product, which does not contain any surfactants, emulsifiers, or substances which act as a solvent or is not inactivated by the use of domestic or commercial disinfectants and detergents, strong alkalis, acids, other additives commonly used in the facility, and/or water temperatures greater than 160°F (71°C);*
>
> *(2) The use of the media does not reduce the buoyancy of the oil or grease layer in the treatment device and does not increase the potential for oil and grease to be discharged to the wastewater collection system;*
>
> *(3) The use of bioremediation media does not cause foaming, downstream coalescence, or blockages in the wastewater collection system;*
>
> *(4) The BOD_5, COD, and TSS levels discharged to the wastewater collection system after the use of the media does not exceed the BOD_5, COD, and TSS levels which would be discharged if the product were not used and the treatment device was properly sized and maintained; and*
>
> *(5) The use of the bioremediation media does not cause the pH levels to exceed allowable pH limits at the total facility discharge point.*

(b) All testing designed to satisfy the criteria set forth in this section shall be scientifically sound and statistically valid. All tests to determine oil and grease, BOD_5, COD, TSS, pH and

other pollutant levels shall be based on approved methods as defined in 40 CFR, Part 136 or 30 TAC § 319.11.

> *(1) Testing shall be open to inspection by the city, and shall meet the city's approval.*
>
> *(2) The costs of all tests shall be the responsibility of owner/operator of the treatment device.*

(c) The approval of alternate treatment products such as bioremediation media shall be made on a case-by-case basis. If a product is accepted for use by the city, each user shall be subject to the requirements of this section and shall obtain written permission from the city to use the product.

(d) The city may revoke permission to use alternate treatment products where the effluent from a user's treatment device in which the product is used fails to meet the requirements of this division.

(e) The use of alternate treatment products shall not relieve the user of minimum pumping, cleaning and inspection requirements specified in this division.

(f) Any waste pumped from the treatment device after use of the media must be acceptable at disposal sites for that particular type of wastes.

(g) The decision of the city to disapprove the use of alternate treatment options shall be final.

Sec. 13.07.793 Requirement for best management practices

(a) The city may require non-domestic users to implement best management practices in accordance with requirements established in the FOG control program to reduce and/or eliminate:

> *(1) The discharge of fats, oils and grease, flammable wastes, sand and other objectionable wastes from entering the wastewater collection system; and*
>
> *(2) Inflow or infiltration from stormwater sources that discharge into the user's building sewer system, treatment devices, or other connections to the wastewater collection system.*

(b) Food service establishments may be required to implement one or more of the following best management practices, when required in this division:

> *(1) Structural BMPs that require a physical device, appurtenance, or container to be installed or removed. These structural BMPs include, but are not limited to:*
>
> > *(A) Use of holding tanks for collecting and recycling yellow grease rather than pouring it down a fixture or drain;*

(B) Removing food waste grinders (garbage disposals) where excessive food solids reduce the efficiency of treatment devices or clog portions of the user's building sewer system or the city's wastewater collection system;

(C) Use of drain screens in fixtures, dishwashers, floor sinks or other plumbing devices in food preparation areas to collect food wastes or solids;

(D) Installing flow restrictors to reduce flow through small under-sink treatment devices where allowed;

(E) Installing automatic dispensing devices to reduce the excessive use of surfactants, soaps or other cleaning chemicals;

(F) Rerouting non-grease bearing streams (e.g., hand wash sinks, condensate lines, ice machine discharges, etc.) to reduce hydraulic flow so as to increase the removal efficiency of a treatment device;

(G) Installing solids separators between a food grinder and the treatment device receiving the fats, oils and grease or food wastes when the user maintains a food grinder;

(H) Installing berms or roof structures, disconnecting roof drains or other physical means of preventing inflow of stormwater from entering the wastewater collection system;

(I) Installing, upgrading, repairing, or otherwise modifying treatment devices, appurtenances or other equipment to comply with the requirements of this division; and

(J) Any other activity requiring a physical device, appurtenance, or container to be installed or removed.

(2) Non-structural BMPs that depend on a non-domestic user's employee, operator and/or owner to implement pollution prevention measures or other practices necessary to comply with requirements of this division. These non-structural BMPs include, but are not limited to:

(A) Dry clean-up practices;

(B) Establishing spill prevention and clean-up practices;

(C) Establishing proper dishwashing and food service equipment cleaning practices;

(D) Maintenance and cleaning of treatment devices, dumpsters or holding tank areas;

(E) Recycling of wastes where allowed;

(F) Posting or displaying kitchen signage in food preparation, serving and/or dishwashing areas;

(G) Maintaining records and documentation as required by this division;

(H) Developing and maintaining employee training programs; and

(I) Any other pollution prevention measures or practices that may be necessary to comply with requirements of this division.

(c) The city may require non-domestic users other than food service establishments to implement similar best management practices as defined in this section, when in the opinion of the city, these practices are necessary to comply with requirements established in this division or other sections of this article.

Sec. 13.07.794 Requirement for sample ports

(a) Any user that is required to install, operate or maintain a treatment device as specified in this division shall install a sample port as approved by the city.

(b) The city may require non-domestic users to install meters, manholes, sample ports and other appurtenances to facilitate observation, sampling, and measurement of wastes and flows discharged as specified in section 13.07.177 of this article.

(c) Sample ports shall be readily accessible to the city at all times.

Sec. 13.07.795 Requirement for holding tanks

(a) Food Service Establishments

(1) Holding tanks shall be provided for storage of any yellow grease including used cooking oil, fryer grease or any other recycled oil, grease or objectionable waste that does not originate from an interceptor or trap.

(2) Holding tanks shall be constructed to prevent leakage and splashing and shall be maintained to preclude odors and other nuisances.

(3) Holding tanks shall not be connected to the wastewater collection system or in any way be allowed to discharge to the wastewater collection system or the MS4.

(b) Other Non-Domestic Users

(1) Appropriate holding tanks or containers shall be used to store waste oils, antifreeze and other objectionable wastes prior to recycling or disposal at a site approved by the appropriate regulatory agency.

(2) Holding tanks shall be constructed to prevent leakage and splashing and shall be maintained to preclude odors and other nuisances.

(3) Holding tanks shall not be connected to the wastewater collection system or in any way be allowed to discharge to the wastewater collection system or the MS4.

Sec. 13.07.796-13.07.799 Reserved

Part IV. Treatment Devices - Installation Requirements

Sec. 13.07.800 Generally

(a) New Facilities. All non-domestic users listed in section 13.07.790 that begin new operations on or after the effective date of this division shall be required to design, install, operate and maintain a treatment device and sample port. These users are considered new facilities when one or more of the following conditions are met:

(1) An entire facility is newly proposed or constructed and the city has not issued a certificate of occupancy for the facility prior to the effective date of this division; or

(2) An existing facility in whole or part, will be remodeled or renovated, where such facilities did not exist prior to the effective date of this division and the remodeling or renovation will increase or has the potential to increase the amount of fats, oils and grease, flammable wastes, sand and other pollutants that discharge to the wastewater collection system.

New facilities shall not commence any operations until installed treatment devices and sample ports are inspected by the city's plumbing inspector and laboratory services department and the facility receives a certificate of occupancy.

(b) Existing Facilities. All non-domestic users existing within the city prior to the effective date of this division shall maintain existing treatment devices, at the user's expense, in an efficient operating condition at all times.

(1) The city may require an existing non-domestic user that ceases operations and/or undergoes a change in ownership or tenant occupancy to install new or additional treatment devices and/or sample ports or modify/repair any non-compliant plumbing, existing treatment device or sample port prior to re-commencing operations when one of the following conditions exist:

(A) Prior to re-commencing operations, the new owner and/or operator performs remodeling or renovation to the existing facility which will increase or has the potential to increase the amount of fats, oils and grease, flammable wastes, sand and other pollutants that discharge to the wastewater collection system;

(B) The prior owner and/or operator of the existing facility experienced compliance problems and/or failed to design, install and/or maintain required treatment devices or sample ports prior to ceasing operations;

(C) The prior owner and/or operator of the existing facility had an undersized, irreparable or defective treatment device or sample port; or

(D) The prior owner and/or operator of the existing facility did not have plumbing connected to a treatment device and sample port in compliance with the requirements of this division.

Existing facilities shall not re-commence any operations until installed treatment devices and sample ports are inspected by the city's plumbing inspector and laboratory services department and the facility receives a certificate of occupancy.

(2) The city may require an existing non-domestic user to install new or additional treatment devices and/or sample ports within 90 days of written notification by the city or modify/repair any non-compliant plumbing, existing treatment device or sample port within 30 days of written notification by the city when any one or more of the following conditions exist:

(A) The user, either alone or in conjunction with other users, is contributing fats, oils and grease, sand or other pollutants in quantities sufficient to cause accumulation or necessitate increased maintenance on the POTW or causes interference at the wastewater treatment facility;

(B) The user is not maintaining the existing treatment device in an efficient operating condition at all times;

(C) The user has an undersized, irreparable or defective treatment device or sample port;

(D) The user does not have plumbing connected to a treatment device and sample port in compliance with the requirements of this division; and/or

(E) The existing facility is experiencing difficulty in achieving compliance with this division or other portions of article 13.07.

(3) The director may authorize an extension of time to achieve compliance with this section for an additional 90 days unless the non-domestic user, either alone or in conjunction with other users is:

(A) Interfering with the operation of the POTW by contributing fats, oils and grease, sand or other pollutants in quantities sufficient to cause blockages, obstructions, or pass-through;

(B) Contributing fats, oils and grease, sand or other pollutants in quantities sufficient to cause back-ups or sanitary sewer overflows onto public or private property or into the MS4;

(C) Posing a threat to public health or the environment; or

(D) Violating requirements specified in this division or other sections of article 13.07.

(4) In any circumstance where, in the opinion of the city, the existing treatment device and sample port or the absence of a treatment device or sample port poses a serious threat or an ongoing problem to the POTW, is a public nuisance, or poses a threat to public health or to the environment, the city may require the treatment device or sample port be installed or replaced on a more stringent compliance schedule.

Sec. 13.07.801 General specifications

(a) All permitting, construction and inspection activities must be completed in accordance with Chapter 6, Buildings and Building Regulations of the city's ordinance.

(b) All treatment devices and sample ports shall be installed by a licensed plumber. Treatment devices and sample ports shall be subject to inspection by the city's plumbing inspector and laboratory services department prior to the issuance of a certificate of occupancy.

(c) Specifications outlined in the FOG control program shall be considered minimum requirements only. It shall be the responsibility of each user to have a treatment device and sample port designed, installed and maintained to comply with the requirements of this division.

(1) Treatment devices, sample ports or other appurtenances shall meet or exceed the specifications and requirements set forth in the FOG control program and other applicable local, state or federal requirements.

(2) An existing treatment device, sample port or other appurtenance which is upgraded or replaced shall also meet or exceed the specifications and requirements set forth in the FOG control program and other applicable local, state or federal requirements.

(d) Treatment devices, sample ports or other appurtenances shall be located to be readily and easily accessible for cleaning and inspection of the device.

Sec. 13.07.802 General sizing requirements

(a) Sizing requirements described in the FOG control program are intended as guidance in determining treatment device sizing that will provide a minimum degree of protection against wastes containing fats, oils and grease, flammable wastes, sand and other pollutants which may be harmful to the user's building drainage system or the POTW.

(b) The city will provide minimum sizing requirements for treatment devices based on information provided by the non-domestic user or their contractors. Accordingly, the non-domestic user or their contractor is responsible for ensuring the appropriate level of treatment necessary to achieve compliance with this division or other portions of this article.

(c) This section is not intended to create any liability for the city for the failure of a system to adequately treat wastewater to achieve compliance with this division or other portions of this article.

Sec. 13.07.803 Grease trap specifications and sizing

(a) The city shall establish minimum sizing criteria for "under-the-sink" grease traps using the drainage fixture unit sizing method described in the FOG control program.

(b) When wastes from two or more fixtures are combined to be served by one grease trap, a single flow control device shall be used.

(c) Grease traps shall be constructed in accordance with the city's specifications.

(d) The connection of food grinders or commercial dishwashers to these devices is prohibited.

Sec. 13.07.804 Grease interceptor specifications and sizing

(a) The city shall establish minimum sizing criteria for grease interceptors using the drainage fixture unit sizing method described in the FOG control program.

(b) Grease interceptors shall be constructed in accordance with city specifications, and shall have a minimum of two compartments with fittings designed for grease retention.

(c) All grease bearing wastes streams must be routed through the treatment device.

(d) Drains that receive only "clear wastes" from ice machines, condensate lines, or other applicable fixtures, may be plumbed to the sanitary sewer without passing through a treatment device with the condition that the receiving drain is a "hub" type that is a minimum of two inches (2") above the finished floor.

Sec. 13.07.805 Other Treatment Devices

(a) The City will establish minimum sizing criteria for other treatment devices as described in the FOG control program. All other treatment devices shall be constructed in accordance with the city's specifications.

Sec. 13.07.806 Food waste grinders

(a) Any non-domestic user that installs and/or commences the operation of food waste grinders on or after the effective date of this ordinance will be required to install a properly-sized solids separator prior to discharging to a grease interceptor. Alternately, where allowed by ordinance, the city may increase or modify the size of a grease interceptor to provide sufficient capacity to handle solids from food waste grinders where a solids separator is not installed.

(b) In those cases where an existing non-domestic user has a food waste grinder installed and/or operational prior to the effective date of this ordinance, the city may require the user to implement best management practices as described in section 13.07.793 of this division when the device:

> *(1) Contributes excessive food solids that reduce the efficiency of existing treatment devices;*
>
> *(2) Interferes with the operation of the POTW by contributing fats, oils and grease, solids or other pollutants in quantities sufficient to cause blockages, obstruction of flow, pass-through, and/or contributes to accumulation or increased maintenance on the POTW;*
>
> *(3) Contributes fats, oils and grease, solids or other pollutants in quantities sufficient to cause back-ups or sanitary sewer overflows onto public or private property or into the MS4;*
>
> *(4) Poses a threat to public health or the environment; or*
>
> *(5) Causes and/or contributes to the user's non-compliance with requirements specified in this division or other sections of this article.*

Sec. 13.07.807-13.07.809 Reserved

Part V. Permitting Requirements

Sec. 13.07.810-13.07.825 Reserved

Part VI. Cleaning and Maintenance Requirements

Sec. 13.07.826 General cleaning and maintenance

(a) All areas surrounding treatment devices, sample ports and holding tanks shall be kept clean and free of fats, oils and grease, and other objectionable wastes to preclude any odors that may be deemed a public nuisance. Additionally, these areas shall be maintained to facilitate immediate access for cleaning by the user and inspection by the city at all times.

(1) Wastes shall not be spilled, splashed, allowed to overflow, or otherwise placed on the area surrounding treatment devices.

(2) In the event wastes are spilled, splashed, allowed to overflow, or otherwise placed on the area surrounding the treatment device, the user shall assure the wastes are cleaned from the area and properly disposed.

(b) Treatment devices shall be maintained in an efficient operating condition by the owner or operator at his expense and shall produce a discharge that complies with this division or other sections of article 13.07.

(c) A user shall not remove any inlet or outlet piping or otherwise alter a treatment device in any way which may allow fats, oils and grease, flammable wastes, sand or other objectionable wastes to pass through the treatment device into the wastewater collection system.

(d) During cleaning activities, residues shall be removed from piping and walls of the treatment devices. Additionally, the piping and walls of the treatment device shall be inspected to assure the integrity of the device is maintained.

Sec. 13.07.827 Minimum pumping frequencies

(a) Treatment devices shall be completely evacuated (pumped), cleaned, and inspected as often as necessary to ensure the efficiency and integrity of the treatment device; to ensure the discharge is compliant with screening limits, local discharge limits or requirements specified in this division; and to ensure no visible grease or oil is observed in the user's discharge.

(1) Grease interceptors. The city may require non-domestic users to pump, clean, and/or inspect grease interceptors at a minimum of every ninety (90) days. More frequent pumping may be required when:

(A) Twenty-five percent (25%) or more of the wetted capacity of the treatment device, as measured from the bottom of the device to the static level of liquid in the device, contains fats, oils and grease, sand or other objectionable wastes;

(B) The non-domestic user's discharge exceeds the established oil & grease screening limit of 200 mg/L;

(C) The non-domestic user's total facility discharge exceeds BOD_5, COD, TSS, pH or other pollutant limits established by the POTW;

(D) Fats, oils and grease, solids or other objectionable wastes are not retained in the treatment device and the wastes subsequently pass through the device to the POTW;

(E) The non-domestic user has a history of non-compliance with this division or other sections of article 13.07;

(F) The city provides written notice that the user must pump the treatment device on an emergency or accelerated pumping frequency as required in section 13.07.828; or

(G) The city has previously established requirements to pump the treatment device on a more stringent schedule than specified in this section.

(2) Oil/water separators and sand/grit traps. The city may require non-domestic users to pump, clean, and/or inspect oil/water separators and sand/grit traps a minimum of every one-hundred eighty (180) days. More frequent pumping may be required when:

(A) Twenty-five percent (25%) or more of the wetted capacity of the treatment device, as measured from the bottom of the device to the static level of liquid in the device, contains fats, oils and grease, sand or other objectionable wastes;

(B) The non-domestic user's discharge exceeds the established TPH screening limit of 30 mg/L;

(C) The non-domestic user's total facility discharge exceeds BOD_5, COD, TSS, pH or other pollutant limits established by the POTW;

(D) Oils, sand or other objectionable wastes are not retained in the treatment device and the wastes subsequently pass through the device to the POTW;

(E) The non-domestic user has a history of non-compliance with this division or other sections of article 13.07;

(F) The city provides written notice that the user must pump the treatment device on an emergency or accelerated pumping frequency as required in section 13.07.828; or

(G) The city has previously established requirements to pump the treatment device on a more stringent schedule than specified in this section.

(3) The city may establish pumping, cleaning and/or inspection requirements for other treatment devices on a case-by-case basis to ensure non-domestic users comply with requirements specified in this division.

(b) Where pumping frequencies are inadequate to produce a discharge that complies with requirements specified in this division, the user shall increase pumping frequencies as often as necessary to comply with the requirements established herein.

Sec. 13.07.828 Emergency or accelerated pumping requirements

(a) The city may require a non-domestic user to pump a treatment device on an emergency basis if the user is discharging fats, oils, grease, sand or other pollutants in quantities sufficient to:

(1) Cause the user's total facility discharge to exceed BOD_5, COD, TSS, pH or other pollutant limits established by the POTW;

(2) Cause and/or contribute to a back-up or sanitary sewer overflow onto public or private property or the MS4; or

(3) Pose a threat to public health or the environment.

(b) The city may require a non-domestic user to accelerate the pumping of a treatment device from the prescribed pumping frequency if the user:

(1) Discharges fats, oils, grease, sand or other pollutants in quantities sufficient to cause the user's effluent from the treatment device to exceed screening limits for oil & grease or TPH where established by the POTW;

(2) Does not maintain the existing treatment device in an efficient operating condition at all times;

(3) Has an undersized, irreparable or defective treatment device;

(4) Discharges wastewater that interferes with the operation of the POTW, causes and/or contributes to blockages or obstructions of flow, causes accumulation or necessitates increased maintenance in the POTW; or

(5) Experiences difficulty achieving compliance with this division or other sections of article 13.07.

(c) If the non-domestic user fails to totally evacuate or pump a treatment device on an emergency or accelerated basis after receiving notice by the city of such requirement, the city may have a licensed transporter pump the treatment device and bill the user for any costs incurred by the city or terminate water or sewer services as allowed by this division.

Sec. 13.07.829 Variances to pumping frequencies

(a) Any non-domestic user who owns or operates a treatment device may request a variance to the minimum pumping frequencies established in section 13.07.827. The city may grant a variance to minimum pumping frequencies for non-domestic users on a case-by-case basis when:

(1) The user has demonstrated the treatment device(s) will produce a discharge, based on defensible analytical results, in consistent compliance with established screening limits for oil & grease or TPH, local discharge limits such as BOD_5*, COD, TSS, pH, or other parameters as determined by the city;*

(2) The user can demonstrate that the treatment device did not contain amounts of fats, oils and grease, sand or other objectionable wastes that occupied twenty-five percent (25%) or more of the device's capacity at any time during the previous twelve (12) months;

(3) The user has maintained the treatment device(s) in an efficient operating condition and can demonstrate through closed circuit television inspections or other means, that the discharges from the user has not caused and/or contributed to any accumulation, blockages, obstruction of flow, necessitated increased maintenance in the user's sewer lateral downstream from the treatment device during the previous twelve (12) months;

(4) The user has an adequately sized treatment device with an appropriate sample port installed after the treatment device as required in this division;

(5) The user meets all recordkeeping requirements specified in this division; and

(6) The user has implemented a FOG control plan where required by the city.

(b) Any user requesting a variance to the minimum pumping frequencies established in this division shall notify the city, in writing, to apply for a variance. The written request shall include, at a minimum, the information provided on a variance request or other similar form developed by the city.

Sec. 13.07.830 Full pump-out requirements

(a) Treatment devices required by this division shall be fully evacuated when pumped by the transporter unless the volume of the device is greater than the tank capacity on the transporter's vacuum truck, in which case the transporter shall arrange for additional transportation capacity so each device is fully evacuated within a 24-hour period.

(b) In those cases where the non-domestic user's facility has two or more treatment devices located either on different sewer lateral lines or connected in series on the same sewer lateral line, each device is considered a separate device and shall be fully evacuated within a 24-hour period.

Sec. 13.07.831 Self-cleaning requirements

(a) Grease trap self-cleaning owner/operator must receive approval from the city annually prior to removing fats, oils and grease from their own grease trap(s) located inside a building, provided:

(1) The grease trap is no more than fifty (50) gallons in liquid/operating capacity;

(2) Proper on-site material disposal methods are implemented (e.g., absorb liquids into solid form and dispose into trash);

(3) The city's solid waste division allows such practices;

(4) The grease trap wastes are placed in a leak proof, sealable container(s) located on the premises in an accessible area for a transporter to pump-out (where applicable); and

(5) Detailed records on these activities are maintained.

(b) Grease trap self-cleaning owner/operators must submit a completed self-cleaning request to the city for approval. This written request shall include the following information:

(1) Business name and street address;

(2) Grease trap owner/operator name, title, and phone number;

(3) Description of maintenance frequency, method of disposal, method of cleaning and size (in gallons) of the grease trap;

(4) A copy of self-cleaning records for previous 12 months (applicable when self-cleaning owner/operator had grease trap equipment installed during previous 12 months and the city established self-cleaner requirements for the user as specified in this section); and

(5) A signed statement that the owner/operator will maintain records of waste disposal and produce these records where requested during on-site inspections.

(c) Grease trap self-cleaning owner/operators must adhere to standard cleaning procedures, detailed recordkeeping, and all requirements specified in this division to ensure compliance. A maintenance log shall be kept by self-cleaning owner/operators that indicates, at a minimum, the following information:

(1) Date(s) the grease trap was serviced;

(2) Name of the person(s) or company servicing the grease trap;

(3) Waste disposal method used;

(4) Gallons of wastes removed and disposed of;

(5) Date and amount of waste or recyclable oil removed; and

(6) Signature of the owner/operator (after each cleaning) that certifies all wastes were removed from the grease trap and disposed of properly; the grease trap was thoroughly cleaned; all defective parts were replaced/repaired and the grease trap is in operable condition.

(d) Where necessary, the city may establish requirements for a self-cleaning owner/operator to develop and implement a FOG control plan as specified in section 13.07.866.

(e) Violations incurred by grease trap self-cleaning owner/operators will be subject to enforcement remedies which include, but are not limited to: fees, removal from the self-cleaner program or other remedies as allowed by this division or other sections of this article.

Sec. 13.07.832 Manifest or trip ticket requirements

(a) Each pump-out of a treatment device must be accompanied by a manifest to be used for recordkeeping purposes.

(b) Persons who generate, collect, and transport wastes described in this division shall maintain a record of each individual collection and deposit of wastes. Such records shall be in the form of a manifest which shall include the following information:

(1) Name, address, telephone number, and commission registration number of transporter;

(2) Name, signature, address, and telephone number of the person who generated the waste and the date collected;

(3) Type and amount(s) of waste collected or transported;

(4) Name and signature(s) of responsible person(s) collecting, transporting, and depositing the waste;

(5) Date and place where the waste was deposited;

(6) Identification (permit or site registration number, location, and operator) of the facility where the waste was deposited;

(7) Name and signature of facility on-site representative acknowledging receipt of the waste and the amount of waste received; and

(8) The volume of the grease trap, interceptor or other treatment device.

(c) Manifests shall be divided into five (5) parts and the records shall be maintained as follows:

(1) One part of the manifest must have the generator and transporter information completed and be given to the generator at the time of waste pick-up.

(2) The remaining four (4) parts of the manifest must have all required information completely filled out and signed by the appropriate party before distribution of the manifest is completed as follows:

(A) One part must go to the receiving facility.

(B) On part must go to the transporter, who shall retain a copy of all manifests showing the collection and disposition of wastes.

(C) One part must be returned by the transporter to the person who generated the wastes within 15 days after the waste is received at the disposal or processing facility.

(D) One part of the manifest must go to the city.

(d) Copies of the manifests returned to the waste generator shall be retained for five years and be readily available for review by the city.

Sec. 13.07.833 Facility closures and treatment devices

(a) When a non-domestic user's facility closes or ceases operations and the facility utilized a treatment device, the following conditions shall apply:

(1) If the facility is demolished or moved to another location, the treatment device shall be physically removed or severed from the wastewater collection system and filled with sand;

(2) If the facility is remodeled or renovated such that installing, operating and/or maintaining a treatment device and sample port is no longer required by this division, then the device may be left in place if the following conditions are met:

(A) The treatment device has been totally evacuated, cleaned thoroughly and the devices are left charged with clean water; and

(B) The building plumbing is modified to bypass the existing treatment device while leaving the devices in place for further use by another business.

(3) If the facility is replaced with a type of business that is not required to maintain a treatment device as specified in this division, then the user shall either:

(A) Physically remove the treatment device; or

(B) The treatment device shall be totally evacuated, cleaned thoroughly and left charged with clean water and the building plumbing is modified to bypass the existing treatment device while leaving the devices in place for further use by another business.

(b) The city may require a non-domestic user to repair and/or remove a treatment device as required in this section when the device is contributing to inflow or infiltration problems in the wastewater collection system. The cost of removing or repairing the treatment device shall be the responsibility of the owner and/or operator of the treatment device.

Sec. 13.07.834-13.07.849 Reserved

Part VII. Monitoring and Inspection Requirements

Sec. 13.07.850 Compliance monitoring

(a) The city, state or EPA shall have the right to enter the facilities of any non-domestic user to ascertain whether the purpose of this division, and any order issued hereunder, is being met and whether the non-domestic user is complying with all requirements thereof. The city shall have the right to inspect and monitor non-domestic users, at a minimum, once annually. The non-domestic user shall allow the city, upon the presentation of credentials, to:

(1) Enter upon the non-domestic user premises without unreasonable delay, where a regulated facility or activity is located or conducted or where records are maintained which must be kept under the conditions of this division;

(2) Have access to and copy records which must be kept under conditions of this division;

(3) Inspect, at any reasonable time, including times of emergency, any facilities, equipment, practices, or operations regulated under this division;

(4) Sample or monitor any substances or parameters to assure compliance, in lieu of the information provided by the non-domestic user;

(5) Use a camera to photograph any areas of the facility as deemed necessary for carrying out the requirements of the FOG control program, including, but not limited to, documentation of the non-domestic user compliance status, and for reinforcement of required written reports:

(A) The non-domestic user shall have the right to request and obtain copies of the photographs or to take concurrent photographs. In no case shall the non-domestic user be allowed to obtain original negatives or other original memory devices.

(B) The non-domestic user shall have the right to request that photographs be considered confidential information in accordance with requirements specified in section 13.07.853 of this division.

(6) Conduct inspections of a non-domestic user's treatment device, sewer lateral line, privately owned service line, control manhole, sampling port or other appurtenances that connect to the city's wastewater collection system using closed circuit television (CCTV). These CCTV inspections may be used to:

(A) Verify that a user is operating a treatment device in an efficient operating condition;

(B) Determine contributing factors that cause blockages, obstructions of flow, or sanitary sewer overflows such as sources of FOG accumulations, defective infrastructure, accumulated roots and/or debris;

(C) Seek visual evidence of FOG accumulation between the site of blockages, obstructions of flow, or sanitary sewer overflows in the city's wastewater collection system and upstream users; or

(D) Help determine costs to assess to a user for contributing to a blockage, obstruction of flow, or sanitary sewer overflow.

(b) Unreasonable delays (as determined by the city based on prevailing circumstances) in allowing city personnel access to the non-domestic user's premises shall be a violation of this division and may constitute further enforcement action.

(c) Search warrants. If the city has been refused access to a building, structure or property or any part thereof, and/or if the city has demonstrated probable cause to believe that there may be a violation of this division, or that there is a need to inspect as part of a routine inspection program designed by the city to verify compliance with this division or any order issued hereunder, or to protect the overall public health, safety, and welfare of the community, then, the city shall seek a search and/or seizure warrant describing the specific location subject to the warrant.

Sec. 13.07.851 Analytical requirements

All handling, preservation, and laboratory analyses of wastewater samples collected to determine compliance with this division shall be performed in accordance with requirements specified in section 13.07.505 of this article.

Sec. 13.07.852 Sample collection

(a) Except as indicated in subsection (b), wastewater samples used to determine compliance with this division shall be collected using flow proportional composite sample techniques. In the event that flow proportional composite sampling is not feasible, the director may authorize the use of time proportional composite sampling or other acceptable techniques that will provide a representative sample of the effluent being discharged.

(b) Samples for oil and grease, temperature, pH, cyanide, phenols, sulfides and volatile organic compounds shall be obtained using grab sample collection techniques. In some cases, the city may require a user to collect multiple grab samples during a monitoring period to determine compliance with applicable requirements.

(c) The city may use a grab sample to determine compliance with instantaneous discharge limits.

Sec. 13.07.853 Confidentiality and proprietary information

Information and data on a user obtained from reports, surveys, and monitoring programs, and from the director's inspection and sampling activities, shall be available to the public without restriction, unless the user specifically requests, and is able to demonstrate to the satisfaction of the director, that the release of such information would divulge information, processes or methods of production entitled to protection as trade secrets under applicable state law. Any such request must be asserted at the time of submission of the information or data. When requested and demonstrated by the non-domestic user furnishing a report that such information should be held confidential, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public, but shall be made available immediately upon request to governmental agencies for uses related to the TPDES program or pretreatment program and in enforcement proceedings involving the person furnishing the report. Wastewater constituents and characteristics and other "effluent data" as defined by 40 CFR 2.302 will not be recognized as confidential information and will be available to the public without restriction.

Sec. 13.07.854-13.07.859 Reserved

Part VIII. Recordkeeping Requirements

Sec. 13.07.860 Retention of records

(a) Any non-domestic users subject to the reporting requirements established in this division shall be required to retain and make available upon request for inspection and copying by the city, records that include, but are not limited to:

> *(1) Monitoring information, including calibration and maintenance records, laboratory reports, self-cleaning logs, standard operating procedures, training records, and any other record of data required to determine compliance with this division. These records shall be retained for a period of at least three (3) years from the date of the sample, measurement, or activity.*
>
> *(2) Manifests or other records of information pertaining to the generation, transporting, and disposal of liquid wastes. These records shall be retained for a period of at least five (5) years.*

(b) The periods of record retention may be automatically extended for the duration of any unresolved litigation concerning compliance with this division, or extended at any time by request of the city.

(c) All records subject to enforcement or litigation activities brought by the city shall be retained and preserved as defined in section 13.07.510(a) of this article.

Sec. 13.07.861 Receipt of reports or correspondence

(a) Written reports or correspondence submitted to the city shall be deemed submitted on the date postmarked. For reports or correspondence which is not mailed, postage paid into a mail facility serviced by the United States Postal Service, the date of receipt by the city shall govern.

(b) All reports and correspondence required by this division shall be submitted to the city at the mailing address provided in the FOG control program.

Sec. 13.07.862 Sampling and analysis records

Records contents for all sampling and analysis required by this division shall meet minimum requirements specified in section 13.07.510(b) of this article.

Sec. 13.07.863 Wastewater questionnaire or survey

(a) When requested by the director, non-domestic users must submit information on the nature and characteristics of their wastewater operations by completing a wastewater questionnaire or similar form developed by the city. Failure to complete and return this questionnaire shall constitute a violation of this division.

Sec. 13.07.864 Standardized forms or reports

(a) The director may develop standardized forms for the non-domestic user to submit information required in this division. The user shall use these standardized forms unless authorized otherwise. These forms may be updated as needed.

Sec. 13.07.865 Duty to provide information

(a) Non-domestic users shall furnish to the city, within 30 days, any information which the city may request to determine compliance with the requirements of this division unless stated otherwise in this article.

(b) Non-domestic users shall furnish to the city, within 10 business days, copies of any records that are required by this division.

(c) Non-domestic users shall notify the city in writing, prior to the prescribed due date, if additional time is needed to submit records, reports, or correspondence requested by the city. If the city grants an extension, in no case shall the records, reports, or correspondence be

submitted 30 days or more beyond the original due date. The city will approve these extensions on a case-by-case basis only.

Sec. 13.07.866 FOG control plan

The city may require non-domestic users to develop and implement a FOG control plan where necessary to document how the user will comply with the requirements of this division.

(a) If the plan submitted by the user is inadequate, the city may require subsequent modifications.

(b) Once the user submits the plan, the city will provide the user with written notice of its acceptance.

(c) Failure to implement any element of an accepted plan is a violation and may subject the user to enforcement remedies described in this division.

Sec. 13.07.867-13.07.869 Reserved

Part IX. Enforcement Remedies

Sec. 13.07.870. Notice of deficiency

(a) The city will use a notice of deficiency as an official communication to notify a user that a deficiency has occurred.

(b) This written notice will be an initial response to isolated minor deficiencies with requirements of the FOG control program where previous informal communications have been unsuccessful.

(c) Within ten (10) business days from receipt of such notice, the user must reply, acknowledging receipt of the notice, and the user's intended corrective actions. Failure to respond to this notice would constitute a further violation of the FOG control program.

Sec. 13.07.871 Field notice of violation

(a) During an inspection of a non-domestic user, if violations are noted, a field notice of violation (FNOV) may be served to the user. Such notices shall be either personally served or delivered by certified mail, return receipt requested.

(b) This document will identify the specific violation(s), the date(s) for corrective action to be completed, and other compliance actions that may be required.

(c) Failure to comply with requirements contained in the FNOV shall constitute a further violation of the FOG control program.

Sec. 13.07.872 Notice of violation

(a) The city will use a notice of violation (NOV) as an official communication to notify the user that a violation of a notice, agreement, order or requirement specified in the FOG control program has occurred or is continuing to occur. Such notices shall be either personally served or delivered by certified mail, return receipt requested.

(b) Within ten (10) business days from receipt of such notice, the user must reply, acknowledging receipt of the notice, and the user's intended corrective actions. Failure to respond to this notice would constitute a further violation of the FOG control program.

(c) Nothing in this section shall limit the authority of the city to take any action, including emergency suspension or termination of services, prior to issuing the NOV.

Sec. 13.07.873 Compliance schedule agreements

(a) The city may require a non-domestic user to enter into a compliance schedule agreement (CSA) in those cases where the user is in violation of provisions of the FOG control program and/or the city will require the user to install treatment devices, sample ports, appurtenances, or otherwise implement structural BMPs as described in section 13.07.793 of this division.

(b) The issuance of a CSA may contain other terms and conditions necessary to ensure compliance with the FOG control program.

(c) The director shall not enter into a CSA until such time that all monetary amounts owed to the city, including administrative fees, or other amounts are paid in full.

(d) If compliance is not achieved in accordance with the terms and conditions of the CSA during its term, the director may issue notice to the user that the CSA will be suspended or revoked and the director will escalate enforcement actions.

Sec. 13.07.874 Increased monitoring and reporting

When a non-domestic user has demonstrated a history of noncompliance, the city may increase surveillance requirements of that user, including, but not limited to, additional monitoring and reporting activities.

Sec. 13.07.875 Emergency suspension of services

The city may immediately suspend a user's city-provided water supply and/or wastewater discharges without providing advanced notice when such suspension is necessary to stop actual or threatened discharges as described in section 13.07.141 of this article. A non-domestic user may appeal to the director for a show cause hearing as provided by section 13.07.877 of this article as soon as possible after the suspension of services.

Sec. 13.07.876 Non-emergency termination of services

The city may terminate a user's city-provided water supply and/or wastewater discharges after providing notice of such actions as described in section 13.07.142 of this article. A non-domestic user may appeal to the director for a show cause hearing as provided by section 13.07.877 of this article.

Sec. 13.07.877 Show cause hearing

The director may order any non-domestic user which causes or contributes to violation(s) of this division, or orders issued hereunder, to appear before the director and show cause prior to the non-emergency termination of water supply and/or wastewater discharge, or at the discretion of the director, prior to taking any enforcement action. Notice shall be served on the non-domestic user specifying the time and place for the meeting, the proposed enforcement action, the reasons for such action, and a request that the user show cause why this proposed enforcement action should not be taken. The notice of the meeting shall be served personally or by registered or certified mail (return receipt requested) at least ten (10) business days prior to the hearing. Such notice may be served on any authorized representative of the non-domestic user. Whether or not the non-domestic user appears as ordered, immediate enforcement action may be pursued following the hearing date. A show cause hearing shall not be a prerequisite for taking any other action against the user.

Sec. 13.07.878 Public nuisances

(a) Any discharge to the POTW that causes and/or contributes to blockages, obstruction of flow or other conditions, that alone or in conjunction with other users, cause and/or contribute to back-ups or sanitary sewer overflows onto public or private property may be declared a public nuisance and shall be corrected or abated as required by the director.

(b) Any person(s) creating a public nuisance shall be subject to the provisions of the city code in article 6.05 governing such nuisances, including reimbursing the city for any costs incurred in removing, abating, or remedying said nuisance.

Sec. 13.07.879 Citations to municipal court

(a) Notwithstanding any enforcement remedies specified in section 13.07.872 thru section 13.07.879 of this division, the director may cite any user in municipal court for violations of this division.

(b) Any non-domestic user that violates any provision of this division or any orders issued hereunder, or any other requirement shall, upon conviction, be guilty of a misdemeanor, punishable by a fine as provided in section 1.01.009 of this code per violation, per day.

Sec. 13.07.880 Remedies non-exclusive

(a) The provisions of section 13.07.871 thru 13.07.879 of this division are not exclusive remedies. The city reserves the right to take any, all, or any combination of these enforcement actions against a user that violates division 3 or division 6 of this article. While the enforcement of violations will generally be in accordance with the FOG control program, the city is empowered to take more than one enforcement action, depending on the magnitude and type of non-compliance.

(b) In those cases where the user's discharge, alone or in conjunction with other users, causes pass through or interference that results in a violation of any requirement of the city's TPDES permit, then the city may initiate administrative or judicial enforcement remedies as allowed in division 5 of this article.

Sec. 13.07.881-13.07.885 Reserved

Part X. Miscellaneous Provisions

Sec. 13.07.886 Liability

(a) The director, or any employee of the city charged with the enforcement of this division, while acting for the jurisdiction, shall not be rendered liable personally, and is hereby relieved from all personal liability for any damages accruing to persons or property as a result of any act required or permitted in the discharge of official duties required under this division.

(b) The director or any employee of the city shall not be liable for costs in any action, suit or proceedings that is instituted in pursuance of the provisions of the division, and the director or any employee of the city acting in good faith and without malice, shall be free from liability for acts performed under any of its provisions or by reason of any act or omission in the performance of official duties in connection therewith.

Sec. 13.07.887 City's right of revision

The city reserves the right to establish, by ordinance, notice, compliance schedule agreement, or other orders, more stringent standards or requirements on discharges to the POTW if deemed necessary to comply with the objectives presented in section 13.07.760 or the prohibited discharge practices and prohibitions included in section 13.07.780 and section 13.07.781 of this division.

Sec. 13.07.888 FOG control program fees

(a) The city may adopt reasonable fees for the reimbursement of costs necessary to operate the FOG control program which include, but are not limited to:

(1) Fees for issuing wastewater surveys or permit applications including the cost of processing such applications where applicable;

(2) Fees for filing variances, exemptions, or requests to self-clean grease traps where allowed in this division;

(3) Fees for laboratory analyses, inspections, sampling, or activities performed by the city that are related to discharger non-compliance and:

(A) Are not a routine part of the FOG control program;

(B) Are the result of non-compliance identified through program activities; or

(C) The user fails to perform as required by notice, compliance schedule agreement, or other order issued by the City.

(4) Fees to recover costs incurred in cleaning, maintaining and disposing wastes that cause and/or contribute to accumulation or blockages in the POTW or cause and/or contribute to back-ups or sanitary sewer overflows into the MS4;

(5) Fees for administrative and technical costs necessary to issue administrative, supplemental, or judicial actions specified in this division or other sections of this article; and

(6) Other fees deemed necessary to carry out the requirements contained herein.

(b) The city may assess these fees through the user's utility bill where allowed by ordinance.

(c) These fees relate solely to the matters covered by division 3 and division 6 of this article and are separate from all other fees, fines, and penalties chargeable by the city.

Sec. 13.07.889 Waste disposal mitigation fee

(a) Non-domestic users that discharge into the city's wastewater collection system without a treatment device as required by this division may be assessed an annual waste disposal mitigation fee to equitably cover the costs of increased maintenance and administration of the sewer system as a result of the user's inability to adequately remove fats, oils and grease or other objectionable wastes from its discharge.

(b) This section shall not be interpreted to allow a new non-domestic user to pay an annual waste disposal mitigation fee in lieu of the installation, operation, and maintenance of an approved passive treatment device, alternate grease removal device (AGRD) or other available technology.

(c) This section shall not be interpreted to allow an existing non-domestic user to operate without an approved passive treatment device, alternate grease removal device (AGRD) or other available technology unless the director has determined that is impractical and/or impossible to

install the approved treatment device, alternate grease removal device (AGRD) or other available technology as required or otherwise allowed in this division.

(d) The city may establish terms and conditions under which the user will pay this waste disposal mitigation fee, including the assessment of this fee through the user's utility bill where allowed by ordinance.

Sec. 13.07.890 Surcharges

(a) Any non-domestic user who discharges into the POTW may be assessed an additional surcharge for discharging extra strength wastes that exceed pollutant levels for normal domestic wastewater as established by ordinance.

(b) Initiation or continuation of surcharge testing for non-domestic users shall be at the discretion of the city with consideration to the nature or history of the user's discharge, the impact or potential impact to the POTW, and resources available to the city.

(c) These surcharges established in a separate rate ordinance may be billed to the user separately or included as a separate item on the user's utility bill where allowed by ordinance.

Sec. 13.07.891-13.07.899 Reserved.

SECTION 3. That it is the intention of the City Council of the City of Sherman, Texas, that the provisions of this ordinance shall become a part of the Code of Ordinances of the City of Sherman, Texas, and that sections of this ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 4. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 6. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the _____________ day of _________________, 2008.

ADOPTED on this the ________________ day of _________________, 2008.

EFFECTIVE DATE on this the _________ day of _________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ____________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ____________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

____
DOREEN E. MCGOOKEY,
CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. B.2

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5524
Providing for a Permanent "Stop" Sign at the Intersection of Knollwood Drive and North Creek Drive, Stopping Westbound Traffic on North Creek Drive within the City Limits of the City of Sherman

Issue
Providing for an ordinance to install a "Stop" sign at the intersection of North Creek Drive and Knollwood Drive, stopping westbound traffic on North Creek Drive

Background
This past fall, the intersection of North Creek Drive, Knollwood Drive, and Travis Street was rebuilt (east side) to make sure it aligned properly with North Creek Drive on the west side of Travis Street in the new Austin Landing Subdivision. Due to the unusual configuration of this intersection, and the fact that Knollwood Drive enters it from the north, it became necessary to stop westbound traffic on North Creek Drive at Knollwood Drive to assure safe traffic flow through the intersection. The "Stop" sign has been in place for 90 days; and we have not received any complaints.

Origination
Public Works Department

Financial Consideration
The material and labor to install the one "Stop" sign totaled approximately $115.00.

Staff Recommendation
For safety reasons, it is recommended that the City Council introduce and subsequently adopt an ordinance providing for one "Stop" sign at the intersection of North Creek Drive and Knollwood Drive.

Alternatives
Those as may be recommended by the City Council

Attachments
Ordinance No. 5524
Location Map

Prepared by:
Jeffrey Miller, Director of Public Works

Approved by:
George Olson, City Manager

ORDINANCE NO. 5524

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR A PERMANENT "STOP" SIGN AT THE INTERSECTION OF KNOLLWOOD DRIVE AND NORTH CREEK DRIVE, STOPPING WESTBOUND TRAFFIC ON NORTH CREEK DRIVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That, from and after the passage of this ordinance, a permanent "Stop" sign shall be in place at the following location within the corporate limits of the City of Sherman, Texas:

> At the intersection of Knollwood Drive and North Creek Drive, stopping westbound traffic on North Creek Drive, as shown by location map, attached hereto as Exhibit "A" and incorporated herein for all purposes.

SECTION 2. That the Director of Public Works is directed to designate this action by the appropriate markings and signs as directed by the Texas Transportation Code.

SECTION 3. Violators of this ordinance shall be subject to prosecution pursuant to the Texas Transportation Code.

SECTION 4. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 5. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

SECTION 6. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the ______________ day of __________________, 2008.

ADOPTED on this the _________________ day of __________________, 2008.

EFFECTIVE DATE on this the _________ day of __________________, 2008.

CITY OF SHERMAN, TEXAS

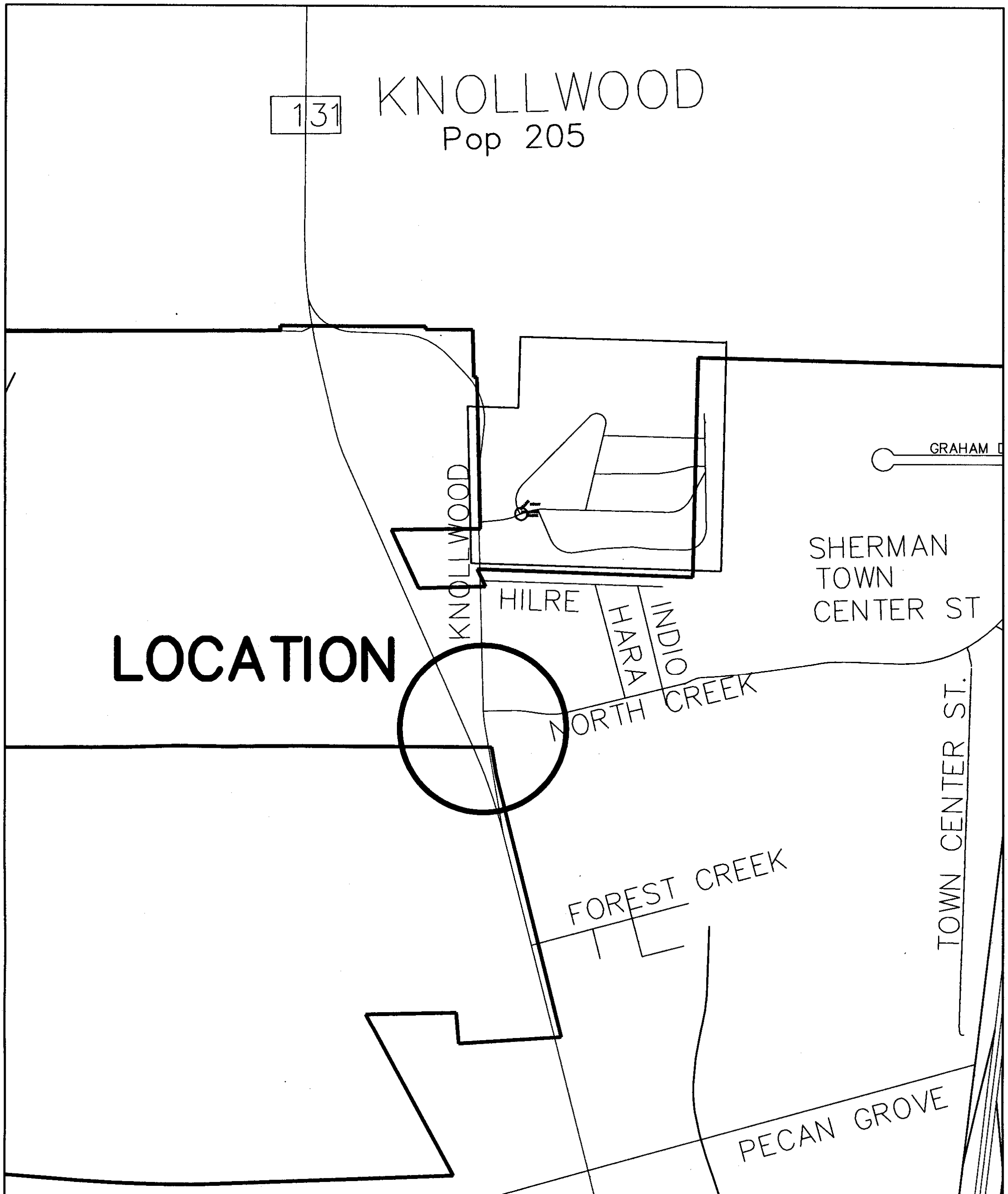
BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY



STOP SIGN AT THE
INTERSECTION OF NORTH CREEK DRIVE
AND KNOLLWOOD DRIVE

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. B.3

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5525
Providing for Two (2) Permanent "Yield" Signs at the Intersection of Crestview Drive and West College Street within the City Limits of the City of Sherman

Issue
To introduce an ordinance and seek public input regarding the location of two (2) "yield" signs at the intersection of Crestview Drive and West College Street

Background
Recently a citizen complained that a yield sign at the intersection of Crestview Drive and West College Street was missing. Staff's standard operating procedure in these situations is to first review whether an ordinance has been adopted to support the sign(s). The investigation determined that an ordinance does not exist for the two (2) existing yield signs.

Origination
Department of Public Works

Financial Consideration
There is no financial consideration as the signs are already installed.

Staff Recommendation
Adopt an ordinance requiring traffic on Crestview Drive to yield to eastbound and westbound traffic on West College Street.

Alternatives
Those as may be directed by the City Council

Attachments
Ordinance No. 5525
Location Map

Prepared by:
Jeffrey Miller, Public Works & Engineering Director

Approved by:
George Olson, City Manager

ORDINANCE NO. 5525

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR TWO (2) PERMANENT "YIELD" SIGNS AT THE INTERSECTION OF CRESTVIEW DRIVE AND WEST COLLEGE STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That, from and after the passage of this ordinance, two (2) permanent "YIELD" signs will be in place at the following location within the city limits of the City of Sherman, Texas:

At the intersection of Crestview Drive and West College Street, causing traffic on Crestview Drive to yield to eastbound and westbound traffic on West College Street;

as shown by Exhibit "A", attached hereto and incorporated herein for all purposes.

SECTION 2. That the Director of Public Services is directed to designate this action by the appropriate markings and signs in compliance with the Texas Transportation Code.

SECTION 3. Violators of this ordinance shall be subject to prosecution pursuant to the Texas Transportation Code.

SECTION 4. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 5. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the _____________ day of _________________, 2008.

ADOPTED on this the ________________ day of _________________, 2008.

EFFECTIVE DATE on this the _________ day of _________________, 2008.

CITY OF SHERMAN, TEXAS

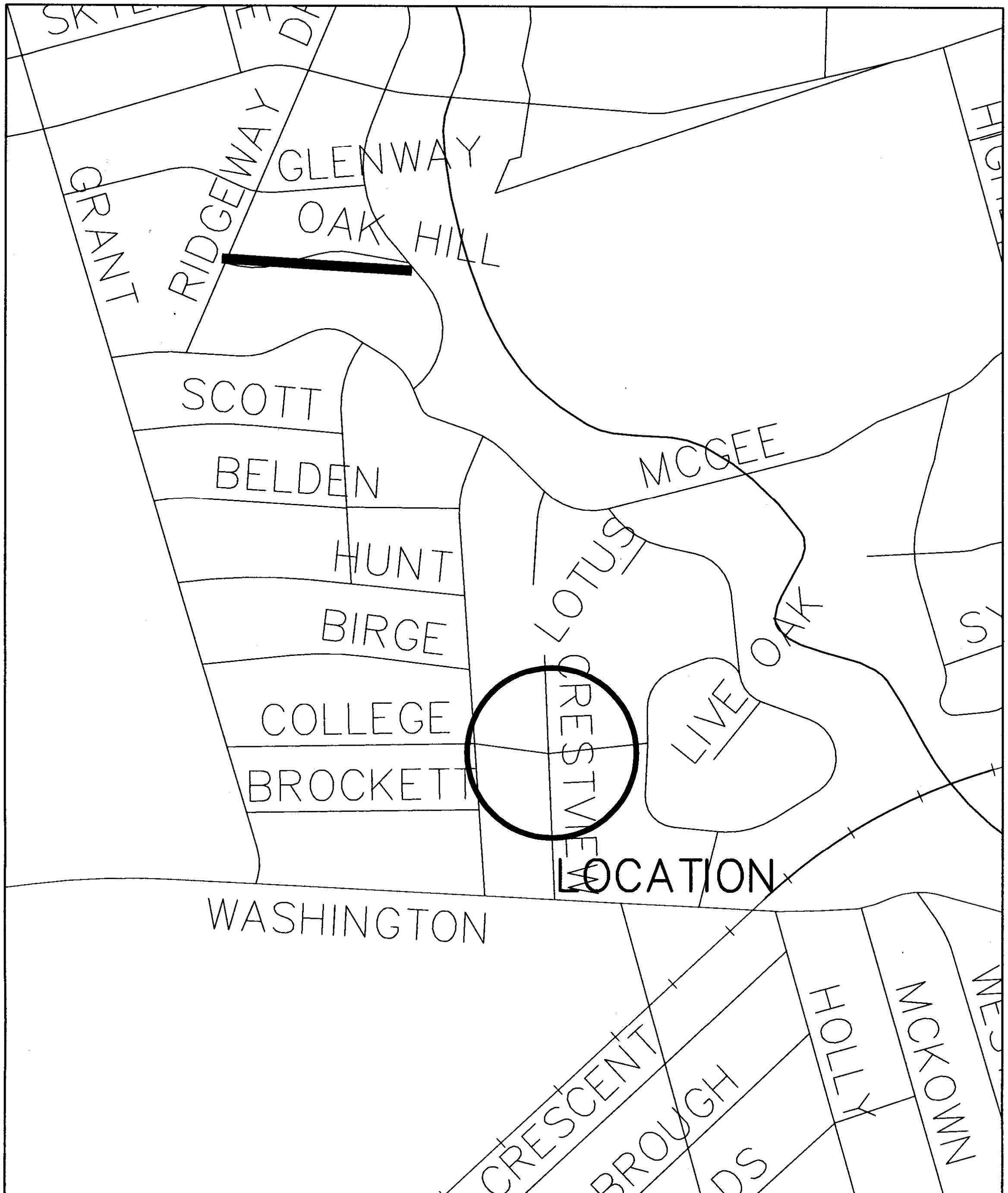
BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY



YIELDS SIGNS AT THE
INTERSECTION OF WEST COLLEGE
AND CRESTVIEW DR.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. B.4

ADOPTION OF ORDINANCES
Consider Adoption of Ordinance Numbers: 5523, 5524 and 5525

B.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5523
Amending Chapter 13 of the Code of Ordinances, “Utilities”, Article 13.07, “Water, Sewers and Sewage Disposal” at Division 3, “Sewers and Sewage Disposal”, and adding Division 6, “Fats, Oil, Grease and Sediment Control”

B.2 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5524
Providing for a Permanent “Stop” Sign at the Intersection of Knollwood Drive and North Creek Drive, Stopping Westbound Traffic on North Creek Drive within the City Limits of the City of Sherman

B.3 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5525
Providing for Two (2) Permanent “Yield” Signs at the Intersection of Crestview Drive and West College Street within the City Limits of the City of Sherman

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. B.5

CONSENT AGENDA

Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

C.4 * RESOLUTION NO. 5183
Authorizing Execution of a Contract with Lone Tree Resources and Consulting, Inc. for the Installation of a 6,000 Gallon Fuel Tank at the Sherman Municipal Airport

C.5 * RESOLUTION NO. 5184
Awarding a Bid to and Authorizing Execution of a Contract with Tom Hernandez, individually and doing business as Martin Asphalt Company, for the Purchase of an Annual Supply of Emulsified Asphalt Oil for the 2008 Seal Coat Program

C.6 * RESOLUTION NO. 5185
Awarding a Bid to and Authorizing Execution of a Contract with James Thorpe, individually and doing business as Thorpe Trucking, for the Purchase of an Annual Supply of Cover Stone for the 2008 Seal Coat Program

C.7 * RESOLUTION NO. 5186
Authorizing the Purchase of One (1) 3/4 Ton Pickup Truck through the Houston-Galveston Area Council of Governments (H-GAC) for the Street Services Department

C.8 * RESOLUTION NO. 5187
Authorizing the Purchase of Two (2) 2-1/2 Ton Dump Trucks through the Houston-Galveston Area Council of Governments (H-GAC) for the Street Services Department

D.1 * CHANGE ORDER NO. 2
Lockhart Street Water Main Replacement; $10,002.61, Decrease

D.2 * REQUEST TO ADVERTISE
Sale of Property located at 1624 East King Street, being Lot 1, Block 1 of the Replat of Lot 19, Block 3, and a Portion of Harrison Street between Block 3 and 4 of the J. C. Linnstaedt's Addition

D.3 * REQUEST TO ADVERTISE

Sale of Property located at 800 North Brents Street, being a 60’ x 150’ tract of land (a closed and abandoned portion of Carter Street) lying between Lot 12 in Block 1 and Lot 7 in Block 2 of the Keliehor’s Fourth Addition

D.4 * REQUEST TO ADVERTISE

Sale of Property located in the 500 Block of East Lake Street being 4.024 acres in the Preston Kitchens Survey, Abstract No. 667, and the Samuel Blagg Survey, Abstract No. 56, and of the Spring Glen Park Addition, Block 9 and Part of Blocks 3 and 4, and a Part of Adjacent Streets

D.8 * OTHER BUSINESS

Consider Bid Rejection for the Sherman Police Department’s Data Collection Equipment

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. C.1

RESOLUTION NO. 5180
Authorizing the Execution of a Depository Contract with Landmark Bank

Issue
Awarding a contract for the City's bank depository services

Background
The City's current contract for bank depository services with Chase Bank expires in March, 2008. The staff requested proposals to provide these services for the City from every bank in Sherman, and received two responses: Landmark Bank and Chase Bank. Landmark Bank does not currently provide lockbox services, but is partnering with the City and McDonald Data Systems located in Plano, Texas, to provide these services to the City. The staff believes that Landmark's ability to timely and efficiently respond to the City's day-to-day banking needs combined with the projected financial savings compared to Chase provide a reasonable basis to award the contract to Landmark.

Origination
Finance

Financial Consideration
The proposal from Landmark Bank included banking services at no charge to the City. The Landmark Bank proposal represents an estimated advantage over Chase totaling over $25,000 annually.

Staff Recommendation
The staff recommends the award of the City's bank depository services contract to Landmark Bank.

Alternatives
Because of the significant time required to select a depository, no alternatives can be suggested.

Attachments
Resolution No. 5180
Bank Depository Contract
Bid Tabulation and Bid Response

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5180

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A DEPOSITORY CONTRACT WITH LANDMARK BANK; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to enter into a depository contract with Landmark Bank for a period of one (1) year commencing on March 28, 2008, and terminating on March 27, 2009, and any annual renewals thereto he may enter into, which shall not exceed the year 2013, all in accordance with the terms and conditions of the contract document attached hereto and incorporated herein for all purposes.

SECTION 2. That the following named individuals are the Authorized Representatives of the City, each authorized to give notices and instructions to Landmark Bank, in accordance with the depository contract:

1. Name: George Olson Title: City Manager

   Signature: ____________________ Direct Phone No.: (903) 892-7200

2. Name: Robby Hefton Title: Assistant City Manager/Chief Financial Officer

   Signature: ____________________ Direct Phone No.: (903) 892-7203

SECTION 3. That the following named Authorized Representative is designated as the Primary Contact and will receive all Landmark Bank correspondence including transaction confirmations and monthly statements.

Name: Mary Lawrence, Controller

SECTION 4. That the City may designate other authorized representatives by written instrument signed by an existing City Authorized Representative.

SECTION 5. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ___________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

____
DOREEN E. MCGOOKEY, CITY ATTORNEY

DEPOSITORY CONTRACT

THE STATE OF TEXAS	§	
	§	**KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF GRAYSON	§	

The following provisions shall constitute an agreement between the **CITY OF SHERMAN, TEXAS**, a municipal corporation of the State of Texas (hereinafter referred to as "City"), and **LANDMARK BANK** (hereinafter referred to as "Bank"), which shall hereby serve as the primary bank depository for the City for the period of March 28, 2008, through March 27, 2009. This contract can be renewed annually by mutual consent. Up to four (4) renewals are allowable. In no instances may the contract be renewed past March 27, 2013.

WITNESSETH:

I.

The Bank shall act as the primary depository of the City of Sherman, Texas, qualifying as such depository by pledging sufficient securities acceptable to the City or providing an irrevocable Letter of Credit (LOC) issued by the Federal Home Loan Bank (FHLB), as required under the provisions of *V.T.C.A., Local Government Code § 105.001, et seq.*, for all funds deposited with the Bank by the City. Any collateral securing the City's deposits shall consist only of those investment securities authorized by the City's Investment Policy. Additionally, any pledged securities, as well as securities owned by the City, shall be held in safekeeping with an independent third-party under a separate Custodial and Safekeeping Agreement. The FHCB LOC shall be held by the City, and shall not be modified without the written consent of the City.

II.

The Bank shall act as the depository of the City, thereby maintaining receipts, disbursements and the balances of individual funds of the City and shall prepare for the City monthly bank statements of the individual accounts not later than the tenth (10^{th}) day of the following month. Additionally, the Bank shall provide or make available to the City daily balance reports of the individual accounts via the Internet CFO System.

III.

The City's accounts at the Bank shall be as follows: Concentration, Disbursement, Payroll, Pending Evidence, Tax Increment Zone, Employee Health Plan, SEDCO and Cafeteria Plan. Other accounts may be added as needed.

IV.

The average expected amount on deposit at Bank, including Certificates of Deposit is \$8,000,000.00. The market value of the securities pledged, including FHLB LOC against City's accounts shall be at least one hundred two percent (102%) of bank balances at all times.

V.

The Bank shall provide notification to the City, verbally, in writing, or via the Internet CFO System within twenty-four (24) hours of receipt of incoming wire transfers and ACH transactions.

VI.

The following Bank officers shall be assigned to the City's accounts:

Executive: Sam P. Henry, Senior Vice President

Operations: Cathy Eubank, Sherman Operations Officer

VII.

The Bank agrees to provide the first six (6) months of checks and deposit slips to City upon acceptance of depository contract.

All checking and savings accounts maintained by the Bank for the City shall bear interest at an annual rate calculated as Fed Funds average rate minus twenty-five (25) basis points. Interest shall be deposited no less frequently than monthly. There shall be no fees charged to any City accounts during the term of this agreement.

VIII.

Reference is hereby made to the Bank's Proposal for Contract which is attached hereto as Exhibit "A" and made a part of this agreement for all purposes, and includes any agreement for services requested by the City after the effective date of this contract.

This agreement may not be changed, varied or altered, except by an instrument in writing, duly executed on behalf of the City and the Bank. Every obligation arising from this agreement shall be performable in Grayson County, Texas.

The parties agree that the laws of the State of Texas shall govern this Agreement. Exclusive venue shall lie in Grayson County, Texas.

IN TESTIMONY WHEREOF, this instrument, in duplicate originals of equal force, has been executed on behalf of the Bank and on behalf of the City of Sherman by its City Manager, and attested by its City Clerk, pursuant to authorization by resolution of its City Council, effective the ________ day of ______________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ___________________________
GEORGE OLSON,
CITY MANAGER

ATTEST:

BY: ______________________
LINDA ASHBY,
CITY CLERK

APPROVED:

____
DOREEN E. MCGOOKEY,
CITY ATTORNEY

LANDMARK BANK

BY: ______________________
SAM HENRY
SENIOR VICE PRESIDENT
720 E. PEYTON ST.
SHERMAN, TEXAS 75090

ATTEST:

BY: ______________________
RANDY HENSARLING,
PRESIDENT

City of Sherman
Bank Depository Analysis
2008

	Landmark Bank	Chase Bank
Avg Net Check Book Balance	$5,000,000	$ 5,000,000
Less Average Funds in Float	($200,000)	$ (200,000)
Avg Available Collected Balance	$4,800,000	$ 4,800,000
Less Legal Reserve (10.00%)	($480,000)	$ (480,000)
Balance Available for Services	$4,320,000	$ 4,320,000
Less: Compensating bal. to offset fees	$0	$ (1,993,133)
Net Available Balance	$4,320,000	$ 2,326,867
Add: Reserve Adjustment	$0	$ 258,541
Net Collected Balance Position	$4,320,000	$ 2,585,407
Earnings Credit	N/A	$4,484.55
Interest Earnings	$9,396.00	$5,838.71
Earnings allowance	N/A	2.70%
Interest Rate	2.61%	2.71%

		Landmark Bank Total Costs	Chase Bank Unit Price	Average Units	Total Costs
Account Maintenance		$0.00	5.00	7.0	$ 35.00
Zero Balance Account		$0.00	15.00	2.0	$ 30.00
Interest Expense		$0.00		-	$ 203.88
Branch Credits Posted		$0.00	0.08	26.0	$ 2.08
Branch Order Currency Strap		$0.00	0.35	25.5	$ 8.93
Branch Order Coin Roll		$0.00	0.07	39.0	$ 2.73
Credits Posted		$0.00	0.08	241.0	$ 19.28
Dep Checks on Us		$0.00	0.01	1,136.0	$ 11.36
Dep Checks Local City		$0.00	0.08	555.5	$ 44.44
Dep Checks Local RCPC		$0.00	0.08	4,595.5	$ 367.64
Dep Checks In District City		$0.00	0.08	138.5	$ 11.08
Dep Checks In District RCPC		$0.00	0.08	89.5	$ 7.16
Dep Checks National FRB Other		$0.00	0.08	1,549.0	$ 123.92
Dep Checks Returned Items		$0.00	1.00	39.5	$ 39.50
Checks/Debits Posted		$0.00	0.08	206.5	$ 16.52
Controlled Disb Maintenance		$0.00	50.00	2.0	$ 100.00
Controlled Disb Checks Paid		$0.00	0.08	1,512.0	$ 120.96
One Net Chk Services Image Maint		$0.00	25.00	1.0	$ 25.00
Positive Pay w/o Recon Items		$0.00	15.00	1.0	$ 15.00
Check exception return		$0.00	15.00	0.5	$ 7.50
Image Capture per Item		$0.00	0.03	1,152.5	$ 34.58
CD ROM Media		$0.00	50.00	1.0	$ 50.00
Duplicate CD ROM		$0.00	15.00	1.0	$ 15.00
CD ROM Maintenance		$0.00	50.00	2.0	$ 100.00
CD ROM Check Safekeeping		$0.00	0.01	1,152.5	$ 11.53
Book Credit		$0.00	1.50	0.5	$ 0.75
Direct Delivery Wire Notify 1-2		$0.00	1.50	0.5	$ 0.75
Mail Credit Advice		$0.00	4.00	0.5	$ 2.00
ARP Manual Key Entry		$0.00	1.00	5.0	$ 5.00
ARP Exception Items		$0.00	1.00	6.0	$ 6.00
Solution Center Phone Inquiry		$0.00	5.00	0.5	$ 2.50
ACH Internet Maint		$0.00	40.00	3.5	$ 140.00
ACH Internet Debit Originated		$0.00	0.07	17.5	$ 1.23
ACH Debits/Credits Originated		$0.00	0.07	2,845.5	$ 199.19
ACH Internet - Credit Originated		$0.00	0.07	5.0	$ 0.35
ACH Addenda Records		$0.00	0.03	14.5	$ 0.44
ACH Debit Received		$0.00	0.08	30.5	$ 2.44
ACH Return File Tran Notif		$0.00	4.50	3.0	$ 13.50
ACH Return Fax Notification		$0.00	4.50	1.5	$ 6.75
ACH File Processing		$0.00	10.00	9.0	$ 90.00
ACH Daily Transmission Journal		$0.00	8.00	5.0	$ 40.00
ACH Inq-Req for Addl Copies		$0.00	10.00	1.0	$ 10.00
ACH Ada Maintenance		$0.00	10.00	7.0	$ 70.00
ACH Ada Authorized ID		$0.00	0.50	158.0	$ 79.00
ACH Noc Transmission Reporting		$0.00	4.50	1.5	$ 6.75
ACH Fax Noc		$0.00	4.50	4.0	$ 18.00
TOC Previous Day Bal Acct		$0.00	15.00	9.0	$ 135.00
TOC Previous Day Bal Item		$0.00	0.16	1,288.0	$ 206.08
TOC Intraday Bal Account		$0.00	20.00	3.0	$ 60.00
TOC Intraday Bal Item		$0.00	0.16	1,892.0	$ 302.72
TOC Special Report Maintenance		$0.00	35.00	1.0	$ 35.00
Investment Sweep Maintenance		$0.00	25.00	1.0	$ 25.00
		$ -			$ 2,861.51
RETAIL LOCK BOX - Thru MDS for LANDMARK BANK					
RLB Maintenance - FLAT FEE	-	$ -	350.00	1.0	$ 350.00
RLB Payment	0.305	$ 1,166.78	0.23	3,825.5	$ 879.87
RLB Multiples	0.305	$ 180.10	0.25	590.5	$ 147.63
RLB Correspondence	0.025	$ 0.45	0.10	18.0	$ 1.80
RLB Credit Card Authorization	-	$ -	0.50	39.0	$ 19.50
RLB File Transmission	25.00	$ 25.00	150.00	1.0	$ 150.00
RLB Unprocessable Item	0.305	$ 42.24	0.50	138.5	$ 69.25
RLB Courier Deposit	10.00	$ 10.00	10.00	0.5	$ 5.00
		$ 1,424.57			$ 1,623.04
Estimated Banking Expenses		$ 1,424.57			$ 4,484.55
Net Monthly Benefit to City		$ 7,971.43			$ 5,838.71

Landmark Bank

February 19, 2008

City of Sherman
c/o Mary Ann Winkler
Purchasing Agent
P.O. Box 1106
405 N. Rusk
Sherman, Tx 75091-1106

RE: Bank Depository Proposal

To Whom It May Concern:

Thank you for allowing Landmark Bank the opportunity to offer banking services to the City of Sherman. It is our intention to arrive at a proposal that will be both attractive and beneficial to all parties involved. It is for that reason we would like to propose the following.

Alternative 1 – Full Interest Bearing
Interest will be paid on the average collected balance of all accounts at the Fed Funds average rate minus 0.25 bp (adjusted weekly based on the rate for the previous four weeks).

In addition, the free products and services listed below are offered:

- Free check and deposit slip images with your statement
- Free Internet Banking; you can access your account and your images any time or day of the week.
- Free Business CFO; please see attached packet for features
- No Service Charge on your accounts
- First 6 months of check and deposit slip orders are waived

Please see the attached information as requested in the bid packet. We wanted to point out that the 2007 audited financial statement is still in process and not yet available.

Landmark Bank

We will pledge FHLB Letters of Credit less $100,000 FDIC insurance, towards 102% of your deposits. We would also be happy to work with the third-party of your choice for your safekeeping needs. At this time we do not offer a Lock Box or Positive Pay product.

For three generations, the Landrum family has been in the business of banking. Their commitment to banking began in 1929 with their first bank purchase in Tishomingo, Oklahoma. Seventy nine years of dedication and commitment to community and growth have brought us to have charters in Texas, Oklahoma and Missouri. Total assets of Landmark Bank are over $500 million, and the Landrum Banks have over $1 billion in combined assets. This enables us to have the superior technology of a large bank while maintaining the small town service for which we are known. At Landmark Bank, our commitment to customers and our community is part of every decision we make, and one powerful reason Landmark Bank is just a better bank.

Thank you for this opportunity and we look forward to hearing from you.

Sincerely,

Sam P. Henry

Sam P. Henry
Senior Vice President
Landmark Bank, Sherman

P.O. Box 610 • Sherman, Texas 75091-0610 • (903) 892-1800 • (903) 892-8009 Fax • www.landmarkbank.com

CITY OF SHERMAN
CITY DEPOSITORY PROPOSAL FORM
ALTERNATIVE 1 – FULL INTEREST BEARING

Bank Name: LANDMARK BANK, N.A.

Bank Address: 720 E PEYTON ST, SHERMAN TX 75090

Name of Bank Official Completing Form: SAM P HENRY

Title of Bank Official Completing Form: SENIOR VICE PRESIDENT

Official's Signature: Sam P. Henry

Date: FEBRUARY 19, 2008

INSTRUCTIONS

This form is to be used to provide a proposal to serve as the bank depository for the City of Sherman, Texas. All items on this form must be completed directly. Attachments of fee schedules are welcome but do not substitute for the full and proper completion of this form. Monthly activity levels shown represent management's best estimation of future activity, based on historical data and anticipated changes. Please include all costs associated with each item.

EARNINGS:

E1.	Base for interest calculation (ledger or collected)	COLLECTED
E2.	Are reserve requirements subtracted prior to interest calculation? (yes or no)	NO
E3.	If the answer to E2 is yes, what percentage rate is used for reserves?	N/A
E4.	What is the current interest rate?	2.61 %
E5.	Is the interest rate tied to an index (year or no)	YES %
E6.	If the answer to E5 is yes, what index is used?	FED FUNDS - .25 bp

REQESTED SERVICES COSTS:

	Item	Estimated Monthly Volume	Unit Price	Monthly Charge
S1	Account Maintenance	10	6.00	0
S2	Account Analysis	1		0
S3b	Balance Reporting (electronic)	10		0
S4	FDIC Insurance	100,000		0
S5	Ledger Credits	26		0
S6	Ledger Debits	1,625	0.15	0
S7	Positive Pay	1,500	N/A	0
S8	ACH Origination Debits	1,100	0.10	0
S9	ACH Origination Credits	1,500	0.10	0
S10	Items Deposited – On Us	3,500	0.041	0
S11	Items Deposited – Transit	5,165	0.041	0
S12	Returned Items	33	2.95	0
S13	Outgoing Wire Transfer	1	15.00	0
S14	Incoming Wire Transfer	1	7.50	0
S15	Re-run Return Items	33	2.95	0
S16	Cashier Checks	1		0
S17	Security Clearing	2		0
S18	Pledged Securities (in $ millions)	10.2	0.00125	0
S19	Controlled Disbursement Account/ Zero-Balance Account	3		0
S20	Security Maint/Safekeeping (Agent Name: ______________)	10		0
S21	Remote Deposit	3,500	125.00	0
S22	Lockbox	4,500	N/A	0
S19	Other (Please specify): ______________			0

ACH Origination Agreement

This agreement is made this ______ day of ________________________, 20____, by and between ____ ("The Company") and Landmark Bank ("The Financial Institution").

The Company has requested that the Financial Institution permit it to initiate electronic signals for paperless entries through the Financial Institution to accounts maintained at the Financial Institution and at other financial institutions, by means of the Automated Clearing House (the "ACH"). The Financial Institution has agreed to do so on the terms of this Agreement.

Now, therefore, the Company and the Financial Institution agree as follows:

1. <u>Rules</u>
The Company acknowledges receipt of a copy of the operating rules of NACHA (as amended from time to time, the "Rules"). The Company agrees to comply with and be bound by the Rules. The Financial Institution shall provide to the Company one copy of the updated ACH OPERATING RULES on an annual basis for a nominal fee to be set by the Financial Institution.

2. <u>Transmission of Entries: Security Procedures</u>
The Company will transmit all debit and credit entries to the Financial Institution at the location, on or before the deadlines, described on Attachment 1 to the Agreement. The Company will conform all entries to the format, content and specifications contained in the Rules. The Company authorizes the Financial Institution to transmit all entries received by the Financial Institution from the Company in accordance with the terms of this Agreement and to credit or debit entries to the specified accounts.

3. <u>Financial Institution Obligations</u>
In a timely manner and in accordance with the Rules, the Financial Institution will process, transmit, and settle for the entries received from the Company which comply with the terms of the Agreement, including the security procedures.

4. <u>Warranties</u>
The Company warrants to the Financial Institution all warranties the Financial Institution is deemed by the Rules to make with respect to entries originated by the Company. Without limiting the foregoing, the Company warrants and agrees that (a) each entry is accurate, is timely, has been authorized by the party whose account will be credited or debited and otherwise complies with the Rules; (b) each debit entry is for a sum which, on the settlement date with respect to it, will be owing to the Company from the party whose account will be debited, is for a sum specified by such party to be paid to the Company, or is a correction of a previously transmitted erroneous credit entry; (c) the Company has complied with all pre-notification requirements of the Rules; (d) the Company will comply with the terms of the Electronic Funds Transfer Act if applicable, or Uniform Commercial Code Article 4A (UCC4A) if applicable and shall otherwise perform its obligations under this Agreement in accordance with all applicable laws and regulations. The Company will retain the original or copy of the customer authorization record as required by the rules for a period of not less than two (2) years after termination or revocation of such authorization and will, upon request of Financial Institution, furnish such original or copy to the Financial Institution. The Company shall indemnify the Financial Institution against any loss, liability or expense (including attorneys' fees and expenses) resulting from or arising out of any breach of any of the foregoing warranties or agreements.

5. Provisional Credit
The Company acknowledges that the Rules make provisional any credit given for any entry until the financial institution crediting the account specified in the entry receives final settlement. If the financial institution does not receive final settlement, it is entitled to a refund from the credited party and the originator of the entry shall not be deemed to have paid the party.

6. Settlement
The Company will maintain an account with the Financial Institution at all times during the term of this Agreement. As of the date transactions are submitted by the Financial Institution to the ACH Operator, the Company will maintain in the account immediately available funds sufficient to cover all credit entries initiated. Further, the Company authorizes the Financial Institution to make funds in the amount of these entries unavailable for withdrawal from the Company's account on submission date. The Financial Institution will debit the Company's account on the applicable settlement date.

7. Cancellation or Amendment
The Company shall have no right to cancel or amend any entry/file after its receipt by the Financial Institution. However, the Financial Institution shall use reasonable efforts to act on a request by the Company to cancel an entry/file before transmitting it to the ACH or crediting an on-us entry. The Financial Institution shall have no liability if it fails to effect the cancellation.

8. Rejection of Entries
The Financial Institution shall reject any entry, including an on-us entry, which does not comply with the requirements of Section 1 of this Agreement and may reject any entry if the Company is not otherwise in compliance with the terms of the Agreement. The Financial Institution shall notify the Company by telephone of such rejection no later than the business day such entry would otherwise have been transmitted by the Financial Institution to the ACH or, in the case of an on-us entry, its effective entry date. The Financial Institution shall have no liability to the Company by reason of the rejection of any entry or the fact that such notice is not given at an earlier time than that provided for herein. The Financial Institution shall retain the right to reject any on-us transaction for any valid reason such as but not limited to insufficient funds or revoked authorization.

9. Notice of Returned Entries
The Financial Institution shall notify the Company by telephone, fax, or e-mail of the receipt of a returned entry from the ACH no later than one business day after the business day of such receipt. The Financial Institution shall have no obligation to retransmit a returned entry if the Financial Institution complied with the terms of this Agreement with respect to the original entry. If a customer of the Company returns any transaction, then it is the Company's responsibility to collect any funds that are owed. The Financial Institution has no obligation to originate a transaction where authorization has been revoked.

10. Reversals
The Company may initiate a reversing entry or file of entries as permitted by the Rules.

11. Periodic Statement
The periodic statement issued by the Financial Institution for the Company's account will reflect entries credited and debited to the Company's account. The Company agrees to notify the Financial Institution within a reasonable time not to exceed thirty (30) days after the Company receives a periodic statement of any discrepancy between the Company's records and the information in the periodic statement.

12. Fees
The Company agrees to pay the Financial Institution for services provided under the Agreement in accordance with the schedule of charges attached to this Agreement as Attachment 2. The Financial Institution may change its fees from time to time upon notice to the Company.

13. Liability
(a) The Financial Institution shall be responsible only for performing the services expressly provided for in this Agreement and shall be liable only for its negligence in performing those services. The Financial Institution shall not be responsible for the Company's acts or omissions (including without limitation the amount, accuracy,

timeliness of transmittal or due authorization of any Entry received from the Company) or those of any other person, including without limitation any Federal Reserve Financial Institution or transmission or communications facility, any Receiver or Receiving Depository Financial Institution (including without limitation the return of an Entry by such Receiver or Receiving Depository Financial Institution), and no such person shall be deemed the Financial Institution's agent. The Company agrees to indemnify the Financial Institution against any loss, liability or expense (including attorney's fees and expenses) resulting from or arising out of any claim of any person that the Financial Institution is responsible for any act or omission of the Company or any other person described in this Section 13(a).
(b) In no event shall the Financial Institution be liable for any consequential, special, punitive or indirect loss or damage which the Company may incur or suffer in connection with Agreement, including without limitation loss or damage from subsequent wrongful dishonor resulting from the Financial Institution's acts or omissions pursuant to this Agreement.
(c) Without limiting the generality of the foregoing provisions, the Financial Institution shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond the Financial Institution's control. In addition, the Financial Institution shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in the Financial Institution's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve guidelines or in the Financial Institution's otherwise violating any provision of any present of future risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.
(d) Subject to the foregoing limitations, the Financial Institution's liability for loss shall be limited to general monetary damages not to exceed the total amount paid by the Company for the affected ACH service, as performed by the Financial Institution under this agreement for the preceding 30 calendar days.

14. Inconsistency of Name and Account Number
The Company acknowledges that, if an entry describes the receiver inconsistently by name and account number, payment of the entry may be made on the basis of the account number even if it identifies a person different from the named receiver.

15. Data Retention
The Company shall retain data on file adequate to permit remaking of entries for five (5) business days following the date of their transmittal to the Financial Institution as provided herein and shall provide such data to the Financial Institution upon its request.

16. Termination
The Financial Institution may amend the terms of the Agreement from time to time by notice to the Company. Either party may terminate this Agreement upon ten (10) days written notice to the other. The Financial Institution shall have no obligation to transmit entries if the Company is in default of any of its obligation under this Agreement, including the obligation to pay the Financial Institution for each credit entry. The Financial Institution shall be entitled to rely on any written notice believed by it in good faith to be signed by one of the Authorized Representatives whose names and signatures are set forth on Attachment 3 to the Agreement.

17. Entire Agreement
This Agreement (including the Attachments attached hereto), together with the “Deposit Account” Terms & Conditions Agreement, is the complete and exclusive statement of the agreement between the Financial Institution and the Company with respect to the subject matter hereof and supersedes any prior agreement(s) between the Financial Institution and the Company with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the “Deposit Account” Terms & Conditions Agreement, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future statute, regulation, or government policy to which the Financial Institution is subject and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation, or policy, and the Financial Institution shall incur no liability to the Company as a result of such violation or amendment.

18. <u>Non-Assignment</u>
The Company may not assign the Agreement or any of the rights or duties hereunder to any person without the Financial Institution's prior written consent.

19. <u>Binding Agreement Benefit</u>
This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against the Financial Institution or the Company hereunder.

20. <u>Headings</u>
Headings are used for reference purposes only and shall not be deemed a part of this Agreement.

21. <u>Governing Law</u>
This Agreement shall be construed in accordance with and governed by the laws of the State of Oklahoma and the NACHA rules.

{Company Name}

By:

Name:

Title:

Landmark Bank

By:

Name:

Title:

ATTACHMENT 1
Transmission And Formatting Instructions

All files will be formatted in a NACHA or other pre-approved format. Transmission specifications will be established by Landmark Bank.

Internet Transmissions

Internet-based ACH transactions must be submitted via the Landmark Bank Internet Banking System. Files should not be sent via unsecured e-mail.

Personal Computer Transmissions

The Company will transmit files to Landmark Bank Operations Center, 801 East Broadway, Plaza, Madill, OK, (580) 795-5503.

Hand-Delivered Files

The Company will deliver files to Landmark Bank Operations Center, 801 East Broadway, Plaza, Madill, OK, by 12 noon.

ACH Processing Deadlines

Processing Deadline for Electronic Files:

Credit Entries

Transmission of a File: until 3 PM CST up two (2) business days prior to effective date.

Debit Entries & Tax Payments

Transmission of a File: until 3 PM CST one (1) business day prior to effective date.

"Business Day" is a day Financial Institution is open to the public for carrying on substantially all of its business (other than Saturday, Sunday, or listed holidays).
"Effective Date" must be a business day or the record will be processed on the first business day following such date.

Bank Holiday Schedule (Non-processing Days)

New Year's Day
Martin Luther King, Jr., Day
Presidents' Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Christmas Day

<u>ATTACHMENT 2</u>
<u>Price Schedule</u>

Business “Internet CFO” Options
Fee Schedule

<u>Basic Internet CFO</u>

<u>Monthly Maintenance – Basic “Internet CFO” with BillPay</u>
<u>FREE**</u>

- account balances, history, view check images, transfers, other miscellaneous services
- includes ability to pay bills online through our Bill Payment service provider (First 15 payments are included, $.50 each additional)
- ***Limitation of 1 Authorized user (1 login ID/PW)***

<u>Enhanced Internet CFO</u>

Monthly Maintenance – “Internet CFO” with Cash Mgmt **Fee Waived**

- includes Basic “Internet CFO” service (Option 1)
- ability to have multiple authorized users
- account balances, history, view check images, transfers, other miscellaneous services
- includes ability to conduct Cash Management functions per approval by the bank
  (Payroll-Direct Deposit, Collections-Auto Debit, ACH Payments/Receipts, Tax Payments (State & Federal), Wire Transfers-Domestic Outgoing, Represent Check, Send a File-ACH ready Files delivery)
- signature required for BillPay service

***May include additional Cash Management Fees**

Cash Management Additional Fees

Electronic Transmission or File	**Waived**
EFTP Electronic Tax Payment (State/Federal)	**Waived**
Represented Check	**Waived**
Transaction Originated	**Waived**
Return Items	**Waived**
Notification of Change Received	**Waived**
Returned Item Notification by Phone or Fax	**Waived**
Wire Transfers	**Waived**

ATTACHMENT 3
Accounts/Origination Purpose

Accounts	Origination Purpose

Company Authorized Representatives

Name	Title	Signature

ATTACHMENT 4
Additional Disclosures

1. OFAC (Office of Foreign Assets Control) Disclosure
"It shall be the responsibility of the Company that the origination of ACH transactions complies with the laws of the United States. This includes, but is not limited to sanctions enforced by the Office of Foreign Assets Control (OFAC). It shall further be the responsibility of the Company to obtain information regarding such OFAC enforced sanctions. (This information may be obtained directly from the OFAC Compliance Hotline at (800) 540-OFAC.)"

"The Company will obtain written authorizations for consumer entries in accordance with ACH Rules and U.S. law and still retain the original or microfilm record for two (2) years after termination or revocation of such authorization."

2. Provisional Payment Disclosure
"Credit given by (us) to (you) with respect to an automated clearing house credit entry is provisional until (we) receive final settlement for such entry through a Federal Reserve Bank. If (we) do not receive such final settlement, (you) are hereby notified and agree that (we) are entitled to a refund of the amount credited to (you) in connection with such entry, and the party making payments to (you) via such entry (i.e. the originator of the entry) shall not be deemed to have paid (you) in the amount of such entry."
Located in Article 2, subsection 2.1.7.3 (Operating Rules Book)

3. Choice of Law Disclosure
"(We) may accept on (your) behalf payments to (your) account which have been transmitted through one or more Automated Clearing Houses (ACH) and which are not subject to the Electronic Fund Transfer Act and (your) rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of (New York) as provided by the operating rules of the National Automated Clearing House Association, which are applicable to ACH Transactions involving your account."
Located in Article 1, Section 1.6 (Operating Rules Book)

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. C.2

RESOLUTION NO. 5181
Approving the Form of Resolution of the Texoma Area Solid Waste Authority Authorizing the Issuance of Regional Solid Waste Disposal Contract Revenue Bonds, Series 2008; Approving the Private Placement of Such Bonds; and Containing Other Provisions Relating to the Subject

Issue
Approval of the issuance of Regional Solid Waste Disposal Contract Revenue Bonds, Series 2008 for expansion and improvement of the Texoma Area Solid Waste Authority (TASWA) landfill facility in Whitesboro, Texas

Background
As a member city of TASWA, the City of Sherman is required to approve any issuance of debt by TASWA. TASWA issued bonds for the initial construction of the landfill in April 2004, pursuant to the authority of the Sherman City Council's Resolution No. 4538, approved at the March 1, 2004 meeting. Since that time, Cell 1 at the landfill is approaching capacity, which necessitates the need to begin construction of Cell 2. Construction of this Cell is expected to be complete in early 2009. Each Cell has an estimated life or capacity of four to five years. Accordingly, the debt issued to construct this Cell will be of the same or similar duration. Estimated interest rates for this issuance are 4.5%.

Origination
TASWA Executive Director Dale Sissney

Financial Consideration
The issuance of this debt is expected to increase disposal rates at TASWA for member cities. The most recent and reliable estimates by TASWA and its Financial Advisor, First Southwest, of this impact is an increase in rates by at least $4 per ton.

Staff Recommendation
The staff recommends approval of this agenda item.

Alternatives
There is no viable alternative to approving the issuance of these bonds.

Attachments
Resolution No. 5181
Certificate for Resolution
Form of TASWA Bond Resolution

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5181

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2008; APPROVING THE PRIVATE PLACEMENT OF SUCH BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the Texoma Area Solid Waste Authority (the "Authority"), a Texas nonprofit corporation, was created pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended ("Chapter 431") and Chapter 394, Texas Local Government Code ("Chapter 394" and together with Chapter 431, the "Act") to aid, assist and act on behalf of the City of Denison, Texas ("Denison"), the City of Gainesville, Texas ("Gainesville"), and the City of Sherman, Texas ("Sherman"), each a home rule municipal corporation (Denison, Gainesville and Sherman, individually, a "Member City", and collectively, the "Member Cities") and Cooke County, Texas and Grayson County, Texas (collectively, the "Counties", and together with the Member Cities, the "Local Governments") in the performance of their governmental functions to promote the common good and general welfare of the Local Governments, including, without limitation, (1) the financing, construction, ownership, and operation of a Type I municipal solid waste landfill to be located in western Grayson County, Texas (the "Initial Facility" and as may be improved, extended or enlarged, the "Facility"), (2) the collection, handling, transportation, storage, collection, processing, and disposal of solid waste, and (3) to perform such other governmental purposes of the Local Governments as may be determined from time to time by the governing bodies of the Local Governments; and

WHEREAS, pursuant to the Act and Chapter 362, Texas Health and Safety Code, the Solid Waste Resource Recovery Financing Act, the Member Cities, and the Authority entered into the Texoma Area Member City Landfill Contract, dated as of February 4, 2004, with respect to the payment of maintenance and operation expenses of the Facility and for the payment of debt service, the funding and maintenance of a debt service reserve, and other payments and obligations related to the issuance of bonds by the Authority for the purposes specified therein (the "Member City Landfill Contract"); and

WHEREAS, the Authority issued its Regional Solid Waste Disposal Contract Revenue Bonds, Series 2004 (Initial Facility Project) in the aggregate principal amount of $19,225,000 to finance certain costs of the Initial Facility (the "Series 2004 Bonds"); and

WHEREAS, under the Member City Landfill Contract, the Series 2004 Bonds and any additional bonds issued by the Authority for the improvement, extension, or enlargement of the Initial Facility are payable from amounts paid by the Member Cities, including Sherman (the "City"); and

WHEREAS, the Authority plans to issue its bonds in a principal amount not to exceed $2,500,000 (the "Bonds") for the purpose of constructing an additional landfill cell to improve the Initial Facility and the payment of legal, fiscal and engineering fees in connection with such project, pursuant to a bond resolution (the "Bond Resolution") to be adopted by the Board of Directors of the Authority, and to sell such Bonds without an offering document pursuant to a private placement with a purchaser to be determined by the Authority, and has delivered the form of the Bond Resolution to the City with a request that the City Council approve the form of such instrument; and

WHEREAS, the City Council of the City deems it appropriate and in the best interests of the City that the Authority proceed to issue such Bonds;

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

SECTION 1. That the City Council hereby approves the form of the Bond Resolution, a copy of which is attached hereto and made a part hereof as Exhibit A, to be adopted by the Board of Directors of the Authority authorizing the sale, issuance and delivery of the Bonds in an amount not to exceed $2,500,000 for the purpose of constructing an additional landfill cell for the improvement of the Initial Facility and the payment of legal, fiscal and engineering fees in connection with such project.

SECTION 2. That the City Council acknowledges and agrees that the Bonds authorized pursuant to the Bond Resolution will be issued pursuant to the Member City Landfill Contract and that the City will be unconditionally obligated to make the payments as required by the Member City Landfill Contract which will be pledged by the Authority to the payment of the Bonds.

SECTION 3. That the City Council hereby approves the private placement of the Bonds by the Authority to a purchaser to be determined by the Authority, without an offering document.

SECTION 4. That the City Manager is hereby authorized to take such actions and to approve such instruments as are necessary to effect the private placement and sale and delivery of the Bonds by the Authority as permitted under the Bond Resolution; and that a true and correct copy of the proceedings relating to the issuance of the Bonds shall be provided to the City promptly after their execution and delivery.

SECTION 5. That the recitals set forth in the preamble to this resolution are hereby incorporated in and made a part of this resolution for all purposes.

SECTION 6. That all ordinances and resolutions of the City in conflict or inconsistent with this Resolution are hereby expressly repealed to the extent of such conflict or inconsistency.

SECTION 7. That this Resolution shall take effect immediately from and after its adoption.

SECTION 8. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

We, the undersigned officers of the City of Sherman (the "City"), hereby certify as follows:

l. The City Council of the City (the "City Council") convened in REGULAR MEETING ON THE 17th DAY OF MARCH, 2008, at the City Hall (the "Meeting"), and the roll was called of the duly constituted officers and members of the City Council, as follows:

Bill Magers, Mayor
Chip Adami, Deputy Mayor
Willie Steele, Councilmember
Curt Hughes, Councilmember
Terrence R. Steele, Councilmember
Joe N. Smith, Councilmember
Cary Wacker, Councilmember
Linda Ashby, City Clerk

and all of such persons were present, except __________, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

RESOLUTION APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2008; APPROVING THE PRIVATE PLACEMENT OF SUCH BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of the Council and duly read (the "Resolution"). It was then duly moved and seconded that the Resolution be adopted; and the motion, carrying with it the adoption of the Resolution, prevailed and carried by the following vote:

AYES: All members of the City Council shown present above voted "Aye", except as shown below.

NOES:

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

3. That the Mayor and the City Clerk of the City certify that they have duly signed the Resolution and that the Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED this ______ day of ______________________, 2008.

______________________________	______________________________
City Clerk, City of Sherman	Mayor, City of Sherman

APPROVED AS TO FORM AND CONTENT:

____

Doreen E. McGookey, City Attorney
City of Sherman

(CITY SEAL)

<u>Exhibit A</u>

RESOLUTION NO. 2008 -___

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TEXOMA AREA SOLID WASTE AUTHORITY REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2008; PRESCRIBING THE TERMS AND CONDITIONS THEREOF; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

DATE OF APPROVAL: ______________, 2008

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TEXOMA AREA SOLID WASTE AUTHORITY REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2008; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

STATE OF TEXAS	**§**
COUNTIES OF COOKE AND GRAYSON	**§**
TEXOMA AREA SOLID WASTE AUTHORITY	**§**

WHEREAS, the Texoma Area Solid Waste Authority (the "Authority" or the "Issuer"), a Texas nonprofit corporation, was created pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended ("Chapter 431") and Chapter 394, Texas Local Government Code ("Chapter 394" and together with Chapter 431, the "Act") to aid, assist and act on behalf of the City of Denison, Texas ("Denison"), the City of Gainesville, Texas ("Gainesville"), and the City of Sherman, Texas ("Sherman"), each a home rule municipal corporation (Denison, Gainesville and Sherman, individually, a "Member City") and collectively, the "Member Cities") and Cooke County, Texas and Grayson County, Texas (collectively, the "Counties", and together with the Member Cities, the "Local Governments") in the performance of their governmental functions to promote the common good and general welfare of the Local Governments, including, without limitation, (1) the financing, construction, ownership, and operation of a Type I municipal solid waste landfill to be located in western Grayson County, Texas (the "Initial Facility") and as may be improved, extended or enlarged, the "Facility" or the "Initial Facility Project"), (2) the collection, handling, transportation, storage, collection, processing, and disposal of solid waste and (3) to perform such other governmental purposes of the Local Governments as may be determined from time to time by the governing bodies of the Local Governments; and

WHEREAS, pursuant to the Act and Chapter 362, Texas Health and Safety Code, the Solid Waste Resource Recovery Financing Act, the Member Cities and the Authority have previously entered into the Texoma Area Member City Landfill Contract, dated as of February 4, 2004, with respect to the payment of maintenance and operation expenses of the Facility and for the payment of debt service, debt service reserve and other payments related to the issuance of bonds, including refunding bonds, by the Authority for the purposes specified therein (the "Member City Landfill Contract"); and

WHEREAS, the Authority has previously issued, and there are presently outstanding, bonds of the Authority payable from revenues derived from payments to be made to the Authority by the Member Cities pursuant to the Member City Landfill Contract (the "Series 2004 Bonds"); and

WHEREAS, the Board of Directors of the Authority (the "Board of Directors") deems it advisable to issue a series of bonds in an amount not to exceed ***$2,500,000*** (the "Bonds") as "Additional Parity Obligations" on a parity with the Series 2004 Bonds, for the purpose of constructing extensions and improvements to the Initial Facility and the payment of legal, fiscal and engineering fees in connection with such project, pursuant to the resolution authorizing such Series 2004 Bonds (the "Series 2004 Resolution") and this Resolution; and

WHEREAS, the conditions set forth in the Series 2004 Resolution for the issuance of the Bonds as Additional Parity Obligations have been met; and

WHEREAS, the bonds hereafter authorized are being issued and delivered pursuant to the Act, the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., Vernon's Texas Civil Statutes, and other applicable laws; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Resolution has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXOMA AREA SOLID WASTE AUTHORITY, THAT:

SECTION 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS. (a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The bonds of Texoma Area Solid Waste Authority (the "Authority") are hereby authorized to be issued and delivered in the maximum aggregate principal amount of $2,500,000 for the public purpose of providing funds to construct extensions and improvements to the Authority's Type I municipal solid waste landfill located in western Grayson County, Texas and to pay the costs incurred in connection with the issuance of the Bonds.

SECTION 2. [RESERVED].

SECTION 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF BONDS. Each bond issued pursuant to this Resolution shall be designated: "TEXOMA AREA SOLID WASTE AUTHORITY REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BOND, SERIES 2008," and initially there shall be issued, sold, and delivered hereunder one fully registered bond, without interest coupons, dated ___________, 2008, in the principal amount stated above, numbered T-1, with bonds issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial bond being made payable to the initial purchaser as described in Section 30 hereof (the "Purchaser")), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner" or the "Registered Owner"), and said bonds shall mature and be payable serially on February 15 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF BOND set forth in Section 5 of this Resolution to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Years	Principal Amount	Interest Rates	Years	Principal Amount	Interest Rates
	$	%		$	%
		%			%
		%			%
		%			%
		%			%
		%			%
		%			%
		%			%
		%			%
		%			

The term "Bonds" as used in this Resolution shall mean and include collectively the bond initially issued and delivered pursuant to this Resolution and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any such Bond. All Bonds of this Series are issuable solely as fully registered Bonds, without interest coupons, in the denomination of $100,000 or any integral multiple of $1,000 in excess thereof.

SECTION 4. CHARACTERISTICS OF THE BONDS. (a) Registration. The Authority shall keep or cause to be kept at the principal corporate trust office of __________, __________, __________ (the "Paying Agent/Registrar"), books or records for the registration of the transfer and exchange of the Bonds (the "Registration Books"), and the Authority hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Authority and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of the Bonds to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Authority shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Authority shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Bond. Registration of assignments, transfers and exchanges of the Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication; Transfer and Exchange. Except as provided in subsection (f) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Authority or any other body or person so as to accomplish the foregoing exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein. Pursuant to Chapter 1201, Government Code, as amended, the duty of transfer of any Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond that initially was issued and delivered pursuant to this Resolution, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(c) Paying Agent/Registrar. The Authority covenants with the Registered Owner of the Bond that at all times while the Bonds are outstanding the Authority will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Authority reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 20 days written notice to the Paying Agent/Registrar, to be effective not later than 15 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Authority covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Authority. Upon any change in the Paying Agent/Registrar, the Authority promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to the Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

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

(e) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owner thereof, (ii) may and shall be prepaid or redeemed prior to its scheduled maturity (notice of which shall be given to the Paying Agent/Registrar by the Authority at least 30 days prior to any such redemption date), (iii) may be exchanged for another Bond, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Authority shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Resolution. The Bond initially issued and delivered pursuant to this Resolution is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in exchange for any Bond issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(f) Delivery of Initial Bond. On the closing date, the Initial Bond representing the entire principal amount of the Bonds, payable [in stated installments] to the Purchaser, executed by manual or facsimile signature of the President and Secretary of the Board, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to the Purchaser. [Upon payment for the initial Bond, the Paying Agent/Registrar shall cancel the initial Bond and deliver to the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity.]

SECTION 5. FORM OF BOND. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be attached to the Bond initially issued and delivered pursuant to this Resolution), shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

(a) Form of Bond

R- PRINCIPAL AMOUNT

UNITED STATES OF AMERICA $____________
STATE OF TEXAS
TEXOMA AREA SOLID WASTE AUTHORITY
REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BOND, SERIES 2008

INTEREST RATE	DATE OF BONDS	MATURITY DATE	CUSIP NO.

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, TEXOMA AREA SOLID WASTE AUTHORITY (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the Date of Bonds forth above, on __________ and on each ___________ thereafter to the Maturity Date specified above, the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the corporate trust office of __________,__________,__________, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of the Bonds (the "Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the __________ business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

THIS BOND is one of a series of bonds dated as of ________________, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $____________ for the purpose of providing funds for the construction of extensions and improvements to the Authority's Type I municipal solid waste landfill located in western Grayson County, Texas and to pay the costs incurred in connection with the issuance of the Bonds.

*ON ________________, or on any date thereafter, the Bonds of this series maturing on and after ________________, may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part (and if less than all Bonds of a particular maturity are to be redeemed, the Bonds to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot), at the redemption price equal to the principal amount being called for redemption plus accrued interest to the date fixed for redemption.

* THE BONDS scheduled to mature on ___________ in the years ____ and ____ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, at a price equal to the principal amount thereof plus accrued interest to the redemption date, out of moneys available for such purposes in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts set forth in the following schedule:

TERM BOND MATURITY:____________		**TERM BOND MATURITY: ____________**	
MANDATORY REDEMPTION DATE	PRINCIPAL AMOUNT	MANDATORY REDEMPTION DATE	PRINCIPAL AMOUNT
___________, ____	$____________	___________, ____	$___________
___________, ____	_____________	___________, ____	____________

The principal amount of the Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions may be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date, (1) shall have been acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

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

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of $100,000 or any integral multiple of $1,000 in excess thereof. As provided in the Resolution, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange of this Bond (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the Issuer, secured by and payable from an irrevocable first lien on and pledge of "Gross Revenues" (as defined in the Resolution) primarily derived by the Issuer from the Member Cities (as defined in the Resolution) pursuant to the Member City Landfill Contract (as defined and described in the Resolution), as such Member City Landfill Contract may be amended pursuant to its terms.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond out of any funds raised or to be raised by taxation.

THE ISSUER HAS RESERVED THE RIGHT, subject to the restrictions stated in the Resolution, to issue "Additional Parity Obligations" which also may be secured by and payable from an irrevocable first lien on and pledge of the aforesaid Gross Revenues on a parity and of equal dignity in all respects with this Bond.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Resolution with the approval of the registered owners of at least a majority in principal amount of all outstanding "Parity Obligations" (which term is defined in the Resolution and includes the Bonds and all Additional Parity Obligations issued on a parity therewith), subject to the restrictions stated in the Resolution, or without the consent of the registered owners of the Parity Obligations if each rating agency then maintaining a rating on the Parity Obligations at the request of the Issuer confirms in writing that such amendment would not cause such rating agency to withdraw or reduce its then current rating on the Parity Obligations.

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

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)	(signature)
Secretary, Board of Directors Texoma Area Solid Waste Authority	President, Board of Directors Texoma Area Solid Waste Authority

(SEAL)

*These paragraphs to be included only on the Bonds to the extent applicable.

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

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an Executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Date of authentication: _______________

____
Paying Agent/Registrar

By:_______________________________________
Authorized Signatory

(c) Form of Assignment:

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

____

____
(Please print or typewrite name and address, including zip code of Transferee)
____
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________________

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.	NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER '
OF PUBLIC ACCOUNTS ' REGISTER NO. ____________
OF THE STATE OF TEXAS '

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of Texoma Area Solid Waste Authority, and that this Bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL this _______________________.

Xxxxxxxx
Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(e) Insertions for the Initial Bond

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

(A) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

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

"TEXOMA AREA SOLID WASTE AUTHORITY (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "registered owner"), on the dates, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate

(Information for the Bonds from Section 3 to be inserted)

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

(C) The initial Bond shall be numbered "T-1."

SECTION 6. [RESERVED].

SECTION 7. DEFINITIONS. In addition to the capitalized terms which are defined in the recitals or in Section 1 through Section 4 of this Resolution, the following words and terms used in this Resolution shall have the following meanings unless the context or use indicates another meaning or intent.

"Additional Parity Obligations" shall mean the additional bonds, notes and other obligations which the Authority reserves the right to issue or enter into, as the case may be, in the future under the terms and conditions provided in Sections 23 and 24 of this Resolution and which are equally and ratably secured wholly or in part by a lien on and pledge of the Gross Revenues on a parity with the lien on and pledge of the Gross Revenues which secures the then Outstanding Parity Obligations.

"Additional Member City" or "Additional Member Cities" means any city or cities in addition to Denison, Gainesville, and Sherman, or any county or other political subdivision with which the Authority may enter into a contract under the Member City Landfill Contract, following consent by Denison, Gainesville, and Sherman to the addition of each such Additional Member City, for receiving, transporting, treating, and/or disposing of MSW through the Facility.

"Annual Debt Service Requirements" shall mean, as of the date of calculation, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Authority on such debt, or be payable in respect of any required purchase of such debt by the Authority) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Authority:

(1) Committed Take Out. If the Authority has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Funded Debt is subject to required purchase, all under arrangements whereby the Authority's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) Balloon Parity Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Authority) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and throughout this Resolution as ABalloon Parity Debt@), the amount of principal of such Balloon Parity Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Parity Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Parity Debt on the date of calculation;

(3) Consent Sinking Fund. In the case of Balloon Parity Debt, if the Designated Financial Officer shall deliver to the Authority a certificate providing for the retirement of (and the instrument creating such Balloon Parity Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Parity Debt shall permit the accumulation of a sinking fund for), such Balloon Parity Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Parity Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Parity Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Authority has elected to apply the rule set forth in clause (2) above;

(4) Prepaid Debt. Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such debt; and

(5) Variable Rate. As to any Parity Obligations that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Authority, either (A) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been Outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two series of Parity Obligations which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations);

(6) Guarantee. In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted as Parity Obligations for the purpose of the

definition of AAnnual Debt Service Requirements@ unless the Authority has made such guarantee payable from the Gross Revenues on a parity basis to the lien created on the Gross Revenues hereby to secure the Parity Obligations, or if the Authority does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the guarantee is secured by the Gross Revenues, as aforesaid, and the Authority is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of annual debt service requirements with respect to such guarantee shall be made assuming that the Authority will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Authority no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) Credit Agreement Payments. If the Authority has entered into a Credit Agreement in connection with an issue of Debt and secured its obligation under the Credit Agreement from the Gross Revenues on a parity basis to the lien created on the Gross Revenues hereby to secure the Parity Obligations, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Authority or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Authority or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Bond Counsel" shall mean an attorney or firm of attorneys nationally recognized as bond counsel and selected by the Authority.

"Bonds" means and includes the Bonds initially issued and delivered pursuant to this Resolution and all Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Business Day" shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City of New York, New York or in the city where the designated payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Code" shall mean the Internal Revenue Code of 1986, and any amendments thereto.

"Credit Agreement" shall mean collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board of Directors of the Authority as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations.

"Credit Facility" shall mean (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency having an outstanding rating on the Parity Obligations would rate the Parity Obligations fully insured by a standard policy issued by the issuer in its two highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Obligations would rate the parity obligations in its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Parity Obligations and the interest thereon.

"Credit Provider" shall mean any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement or Credit Agreement.

"Debt" shall mean all:

(1) indebtedness incurred or assumed by the Authority for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Authority that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Authority, or that is in effect guaranteed, directly or indirectly, by the Authority through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Authority whether or not the Authority has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Authority, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Authority in prior Fiscal Years.

"Designated Financial Officer" shall mean the chief financial officer of the Authority, which is, at the time of adoption of this Resolution, Dale Sissney, or such other financial or accounting official of the Authority so designated by the Executive Director of the Authority.

"Fiscal Year" shall mean the twelve-month period commencing on July 1 and ending on the next June 30, or such other period commencing on the date designated by the Authority and ending one year later.

"Funded Debt" - All Parity Obligations created or assumed by the Authority, either through the use of the proceeds or by an obligation of the Authority to pay, guarantee or otherwise provide for the payment thereof which mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the Authority to a date, more than one year after the original creation or assumption of such debt by the Authority.

"Government Obligations" shall mean direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which may be United States Treasury Obligations such as its State and Local Government Series, which may be in book-entry form.

"Gross Revenues" shall mean, for any period, all revenues derived by the Authority from:

(1) the Member City Participants pursuant to the Member City Landfill Contract, or the Additional Member City Participants pursuant to the Additional Member City Landfill Contracts, which constitute the "Bond Service Component" and the "Operation and Maintenance Component" (as such "Components" are defined in such Member City Landfill Contract or the Additional Member City Landfill Contracts, as the case may be);

(2) any other person or entity not described in clause (1) which utilizes the Facility on retail basis; and

(3) interest income from funds on deposit in the Revenue Fund, the Interest and Sinking Fund, and the Reserve Fund.

"Holder", "Bondholder" and "Registered Owner" or words of similar import each shall mean the registered owner of any Parity Obligation as shown on the Registration Books maintained by the Paying Agent/Registrar.

"Maturity" shall mean, when used with respect to any Debt payable in whole or in part from Gross Revenues, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Member City Participants" shall mean, collectively, the Member Cities and the Additional Member Cities, and the term "Member Participant" shall mean any one of such Member City Participants. For purposes of clarification, but without limiting the definition of the term "Member City Participants" or excluding additional entities as "Member City Participants" after the date of passage of this Resolution, the following entities are considered "Member City Participants" as of the date of passage of this Resolution: Denison, Gainesville, and Sherman.

"Net Revenues" shall mean, for any period, all Gross Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all costs of operation and maintenance of the Initial Facility Project including, but not limited to, repairs and replacements for which no special fund is created in this Resolution, the cost of utilities, supervision, engineering, accounting, auditing, regulatory costs, legal services, insurance premiums, and any other supplies, services, administrative costs, and equipment necessary for proper operation and maintenance of the Initial Facility Project, payments made for the use or operation of any property, payments of fines, and payments made by the Authority in satisfaction of judgments or other liabilities resulting from claims not covered by the Authority's insurance or not paid by one particular Member City arising in connection with the operation and maintenance of the Initial Facility Project. Depreciation shall not be considered an item of Operation and Maintenance Expense.

"Outstanding" shall mean, when used with respect to Parity Obligations, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution authorizing Additional Parity Obligations, except:

(1) Parity Obligations theretofore canceled and delivered to the Authority or delivered to the Paying Agent/Registrar for cancellation;

(2) Parity Obligations deemed paid pursuant to the provisions of Section 26 of this Resolution or any comparable section of any resolution authorizing Additional Parity Obligations;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution and any resolution authorizing Additional Parity Obligations; and

(4) Parity Obligations under which the obligations of the Authority have been released, discharged or extinguished in accordance with the terms thereof.

"Parity Obligations" shall mean, collectively, the Outstanding Series 2004 Bonds, the Bonds, and any Additional Parity Obligations.

"Paying Agent/Registrar" shall mean the respective bank, trust company, financial institution or other entity named in the resolution authorizing the issuance of each issue of Parity Obligations to provide paying agency and registrar services in connection with such issue of Parity Obligations.

"Rating Agency" shall mean one or more nationally recognized credit rating agencies then maintaining a rating on the Parity Obligations at the request of the Authority.

"Reimbursement Obligation" shall mean any obligation contained in a Credit Agreement entered into by the Authority in connection with any Reserve Fund Credit Facility pursuant to which the Authority obligates itself to reimburse a financial institution, insurance company or other entity for amounts paid or advanced by such entity pursuant to a Reserve Fund Credit Facility. Reimbursement Obligations may be payable from and secured by a lien on Gross Revenues which is on parity with, or subordinate to, the lien on Gross Revenues which secures the Parity Obligations pursuant to this Resolution.

"Reserve Fund Credit Facility" shall mean a Credit Facility which (i) may not be terminated by the Credit Provider providing such Credit Facility prior to the final maturity date of the series of Parity Obligations in connection with which such Credit Facility was issued, and (ii) may be drawn upon demand by the Authority to provide funds to pay principal and/or interest on the Parity Obligations in the event moneys on deposit in the Interest and Sinking Fund are insufficient to make such payment.

"Reserve Fund Requirement" shall mean, as of the date of issuance of any series of Parity Obligations, an amount equal to the average Annual Debt Service Requirements on the Parity Obligations Outstanding as of such date.

"Series 2004 Bonds" shall mean the Texoma Area Solid Waste Authority Regional Solid Waste Disposal Contract Revenue Bonds, Series 2004 (Initial Facility Project).

"Term of Issue" shall mean with respect to any Balloon Parity Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Parity Debt and ending on the final maturity date of such Balloon Parity Debt or (ii) twenty-five years.

SECTION 8. PLEDGE; RATE COVENANTS. (a) Pledge. The Parity Obligations, and the interest thereon, are and shall be payable from and secured by an irrevocable first lien on and pledge of the Gross Revenues, and the Gross Revenues are further pledged irrevocably to the establishment and maintenance of the Interest and Sinking Fund and the Reserve Fund hereinafter confirmed and maintained.

(b) Covenants Relating to Rates and Charges. The Authority covenants and agrees with the holders of the Parity Obligations as follows:

> (i) It will at all times fix, revise, maintain, charge and collect for services rendered by the Initial Facility Project, rates and charges which will produce Gross Revenues at least sufficient (A) to pay the Annual Debt Service Requirements on the Parity Obligations, (B) to pay all Operation and Maintenance Expenses, and (C) to make all deposits now or hereafter required to be made into the Funds created, established, or maintained by this Resolution; and
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> (ii) If the Initial Facility Project should become legally liable for any other obligations or indebtedness, the Authority shall fix, maintain, charge and collect additional rates and charges for services rendered by the Initial Facility Project sufficient to establish and maintain funds for the payment thereof.

SECTION 9. FUNDS. There is hereby confirmed and shall be maintained on the financial records of the Authority, for the pro rata benefit of all Parity Obligations, the following funds:

> (a) Texoma Area Solid Waste Authority - Initial Facility Project Revenue Fund, hereinafter called the "Revenue Fund".
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> (b) Texoma Area Solid Waste Authority - Regional Solid Waste Disposal Contract Revenue Bonds (Initial Facility Project) Interest and Sinking Fund, hereinafter called the "Interest and Sinking Fund".
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> (c) Texoma Area Solid Waste Authority - Initial Facility Project Reserve Fund, hereinafter called the "Reserve Fund".
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> (d) Texoma Area Solid Waste Authority - Initial Facility Project Construction Fund hereinafter called the "Construction Fund".

SECTION 10. REVENUE FUND. All Gross Revenues collected by the Authority shall be deposited upon receipt to the credit of the Revenue Fund. The Funds on deposit in the Revenue Fund shall be used by the Authority, first, to make the deposit into the Interest and Sinking Fund at the times and in the amounts required by Section 11 hereof, and second, to pay all Operation and Maintenance Expenses. The remaining funds on deposit therein shall be transferred from the Revenue Fund into the Reserve Fund hereinafter described, and to satisfy any Reimbursement Obligation, in the manner and amounts hereinafter provided, and each of such Funds and the payment of such Reimbursement Obligation shall have priority as to such deposits in the order in which they are treated in the following sections.

SECTION 11. INTEREST AND SINKING FUND. (a) Use of Funds. The Interest and Sinking Fund shall be used solely to pay the principal of and interest on the Parity Obligations when due, and the Executive Director and the Designated Financial Officer of the Authority are hereby authorized to cause funds to be transferred from the Interest and Sinking Fund to the Paying Agent/Registrar at the times and in the amounts to pay Annual Debt Service Requirements.

(b) Deposit of Accrued Interest and Capitalized Interest. Immediately after the delivery of any series of Parity Obligations, all moneys representing accrued interest, if any, received by the Authority upon the sale and delivery of such Parity Obligations to the initial purchaser thereof, together with all capitalized interest being financed with proceeds of such Parity Obligations, if any (but in no event in excess of the amount permitted by Section 1201.042(a)(1), Texas Government Code, as amended, or other applicable law), shall be deposited to the credit of the Interest and Sinking Fund.

(c) Monthly Deposits. In addition, there shall be transferred Gross Revenues from the Revenue Fund and deposited into the Interest and Sinking Fund the following:

> (a) on or before the 25th day of each month, commencing with the month immediately following the issuance of any series of Parity Obligations, there shall be deposited into the Interest and Sinking Fund in approximately equal installments an amount as will be sufficient, together with other amounts, if any, then on deposit therein and available for such purpose, to pay the interest scheduled to come due on all Outstanding Parity Obligations on the next interest payment date.
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> (b) on or before the 25th day of each month, commencing with the twelfth (12th) month preceding the first principal payment date for a series of Parity Obligations, or commencing with the month immediately following the issuance of any series of Parity Obligations if delivery of such series of Parity Obligations is made less than twelve months preceding the first principal payment date for such series of Parity Obligations, there shall be deposited into the Interest and Sinking Fund in approximately equal installments an amount as will be sufficient, together with other amounts, if any, then on deposit therein and available for such purpose, to pay the principal scheduled to come due (either at stated maturity or due to mandatory sinking fund redemption) on all Outstanding Parity Obligations on the next principal payment date.
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> (c) on or before any optional redemption date set by the Authority for any Parity Obligations, there shall be deposited into the Interest and Sinking Fund an amount as will be sufficient to pay the principal of, premium, if any, and interest on the Parity Obligations scheduled to be redeemed on such optional redemption date.

SECTION 12. RESERVE FUND. (a) Use of Funds. The Reserve Fund shall be used to pay the principal of or interest on the Parity Obligations at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose, or to pay the principal of or interest on the last maturing Parity Obligations. If the amount on deposit in the Reserve Fund consists of cash and investments and a Reserve Fund Credit Facility, all cash and investments shall be liquidated and withdrawn prior to drawing on the Reserve Fund Credit Facility. If more than one Reserve Fund Credit Facility is maintained in the Reserve Fund, any withdrawals on such Reserve Fund Credit Facilities shall be pro rata.

(b) Reserve Fund Requirement; Required Reserve Amount. Upon the delivery of the Bonds to the Purchaser (as defined in Section 30), the Authority shall cause to be deposited to the Reserve Fund an amount at least equal to the Reserve Fund Requirement. Such requirement shall be satisfied by depositing to the credit of the Reserve Fund (i) proceeds of the Bonds, (ii) a Reserve Fund Credit Facility, or (iii) a combination thereof as determined by the Executive Director and the Designated Financial Officer. The Paying Agent/Registrar shall maintain records showing the total amount drawn on, and available to be drawn under, a Reserve Fund Credit Facility to satisfy all or a portion of the Reserve Fund Requirement.

(c) Additional Deposits Upon Issuance of Additional Parity Obligations. As and when Additional Parity Obligations are delivered, the amount on deposit in the Reserve Fund shall be increased, if necessary, to the Reserve Fund Requirement after giving effect to the issuance of such Additional Parity Obligations. Any additional amount required shall be so accumulated by the deposit in the Reserve Fund of all or any part of said required additional amount in cash or a Reserve Fund Credit Facility immediately after the delivery of the then proposed Additional Parity Obligations, or (with the prior written consent of each then-existing Credit Provider of a Reserve Fund Credit Facility) by the deposit of said required additional amount (or any balance of said required additional amount not deposited in cash or a Reserve

Fund Credit Facility as permitted below) in not more than sixty (60) approximately equal monthly installments, made on or before the 25th day of each month, commencing with the month immediately following the delivery of the then proposed Additional Parity Obligations.

(d) Additional Deposits to Cure Deficiencies. When and so long as the money and investments in the Reserve Fund total not less than the Reserve Fund Requirement (including the amount available to be drawn under a Reserve Fund Credit Facility), no deposits need be made to the credit of the Reserve Fund; but when and if the Reserve Fund at any time contains less than the Reserve Fund Requirement (other than with respect to the issuance of Additional Parity Obligations), the Authority covenants and agrees to cure the deficiency in the Reserve Fund Requirement within twenty four (24) months from the date the deficiency occurred by (i) making monthly deposits from funds on deposit in the Revenue Fund (but only after making the required deposits into the Interest and Sinking Fund and paying all Operation and Maintenance Expenses then due) on the 25th day of each month in approximately equal amounts required to (A) first, if a draw has been made on the Reserve Fund Credit Facility, pay Reimbursement Obligations to restore the amount available to be drawn under such Reserve Fund Credit Facility to its original amount (and pay all other amounts required by such Reserve Fund Credit Facility) by the end of such 24-month period (or earlier as required in an agreement between the Authority and the Credit Provider providing the Reserve Fund Credit Facility), and (B) second, restore the balance in the Reserve Fund to the Reserve Fund Requirement by the end of such 24-month period, (ii) providing a Reserve Fund Credit Facility (but only if all Reimbursement Obligations on any then-existing Reserve Fund Credit Facility has been paid in full), or (iii) providing a combination of (i) and (ii) above.

(e) Computation of Reserve Fund. For the purpose of determining the amount on deposit to the credit of the Reserve Fund, investments in which money in such account shall have been invested shall be computed at cost, and any Reserve Fund Credit Facility shall be computed at the maximum amount available to be drawn thereunder. The amount on deposit to the credit of the Reserve Fund shall be computed by the Authority at least annually, and shall be computed immediately upon any withdrawal from the Reserve Fund.

SECTION 13. EXCESS REVENUES. Subject to making the deposits into the Interest and Sinking Fund and the Reserve Fund, when and as required by this Resolution in connection with the Parity Obligations, and after satisfying any Reimbursement Obligation in connection with a draw on any Reserve Fund Credit Facility and paying all Operation and Maintenance Expenses then due, the Authority may utilize the remaining funds on deposit in the Revenue Fund for any lawful purpose.

SECTION 14. DEFICIENCIES IN FUNDS. If by the 25th day of any month the Authority shall fail to deposit into the Interest and Sinking Fund or the Reserve Fund the full amounts required by this Resolution, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and unallocated Gross Revenues for the following month or months, if necessary and whichever is the earliest, and such payments shall be in addition to the amounts otherwise required to be paid into said Funds on the 25th day of each month.

SECTION 15. CONSTRUCTION FUND. All proceeds of the Bonds, other than accrued interest on the Bonds, if any, proceeds used to fund capitalized interest, if any, proceeds used to fund all or a portion of the Reserve Fund Requirement, if any, and purchase the Reserve Fund Credit Facility and/or a municipal bond insurance policy relating to the Bonds, if any, shall be deposited in the Construction Fund. Money in the Construction Fund shall be subject to disbursements by the Authority for payment of all costs incurred in carrying out the purpose for which the Bonds are issued**.**

SECTION 16. INVESTMENTS. (a) In General. Funds on deposit in the Revenue Fund, the Interest and Sinking Fund, the Reserve Fund, and the Construction Fund shall be secured by the depository bank of the Authority in the manner and to the extent required by law to secure other public funds of the Authority and may be invested from time to time in any investment authorized in the Public Funds Investment Act (Chapter 2256, Texas Government Code) and in accordance with the Authority's Investment Policy;

provided, however, that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times when expected to be needed. Interest and income derived from such deposits and investments shall be credited to the Revenue Fund, except for interest and income derived from the Construction Fund which may remain in such Fund or be transferred to the Revenue Fund, at the discretion of the Designated Financial Officer (but in no event shall such earnings be used to pay Operation and Maintenance Expenses). Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

(b) Transfer of Certain Investment Earnings to Rebate Fund. Notwithstanding the provisions of the preceding paragraph, interest and income derived from any investment of money on deposit in the Construction Fund, the Interest and Sinking Fund, and the Reserve Fund shall first be transferred to the Rebate Fund established by Section 30(b) of this Resolution at the times and in the amounts required to pay (or provide for the payment of) "Excess Earnings" as defined in Section 148(f) of the Internal Revenue Code of 1986, as amended.

SECTION 17. SECURITY FOR FUNDS. All Funds created by this Resolution shall be secured in the manner and to the fullest extent permitted or required by law, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

SECTION 18. INSURANCE. The Authority shall cause the Initial Facility Project to be insured as would usually be insured by entities operating similar facilities, with a responsible insurance company or companies, against risks, accidents, or casualties against which and to the extent insurance is usually carried by entities operating similar facilities, including, to the extent reasonably obtainable, fire and extended coverage insurance, but excluding insurance against damage by floods. Public liability and property damage insurance also shall be carried. At any time while any contractor engaged in construction work shall be fully responsible therefor, the Authority shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Bondholders and their representatives at all reasonable times. Upon the happening of any loss or damage covered by insurance from one or more of said causes, the Authority shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Authority. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the Authority for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the Initial Facility Project shall, at the option of the Authority, be (i) deposited in a special and separate fund, at an official depository of the Authority, to be designated the Insurance Account or (ii) deposited in the Interest and Sinking Fund and used to redeem the Outstanding Parity Obligations, but only if such insurance proceeds, together with all funds then on deposit in the Interest and Sinking Fund and in the Reserve Fund, are sufficient to immediately redeem all Outstanding Parity Obligations. The Insurance Account shall be held until such time as other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required.

SECTION 19. OPERATION AND MAINTENANCE. While any of the Parity Obligations are Outstanding the Authority covenants and agrees to keep and cause to be kept the Initial Facility Project in good condition, repair, and working order, and to operate and maintain and cause to be operated and maintained the Initial Facility Project in an efficient manner.

SECTION 20. ACCOUNTS AND RECORDS. The Authority shall keep or cause to be kept proper books of records and accounts in which complete and correct entries shall be made of all transactions relating to the Gross Revenues, Net Revenues and the Funds created pursuant to this Resolution, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any Holder.

SECTION 21. AUDITS. After the close of each Fiscal Year while any of the Parity Obligations are Outstanding, an audit will be made of the books and accounts relating to the Gross Revenues and Net Revenues, and the Funds created pursuant to this Resolution, by an independent certified public accountant or the Texas State Auditor. As soon as practicable after the close of each such Fiscal Year, and when said audit has been completed and made available to the Authority, a copy of such audit for the preceding year shall be mailed to the Paying Agent/Registrar and to any Holders who shall so request in writing. The annual audit reports shall be open to the inspection of the Holders and their agents and representatives at all reasonable times.

SECTION 22. SPECIAL COVENANTS. The Authority further covenants and agrees that:

(a) Encumbrance and Sale. (i) Other than with respect to the Parity Obligations and except as provided in this Resolution, the Gross Revenues have not been pledged in any manner to the payment of any Debt of the Authority, or otherwise, and while any of the Parity Obligations are Outstanding, the Authority will not incur additional Debt secured by the Gross Revenues in any manner, except as permitted by this Resolution in connection with Additional Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution and any resolution authorizing the issuance of Parity Obligations.

(ii) So long as the Parity Obligations are Outstanding, and except as hereinafter specifically permitted in subparagraph (iii) below, the Authority shall not mortgage, encumber, sell, lease, or otherwise dispose of the Initial Facility Project or any significant or substantial part thereof.

(iii) Notwithstanding the provisions in subparagraph (ii) hereof prohibiting the sale of any substantial part of the Initial Facility Project, the Authority shall be authorized from time to time to sell any personal property contained in the Initial Facility Project if such personal property is no longer needed or is no longer useful, and the sale thereof will not adversely affect the Initial Facility Project or the operation and maintenance thereof. The proceeds from the sale of any personal property shall be used to replace or provide substitutes for the property sold, if, and to the extent, deemed necessary by the Authority, and all such proceeds which are not so used shall be deposited into the Interest and Sinking Fund.

(b) Title. The Authority represents that it lawfully owns or will lawfully own, and has or will have fee simple title and/or easement rights to the land upon which the Initial Facility Project is or will be located, that the Initial Facility Project will be constructed and completed in accordance with the plans to be approved and adopted by the Authority, that it warrants that it has or will obtain and will defend the title or easement rights to the aforesaid land for the benefit of the owners of the Parity Obligations against the claims and demands of all persons whomsoever, and that it is lawfully qualified to pledge the Gross Revenues to the payment of the Parity Obligations, in the manner prescribed herein, and has lawfully exercised such rights.

(c) Liens. The Authority will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or on the Initial Facility Project, that it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge upon the Initial Facility Project, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Authority.

(d) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and each resolution authorizing the issuance of Additional Parity Obligations, and in each and every Parity Obligation and pay from the Gross Revenues the principal of and interest on every Parity Obligation on the dates and in the places and manner prescribed in this Resolution; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited from the Gross Revenues the amounts required to be deposited into the Interest and Sinking Fund and the Reserve Fund; and the owner of the Parity Obligations may require the Authority, its officials, agents, and employees to carry out, respect, or enforce the covenants and obligations of this Resolution, including, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Authority, its officials, agents, and employees.

(e) Legal Authority. The Authority is duly authorized under the laws of the State of Texas to create and issue the Parity Obligations; that all action on its part for the creation and issuance of the Parity Obligations has been duly and effectively taken, and that the Parity Obligations in the hands of the owners thereof are and will be valid and enforceable special obligations of the Authority in accordance with their terms.

(f) Permits. The Authority will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to the Initial Facility Project, and which have been obtained from any governmental agency; and the Authority has or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the Initial Facility Project.

(g) Compliance with Member City Landfill Contract and Additional Member City Landfill Contracts. The Authority will comply with the terms and conditions of the Member City Landfill Contract and Additional Member City Landfill Contracts and will cause the parties to such agreements, their officials, and employees to comply with all of their obligations under their agreements by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction; and the Member City Landfill Contract and Additional Member City Landfill Contracts will not be rescinded, modified, or amended in any way which would have a materially adverse effect on the rights of the owners of the Parity Obligations. If the Authority obtains written confirmation from each Rating Agency that any rescission, modification or amendment to the Member City Landfill Contract or one or more of the Additional Member City Landfill Contracts would not cause such Rating Agency to reduce or withdraw such Rating Agency's then current rating on the Parity Obligations, such written confirmation will serve as conclusive evidence that such rescission, modification or amendment would not have a materially adverse effect on the rights of the owners of the Parity Obligations for purposes of this subsection.

SECTION 23. ADDITIONAL PARITY OBLIGATIONS. (a) Authority to Issue. The Authority shall have the right and power at any time and from time to time, and in one or more series or issues, to authorize, issue, and deliver additional parity revenue bonds (herein called "Additional Parity Obligations"), in accordance with law, in any amounts, for the purpose of constructing extensions and improvements to, and acquiring equipment for, the Initial Facility Project, or for the purpose of refunding any Parity Obligations and/or the interest thereon. Such Additional Parity Obligations, if and when authorized, issued, and delivered in accordance with the provisions hereof, shall be secured by and made payable equally and ratably on a parity with the Parity Obligations, from a first lien on and pledge of the Gross Revenues.

(b) Provisions Related to Interest and Sinking Fund and Reserve Fund. The Interest and Sinking Fund and the Reserve Fund established pursuant to this Resolution shall secure and be used to pay all Additional Parity Obligations as well as the Parity Obligations, all on a parity. However, each resolution under which Additional Parity Obligations are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of each resolution authorizing

Additional Parity Obligations to be deposited to the credit of the Interest and Sinking Fund, the Authority shall deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Parity Obligations then being issued, as the same come due; and that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased (if and to the extent necessary) to an amount and in the manner set forth in Section 12 of this Resolution.

SECTION 24. FURTHER REQUIREMENTS FOR ADDITIONAL PARITY OBLIGATIONS. Additional Parity Obligations shall be issued only in accordance with the provisions hereof, but notwithstanding any provisions hereof to the contrary, no installment, series, or issue of Additional Parity Obligations shall be issued or delivered unless the President of the Board of Directors of the Authority, the Executive Director of the Authority, or the Designated Financial Officer of the Authority signs a written certificate to the effect that (i) the Authority is not in default as to any covenant, condition, or obligation in connection with all Outstanding Parity Obligations and the resolutions authorizing such Parity Obligations, that the Interest and Sinking Fund and the Reserve Fund both contain the amount then required to be therein, and (ii) the Member City Landfill Contract and Additional Member City Landfill Contracts, if any, are in full force and effect.

SECTION 25. RESOLUTION A CONTRACT; AMENDMENTS. (a) Resolution a Contract. This Resolution shall constitute a contract with the registered owners of the Parity Obligations, binding on the Authority and its successors and assigns, and shall not be amended or repealed by the Authority as long as any Parity Obligation remains Outstanding except as permitted in this Section.

(b) Amendments Without Notice to or Consent of Registered Owners. The Authority may, with notice to the provider of each Reserve Fund Credit Facility but without the consent of or notice to any registered owners, amend, change, or modify this Resolution (i) as may be required for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (ii) in connection with any other change (other than any change described in clauses (i) through (iv) of the first sentence in subsection (c) below) with respect to which the Authority receives written confirmation from each Rating Agency then maintaining a rating on the Parity Obligations at the request of the Authority that such amendment would not cause such Rating Agency to withdraw or reduce its then current rating on the Parity Obligations.

(c) Amendments With Notice to and Consent of Registered Owners. In addition, the Authority may, with the written consent of the provider of each Reserve Fund Credit Facility and the registered owners of at least a majority in aggregate principal amount of the Parity Obligations then Outstanding affected thereby, amend, change, modify, or rescind any provisions of this Resolution; provided that without the consent of all of the registered owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Parity Obligations, reduce the principal amount thereof or the rate of interest thereof, (ii) give any preference to any Parity Obligation over any other Parity Obligation, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Parity Obligations required for consent to any such amendment, change, modification, or rescission.

(d) Notice of Amendment. Whenever the Authority shall desire to make any amendment or addition to or rescission of this Resolution requiring consent of the provider of each Reserve Fund Credit Facility and/or the registered owners of the Parity Obligations, the Authority shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to (i) the provider of each Reserve Fund Credit Facility, and (ii) the registered owners (if the registered owners of all Parity Obligations or least a majority in aggregate principal amount of the Parity Obligations are required to consent) at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the Authority shall receive an instrument or instruments in writing executed by the provider of each Reserve Fund Credit Facility and the registered owners of all or a majority (as the case may be) in aggregate principal amount of the Parity Obligations then Outstanding affected by any such amendment, addition, or rescission requiring the consent of the registered owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Authority may adopt such amendment, addition, or rescission in substantially such form, except as herein provided.

(e) Effect of Amendment on Registered Owners. No Registered Owner may thereafter object to the adoption of any amendment, addition, or rescission which is accomplished pursuant to and in accordance with the provisions of this Section, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 26. DEFEASANCE OF BONDS. (a) Defeased Bonds. Any Bond and the interest thereon shall be deemed to be paid, retired and no longer Outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or other lawful entity, which entity, together with the Paying Agent/Registrar, is referred to collectively in this Section as the "Defeasance Agent"), which may include the use of an escrow agreement or other similar instrument - the "Future Escrow Agreement": (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Authority with the Defeasance Agent for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Series Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Gross Revenues, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Authority expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

(c) Definition of Defeasance Securities. The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of the Authority adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

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

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

SECTION 27. DAMAGED, MUTILATED, LOST, STOLEN OR DESTROYED BONDS. (a) Replacement Bonds. In the event any Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

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

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Authority may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

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

(e) Authority for Issuing Replacement Bonds. This Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Authority or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(b) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

SECTION 28. CUSTODY, APPROVAL AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The President of the Board is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Authority's Bond Counsel, and any assigned CUSIP numbers may, at the option of the Authority, be printed on the Bonds issued and delivered under this Resolution, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds.

SECTION 29. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

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

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

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

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

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

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

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148-1(b) of the Treasury Regulations, and

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

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

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

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

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

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bond, or (2) the date the Bond is retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bond. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

SECTION 30. SALE OF BONDS. The Bonds are hereby initially sold and shall be delivered to __________,__________,__________ (the "Purchaser"), for cash for the par value thereof, pursuant to the private placement letter dated the date of the adoption of this Resolution which the President of the Board of Directors of the Authority is hereby authorized to execute and deliver. The Bonds shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

SECTION 31. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The President, Vice President and the Secretary of the Board of Directors of the Authority, the Executive Director and the Designated Financial Officer of the Authority, and all other officers, employees, and agents of the Authority, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Authority a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds and the sale of the Bonds. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Furthermore, at any time prior to the delivery of the Bonds, the President or Vice President of the Board and the Executive Director are each are hereby individually authorized and directed to approve any changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transaction contemplated and approved by this Resolution, (ii) obtain a rating from any of the Rating Agencies, (iii) to obtain a municipal bond insurance policy to further secure the Bonds, or (iv) obtain a Reserve Fund Credit Facility and (v) obtain the approval of the Bonds by the Texas Attorney General's office.

SECTION 33. NO RULE 15C2-12 UNDERTAKING. The Authority has not made an undertaking in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Issuer is not, therefore, obligated pursuant to the Rule to provide any on-going disclosure relating to the Issuer or the Certificate.

SECTION 34. INCORPORATION OF RECITALS. The Authority hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Authority hereby incorporates such recitals as a part of this Resolution.

SECTION 35. EFFECTIVE DATE. This Resolution shall become effective immediately after its adoption.

[The remainder of this page is intentionally left blank.]

ADOPTED BY THE BOARD OF DIRECTORS OF THE TEXOMA AREA SOLID WASTE AUTHORITY AT A REGULAR MEETING HELD ON THE ____ DAY OF __________, 2008.

APPROVED:

____
President, Board of Directors
Texoma Area Solid Waste Authority

ATTEST:

____
Secretary, Board of Directors
Texoma Are Solid Waste Authority

[SIGNATURE PAGE TO BOND RESOLUTION]

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. C.3

RESOLUTION NO. 5182
Authorizing the Execution of an Amendment to the Professional Engineering Design Services Contract with Bucher, Willis & Ratliff for the Reconstruction of Brockett Street from Travis Street to Grand Avenue

Issue
To approve an Amendment to the Professional Engineering Design Services Contract with Bucher, Willis & Ratliff (BWR) for the reconstruction of Brockett Street from Travis Street to Grand Avenue

Background
By Resolution No. 5134, approved at the December 17, 2007 City Council meeting, BWR was awarded a Professional Engineering Design Services Contract for the reconstruction of Brockett Street from Travis Street to Grand Avenue. Preliminary engineering by the consultant has revealed that additional drainage improvements along Montgomery Street and Branch Street, between Brockett and the DGO Railroad, should be made to provide adequate conveyance of the rainfall runoff from the improved Brockett Street drainage facilities.

Origination
Department of Public Works

Financial Consideration
The surveying and engineering fee for the additional design work is $19,000.00, bringing the total professional engineering design services cost to $248,000.00. These additional costs will be paid from the project budget appropriated in the current year.

Staff Recommendation
Authorize the execution of the Amendment to the Professional Engineering Design Services Contract for this project

Alternatives
As directed by the City Council

Attachments
Resolution No. 5182
Professional Services Contract Amendment
Location Map

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5182

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE PROFESSIONAL ENGINEERING DESIGN SERVICES CONTRACT WITH BUCHER, WILLIS & RATLIFF FOR THE RECONSTRUCTION OF BROCKETT STREET FROM TRAVIS STREET TO GRAND AVENUE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Amendment to the Professional Engineering Design Services Contract between the City of Sherman and the Bucher, Willis & Ratliff for the reconstruction of Brockett Street from Travis Street to Grand Avenue, adopted through Resolution No. 5134 at the December 17, 2007 City Council Meeting, in accordance with all contract documents attached hereto and made a part hereof for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

BWR | Right in the Center

February 22, 2008

Mr. Jeff Miller
Director of Public Works
City of Sherman
P.O. Box 1106
Sherman, Texas 75090

RE: Professional Services Contract Amendment
Brockett Streets Reconstruction
Drainage Improvements

Dear Mr. Miller:

Pursuant to our recent meeting, BWR (Bucher, Willis & Ratliff Corporation) has reviewed the request of the City to provide engineering design services to extend the drainage conveyances from Brockett Street to the 54" concrete outlet pipe located under the railroad ballast at the south end of Branch Street. The completion of the design work associated with this contract amendment is predicated by the need to establish a proper engineered drainage system extension for the storm water collected as part of the current project.

BWR proposes to provide field surveys, drainage analysis, drainage design, production of drainage plan / profile sheets and detail sheets for inclusion in the current Brockett Street bid package. The net result of this work will be to provide an outlet for collected Brockett Street storm runoff through newly constructed drainage lines to the outlet structure at the south end of Branch Street.

We propose to amend BWR's contract with the City of Sherman to include the following scope of work items:

Design Services

1. Field survey to document current drainage conditions .
2. BWR meetings with City staff to discuss construction options and plans.
3. Preparation of plan/profile sheets for inclusion in the current project bid package.

Compensation for these activities have been identified a outside the scope of our current contract with the City. We respectfully request an amendment to that contract so we can complete the referenced tasks. We propose to invoice these services on a Lump Sum basis in accordance with the following breakdown:

BWR | Right in the Center

Design Services

Field Surveying	$ 3,500.00
Preparation of 100% Final Contract Documents	$ 15,500.00
Total	**$ 19,000.00**

BWR is working to provide 100% final contract documents in a timeframe consistent with the published schedule. Please review the information provided above and if this meets your approval, please sign below and return one copy to our office as our authorization to proceed.

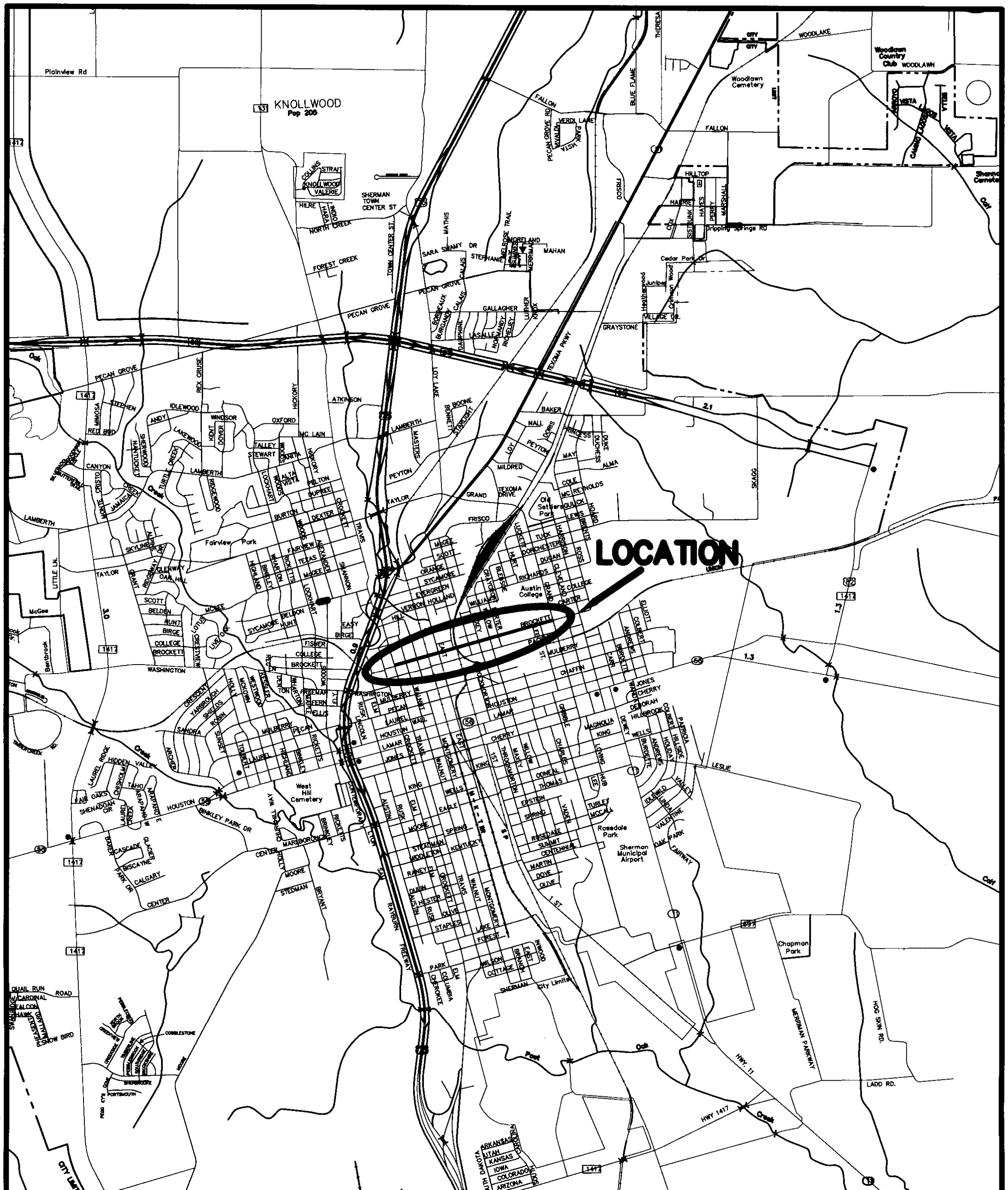
Thank you for the opportunity to continue our service to the City of Sherman.

Sincerely,
BWR (BUCHER WILLIS & RATLIFF CORPORATION)

Douglas K. Showers, P.E.
Vice-President, Municipal Services

Accepted for the City of Sherman

____
George Olson, City Manager
Date: ______________________



BROCKETT STREET IMPROVEMENTS 2008
TRAVIS STREET TO GRAND AVENUE
AGREEMENT FOR ENGINEERING SERVICES

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SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. C.4

**** RESOLUTION NO. 5183***

Authorizing Execution of a Contract with Lone Tree Resources and Consulting, Inc. for the Installation of a 6,000 Gallon Fuel Tank at the Sherman Municipal Airport

Issue

To consider awarding a contract to Lone Tree Resources and Consulting, Inc. of Richardson, Texas ("LTRC, Inc."), for the installation of a new 6,000 gallon fuel tank at the Sherman Municipal Airport

Background

Municipal Airport fuel sales have dramatically increased over the past few years. The current 6,000 gallon tank does not provide the necessary onsite storage capacity to keep up with the growing fuel demand, nor does it allow for the delivery of a full fuel load, subsequently forcing the City to pay a fee to split the load. The addition of a second 6,000 gallon tank will allow for the increased capacity needed to meet the fuel demand, keep the City from having to pay a fee to split the load, and compliment future growth because it could be hooked up to a second fueling station. The Municipal Airport Board has reviewed the proposal from LTRC, Inc. and has recommended moving forward with the contract upon City Council approval.

Origination

Public Works Department

Financial Consideration

The addition of the fuel tank was budgeted for and is eligible for partial reimbursement from the TxDOT Aviation Division under the RAMP (Routine Airport Maintenance Program) Grant.

Staff Recommendation

Award the contract to LTRC, Inc.

Alternatives

As directed by the City Council

Attachments

Resolution No. 5183; Contract; LTRC Proposal and Estimate, Certificate of Liability Insurance

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5183

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A CONTRACT WITH LONE TREE RESOURCES AND CONSULTING, INC. FOR THE INSTALLATION OF A 6,000 GALLON FUEL TANK AT THE SHERMAN MUNICIPAL AIRPORT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a contract with Lone Tree Resources and Consulting, Inc. of Richardson, Texas ("LTRC, Inc.") for the installation of a 6,000 gallon fuel tank at the Sherman Municipal Airport, in accordance with the contract documents attached hereto and incorporated herein for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E MCGOOKEY,
CITY ATTORNEY

CONTRACT BETWEEN THE CITY OF SHERMAN AND LONE TREE RESOURCES AND CONSULTING, INC.

This Contract ("Contract") is made between the City of Sherman, Texas ("City" or "Licensee"), and Lone Tree Resources and Consulting, Inc. ("LTRC"). The City and LTRC agree to the terms and conditions of this Contract, which consists of the following parts:

I. Contract

This Contract is comprised of all of the following:

I. Contract and its attachments (Exhibit 1, "Construction Services Contract Installation of Underground Storage Tank (UST) Contract No. P8-0214")
II. Standard Contractual Provisions
III. Special Terms and Conditions
IV. Signatures

II. Standard Contractual Provisions

A. **Services and Payment.** As set forth in Exhibit 1.

B. **Assignment.** LTRC shall not assign this Contract without the prior written consent of the City.

C. **Law Governing and Venue. This Contract is governed by the law of the State of Texas and a lawsuit may only be prosecuted on this Contract in a court of competent jurisdiction located in or having jurisdiction in Grayson County, Texas.**

D. **Entire Contract.** This Contract represents the entire Contract between the City and LTRC and supersedes all prior negotiations, representations, or contracts, either written or oral. This Contract may be amended only by written instrument signed by both parties.

E. **Independent Contractor.** LTRC shall perform the work under this Contract as an independent contractor and not as an employee of the City. The City has no right to supervise, direct, or control the LTRC or LTRC's officers or employees in the means, methods, or details of the work to be performed by LTRC under this Contract. The City and LTRC agree that the work performed under this Contract is not inherently dangerous, that LTRC will perform the work in a workmanlike manner.

F. **Dispute Resolution Procedures.** LTRC and City desire an expeditious means to resolve any disputes that may arise between them regarding this Contract. If either party disputes any matter relating to this Contract, the parties agree to try in good faith, and ninety (90) days prior to bringing any legal action, to settle the dispute by submitting the matter to mediation before a third party who will be selected by agreement of the parties. The parties will each pay one-half of the mediator's fees.

G. **One Year Guarantee of Repair.** If any of the work under this Contract is found to be not in accordance with the specifications and/or requirements of the Contract for a period of one (1) year after installation is complete, LTRC agrees to promptly correct the problem after receipt of written notice from the City to do so unless the City has previously given the LTRC a written acceptance of such condition. The City shall give such notice promptly after discovery of the condition. Nothing contained in this paragraph shall be construed to establish a period of limitation with respect to other obligations which the LTRC might have under the Contract. This one-year guarantee of repair relates only to the specific obligation of LTRC to correct its Work, and is not a warranty, nor does it limit, the parties' right to seek enforcement of any other judicial remedies related to the performance of this Contract.

H. **INDEMNITY.** LTRC SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CITY AND ITS OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ALL DAMAGES, INJURIES (INCLUDING DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, ENVIROMENTAL CLAIMS, DEMANDS, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO, OR RESULTING FROM THE SERVICES PROVIDED BY LTRC AND/OR TO THE EXTENT CAUSED BY THE NEGLIGENT ACT OR OMISSION OR INTENTIONAL WRONGFUL ACT OR OMISSION OF LTRC, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR THE LTRC'S AGENT, UNDER CONTRACT BY LTRC, OR ANOTHER ENTITY OVER WHICH THE LTRC EXERCISES CONTROL. THIS INDEMNIFICATION ALSO APPLIES TO CLAIMS RELATING TO INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE LTRC, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR LTRC'S AGENT, OR ANOTHER ENTITY OVER WHICH THE LTRC EXERCISES CONTROL.

I. **No Waiver of Governmental Immunity.** This Agreement does not waive, nor shall it be deemed to waive, any immunity or defense, including, but not limited to, governmental immunity, that would otherwise be available to the City against claims arising from the exercise of governmental powers and functions.

J. **Insurance.** LTRC shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons, damages to property, or any errors and omissions relating to the performance of any work by the LTRC, its agents, employees or subcontractors under this Agreement, as follows:

1. Workers' Compensation as required by law.

2. Commercial General Liability and Property Damage Insurance with minimum limits of \$1,000,000 for injury or death of any one person, \$1,000,000 for each occurrence, and \$1,000,000 for each occurrence of damage to or destruction of property.

3. Automobile and Truck Liability Insurance covering owned, hired, and non-owned vehicles, with minimum limits of \$1,000,000 for injury or death of any one person, \$1,000,000 for each occurrence, and \$1,000,000 for property damage.

4. The LTRC shall include the CITY as an additional insured under the policies, with the exception of the Workers' Compensation. Certificates of Insurance and endorsements shall be furnished to the CITY before work commences that demonstrates that the required coverage, conditions, and limits required by this CONTRACT are in full force and effect. Certificates shall state that coverage shall not be suspended, voided, canceled, and/or reduced in coverage or in limits (Change in Coverage) prior to the receipt of written notice provided to the CITY at least thirty (30) days prior to the effective date of such Change in Coverage.

5. If LTRC uses subcontractors in the performance of this Contract, LTRC agrees that their subcontractors shall procure and maintain insurance in like form and amounts, including the additional insured requirements, as set forth above. Copies of the certificate must be provided prior to the subcontractors entering the jobsite.

K. **Severability and Conflict.**

a. If a court finds or rules that any part of this Contract is invalid or unlawful, the remainder of the Contract continues to be binding on the parties.
b. If there are any conflicts between the Contract and the Agreement attached as Exhibit 1, the provisions in the Contract prevail over the provisions in the Agreement.

L. **Effective Date.** This Agreement shall be effective from and after execution by both parties hereto.

III. Special Terms or Conditions.

a. Paragraph (b) of the "Compliance with Environmental Laws" portion of the Scope of Services on Page 5 is deleted in its entirety and replaced with the following:
    i. (b) Client shall be solely responsible for the storage, handling, transportation, treatment, processing and disposal of any and all waters, pollutants, or contaminants that are the subject of this Contract. LTRC warrants and represents that it completed a study of the area immediately adjacent to the proposed project area entitled "Limited Phase II Environmental Site Assessment" and that the City can rely on LTRC's conclusions and recommendations in that study for purposes of compliance with environmental laws and this Contract for the area that was studied.
b. Section 10 on Page 5, entitled "Indemnity" of the Scope of Services is deleted in its entirety.

IV. Signatures. By signing below, the parties agree to the terms of this Contract:

CITY OF SHERMAN

____

Signed by: George Olson
City Manager

Date: ______________

Attest: City Clerk

____

Linda Ashby

APPROVED AS TO FORM:

____

Doreen E. McGookey
City Attorney

COMPANY: LONE TREE RESOURCES AND CONSULTING, INC.

F.R. Afshar

By: Farzin R. Afshar, PG

Title: Principal

Date: March 3, 2008

ATTEST:

By: R. Koshan

Date: 03-03-08

Lone Tree Resources & Consulting Environmental & Geo Technical Services

Ms. Jessica Perkins
Project Coordinator
Department of Public Services
City of Sherman
220 W. Mulberry
Sherman, TX. 75091

CONSTRUCTION SERVICES CONTRACT
INSTALLATION OF UNDERDROUND STORAGE TANK (UST)
CONTRACT NO.:..P8-0214

This Construction Services Contract ("Contract") is entered into on this 25th day of February, 2008, by and between **Lone Tree resources & Consulting, Inc. (aka LTRC, Inc.)** ("Contractor") and **The City of Sherman, Texas** ("Client").

WHEREAS, Client desires installation of a new 6,000-gallon double wall underground storage tank (UST) and associated piping to be utilized with existing UST system including final surface finish located in the Sherman Municipal Airport. LTRC understands that existing UST system is operational at present and interruption of ongoing fueling operations is to be kept as minimum as possible.

As such, Contractor is to perform these operations as described in the following scope of services and associated materials to be provided as itemized in following list. Therefore, the undersigned parties hereby agree to following term and conditions:

1. Contract Terms:

This contract shall be for a term of six months (180 Days) from the date hereof and shall continue for duration of the said services unless either party cancels it prior to that start of the project, which, at that time it must be render in form of written notice to the other party; provided, however, the cancellation or expiration of the term of this contract shall not affect either party's obligations under any orders issued and accepted prior to such expiration or cancellation.

2. Scope of Services (SOS):

Provided by the Client: **UST System: Estimated Cost: $10,998. (There is a six (6) weeks waiting period is to obtain the UST from manufacturer)**

- One (1) 6,000-gallon dual wall GLASTEEL® II Secondary Contained Steel UST, 96" Dia. x 16' Long, with standard opening (Manufactured by Modern Welding),
- Freight to Sherman, Texas en-rout to the job site, and
- A Tax Exempt Certificate to the Contractor for purchase of project related materials and labor.

Provided by the Contractor: ***Pre Installation Materials & Labor*****: Estimated Cost: $18,250 (Tax Exempt Municipality)**

- Provide required agency notifications of the UST work (30 days mandatory notification) and obtain agency permits required for the UST work,
- Break, Remove, and stockpile 528 square feet (SF) of surface soil (22' x 24'),
- Excavate up to 125 cu.yd. of soil to install a the new double wall 6,000-gallon steel UST,
- Provide and install two (2) deadmen anchors for a 6,000-gallon UST,
- Provide and install 12" pea gravel in the tank hole bottom, two (2) 6" tank-pit observation wells, filter fabric, and excavator to set the UST,
- Provide and place pea gravel to top of tank,
- Install all piping and monitoring accessories,
- Install two (2) new spill bucket (one each for new and existing tank),
- Test and inspect lines, place pea gravel in excavations to 8" below concrete grade,
- Subsequent to completion of surface concrete installation, oversee fuel drop (Provided by the client), purge product lines, and have tank and lines certified.
- Retain TCEQ and the City of Sherman Fire Department Certifications.

Provided by the Contractor: **Piping, Connections, and UST Installation: Estimated Cost: $ 20,850 (Tax Exempt Municipality)**

- Two each, Spill Buckets, Fill Caps, and Seal Adaptors,
- Two Stage-one equipment (vapor adaptor, vapor cap, extractor cross, float vent, and 12-inch round manhole),
- Double wall fiberglass pipe and elbows from both USTs to the existing dispenser,
- Four (4) 4-inch shell wall fittings,
- Four (4) 10 Ft. Holding down Straps,
- Two Vent Caps,
- Two Vapor line Shear Valve
- Fireflex Connectors,
- Miscellaneous Connectors,
- Tank Sumps and accessories,
- Two "Observation Wells" and designated manholes.

Provided by the Contractor: **Installation of Surface Concrete: Estimated Cost: $4,850.00 (Tax Exempt Municipality)**

- Install approximately 720 SF of 4 inch, 3,600-psi reinforced concrete with 3/8 rebar on 18" centers (Including installation of 6 tank opening manhole),
- Unit cost for additional concrete over 720 SF is $5.45 per SF.

Provided by the Contractor: **Electrical work: Estimated Cost: $2,500 (Tax Exempt Municipality)**

- Connect UST System to existing dispenser, lighting system, and product monitoring device (if applicable).

TOTAL NOT TO EXCEED COST ESTIMATE FOR PARTS & LABOR FOR THIS JOB IS $46,450.00 (Tax Exempt Municipality)

All Other Installation and Material as requested by the Client: Estimated Cost: Actual invoice cost Plus 15% overhead.

3. Terms, Conditions, and Compensations:

This Contract is based on the assumption that all field services can be provided under "Level D" personal protective procedures and that no environmental issues are outstanding from prior on-site activities. Should conditions be encountered which require a change of services, or delay the progress of work, LTRC will contact the Client, explain the situation, and proceed only as The Client directs.

LTRC will invoice upon completion of fieldwork. All invoices are due upon presentation of the final invoice.

Prior to commencing work, the Client shall provide the following:

- Any restrictions or special requirements regarding the site which should be known by LTRC prior to commencing work at the site;
- Any environmental conditions regarding the site which should be known by LTRC prior to commencing work at the site;
- A facility map and site layout diagram surveyed by a registered surveyor (if available).

4. Site Safety:

LTRC's licensed on-site supervisor will develop a specific site safety plan to be adhered by ALL onsite personnel during field services. At this time, we anticipate that a modified EPA

Level D work uniform consisting of hard hats, safety glasses, rubber gloves, and steel-toed footwear will be required by all personnel in the work area.

a.) The work to be performed under any work order issued and accepted hereunder shall be described in a Scope of Work (SOW) attached to such work order. LTRC and Client may take changes in the work to be performed under any work order issued and accepted by written modifications to the SOW, signed by the parties.

b.) Client and LTRC are contractually bound only to the extent work order are issued by Client and accepted by LTRC.

5. Invoicing and Payment:

As provided in the Section 2, LTRC proposes to provide the above listed services and forgoing SOW on a Not to exceed basis for a Lump Sum fee of ***$46,450.00***. Twenty Five percent (25%) of the contract value **($11,612.00)** is due upon execution of this contract prior to mobilization and job start, remaining Seventy Five percent (75%) of invoice balance **($34,838.00)** is due upon completion of the field work and presentation of final invoice.

6. Other Costs:

Client, agree to compensate LTRC, Inc. in amount of $1,750.00 per day stand by fee in case of work stoppage and/or work delay caused by the Client.

7. Information and Authorization:

For each change order work issued and accepted hereunder, Client shall furnish to LTRC all pertinent data and information concerning the work to be performed hereunder, the nature of Client's premises or site and the nature of the conditions to be remedied, including any special hazard or risk involved with such work, premises, site or conditions. Such information shall be furnished by Client in writing on the Client job information document. Client shall help the Contractor to procure any and all applicable federal, state or local approval, consents, permits, licenses and orders needed to enable LTRC to perform the work contemplated hereby.

8. Compliance With Environmental Laws:

a.) Client hereby warrants that all material, substances, or waste to be stored, treated and/or disposed of under this Contract is the sole and exclusive property of Client. Client further warrants that it is not subject to any legal or equitable restraint or order, which prohibits the treatment, storage and/or disposal of such waste by any transporter or disposal facility.

b.) Client shall be solely responsible for the storage, handling, transportation, treatment, processing, and disposal of any wastes, pollutants, or contaminants that are the subject of this Contract and for full compliance with provisions of the Resource Conservation and Recovery Act (RCRA) and all other applicable federal, state, or local laws, statues, or regulations governing the treatment, transportation, storage, or disposal of waste or material.

c.) The parties hereto agree that LTRC is not and shall not be considered (i) the owner of material, substances, or waste noted in the SOW; (ii) the operator of a waste management facility; (iii) the generator, storer, or disposer of hazardous or solid waste; (iv) to have arranged for transportation or disposal of any wastes, pollutants, or contaminants by virtue of the performance of this Contract or anything contained herein, as those terms are used in RCRA, the Comprehensive Environmental Response Compensation and Liability Act, as amended, or any other federal or state statute or regulation governing the treatment, transportation, storage, or disposal of materials or waste.

d.) In the event that Client requests LTRC's assistance in meeting Client's obligations as set fort herein, LTRC as requested by Client may (i) collect samples and perform analytical testing to assist Client in the characterization of waste for the purpose of Client's manifests; (ii) identify a number of potential transporters and disposal facilities from which Client may select in accomplishing the transportation and disposal of collected waste; (iii) draft the technical provisions of contracts or purchase orders and prepare manifests implementing Client's selection of a transporter and/or disposal facility for review and execution solely by Client.

9. **Access to Work Site:**

Client shall secure all approvals, easements, licenses, and right-of-way necessary for LTRC to access the site of work under any work order issued and accepted hereunder. Client warrants that any right-of-way provided to or from any work site shall be suitable for the size and weight of vehicles employed by LTRC to perform the work. Client agrees to bear the cost of all construction, modification, repair, or restoration of any right-of-way necessary for LTRC to perform the work.

10. **Indemnity:**

Each party hereto agree to indemnify, defend and hold harmless the other party hereto and the other party's shareholder, directors, officers, employees and agents, from and against any and all claims, demands, causes of action and liabilities of any nature, whether for damages to property business interests, or persons or for death, arising out of or related to the performance of this Contract and/or the conditions to which this Contract pertains, to the extent that any such claim, demand, cause of action and/or liability is attributable to the breach of contract, negligence, or other fault of the indemnifying party.

11. Notices:

All work orders, acceptances or rejections of work orders, notices, communications or statements required to be given hereunder shall be delivered to the parties as indicated below:

CONTRACTOR:
LTRC, Inc.
1819 Firman Dr., Suite 123
Richardson, TX. 75081
Telephone: (972) 744-9777
Facsimile: (972) 744-9778
E-Mail: afshar@msn.com
Contact: Farzin R. Afshar

CLIENT:
The City of Sherman
220 W. Mulberry Street
Sherman, TX. 75091
Telephone: (903) 813-8866
Facsimile: (903) 870-7802
E-Mail: jessicap@ci.sherman.tx.us
Contact: Jessica Perkins

12. Entire Agreement:

This Contract hereto comprises the complete agreement of the parties respecting the services to be performed. No engagements, promises, representations, or warranties have been made by either party except as is expressly stated in this Contract and the parties hereby expressly disclaim all implied warranties. All modifications to this Contract shall be in writing, signed by both parties hereto.

Agreed to and Accepted this 25th day of February, 2008.

LTRC, Inc.	**CLIENT**
Signed By: F. R. Afshar	***Signed By:*** ____________________
Print Name: ***Farzin R. Afshar, PG***	***Print Name:*** ____________________
Title: ***Principal***	***Title:*** ____________________

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 02/29/2008

PRODUCER Serial # 100167

THE WYATT AGENCY
1300 11TH STREET
SUITE 305-E
HUNTSVILLE, TX 77340

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

LONE TREE RESOURCES & CONSULTING, INC./LTRC, INC.
1819 FIRMAN DR., #123
RICHARDSON, TX 75081

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: ARCH SPECIALTY INS. CO.	
INSURER B: THE HARTFORD	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES, AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE [X] OCCUR X POLLUTION LIABILITY X PROFESSIONAL LIAB. GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY / PRO-JECT / LOC	12 EMP 43871 00	7/1/07	7/1/08	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ 5,000 $ 1,000,000 $ 1,000,000 $ 1,000,000
B		AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS X SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	46UECTU5208	7/1/07	7/1/08	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
		EXCESS/UMBRELLA LIABILITY OCCUR / CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $
B		WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	46WECGE4967	7/1/07	7/1/08	X WC STATU-TORY LIMITS / OTH-ER EL EACH ACCIDENT EL DISEASE - EA EMPLOYEE EL DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
		OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER

CITY OF SHERMAN
DEPARTMENT OF PUBLIC SERVICES
ATTN.: JESSICA PERKINS, PROJECT COORDINATOR
220 W. MULBERRY
SHERMAN, TX. 75091

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. C.5

**** RESOLUTION NO. 5184***

Awarding a Bid to and Authorizing Execution of a Contract with Tom Hernandez, individually and doing business as Martin Asphalt Company, for the Purchase of an Annual Supply of Emulsified Asphalt Oil for the 2008 Seal Coat Program

Issue
To consider the award of a bid to Tom Hernandez, individually and doing business as Martin Asphalt Company, of Houston, Texas, for the purchase of up to 110,000 gallons of CRS-2H emulsified asphalt oil for the 2008 street seal coat program

Background
Following the required advertising in the local newspaper and notices being sent to oil suppliers, five bids for emulsified oil were received and opened on, February 22, 2008. No local vendors are available to bid on this material.

Origination
Department of Public Works

Financial Consideration
Martin Asphalt's bid for the required asphalt oil was $1.52 per gallon, only $.02 higher than last year's price. The total contract amount for the emulsified oil is $167,200.00. Funds to purchase the required amount of oil at the bid price were appropriated in the Street Department's FY 2007-2008 budget.

Staff Recommendation
Award the bid for seal coat emulsified oil to Tom Hernandez, individually and doing business as Martin Asphalt Company

Alternatives
As may be recommended by the City Council

Attachments
Bid Tab
Resolution No. 5184
Contract

Prepared by:
Jeffrey Miller, Public Works & Engineering Director

Approved by:
George Olson, City Manager

Street Department
Bid Tab
Rock and Asphalt Material

Company Name	Bid Price (unit price)	Total Price	5% local vendor preference
Cleveland Asphalt	$1.7524	$192,764.00	
Ergon Asphalt	$1.6455	$181,005.00	
Martin Asphalt	$1.52	$167,200.00	
P2 Emulsions	$1.89	$207,900.00	

RESOLUTION NO. 5184

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH TOM HERNANDEZ, INDIVIDUALLY AND DOING BUSINESS AS MARTIN ASPHALT COMPANY, FOR THE PURCHASE OF AN ANNUAL SUPPLY OF EMULSIFIED ASPHALT OIL FOR THE 2008 SEAL COAT PROGRAM; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That Tom Hernandez, individually and doing business as Martin Asphalt Company, is hereby awarded the bid in the total amount of One Hundred Sixty-Five Thousand Dollars and No Cents ($167,200.00) for an annual supply of emulsified asphalt oil and that the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved by the City Attorney, to execute a contract with Tom Hernandez, individually and doing business as Martin Asphalt Company, for an annual supply of emulsified asphalt oil for the 2008 Seal Coat Program, in accordance with all contract documents attached hereto and incorporated herein for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

CONTRACT OF SALE

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GRAYSON §

THIS AGREEMENT, made and entered into by and between the **CITY OF SHERMAN**, a municipal corporation of the State of Texas, hereinafter called "BUYER", and **Tom Hernandez, individually and doing business as Martin Asphalt Company**, hereinafter called "SELLER",

WITNESSETH:

SELLER agrees to sell and will deliver to BUYER, And BUYER agrees to purchase from SELLER, the emulsified asphalt as described in the bid proposal and specifications attached hereto as Exhibit "A" and incorporated herein for all purposes. As consideration for this contract, SELLER agrees to sell such emulsified asphalt at the prices specified therein in Exhibit "A".

Reference is hereby made to the specifications and requirements of Invitation to Bid prepared by BUYER and the Bid Proposal submitted by SELLER on, in answer to BUYER's Invitation to Bid. The terms and content in both BUYER's Invitation to Bid and SELLER's Bid Proposal, previously identified as Exhibit "A", are incorporated herein by reference and are part of this contract for all purposes.

SELLER hereby agrees to deliver the materials specified in Exhibit "A" to BUYER as directed by the BUYER.

BUYER retains the right to reject all or any materials delivered by SELLER that do not comply with the specifications as set forth in the Invitation to Bid and the Bid Proposal submitted by SELLER. Should any parts and supplies be rejected because of failure to meet specifications, and SELLER not supply conforming products within three (3) days of date of rejection, then BUYER may purchase such products from the next lowest bidder willing to honor its bid, and SELLER agrees to pay to BUYER in cash the difference in the Bid Proposals.

Payment of Monies Owed to the City of Sherman. BUYER may, in its discretion, apply any monies owed to SELLER, the contracting party under this agreement, in partial or complete satisfaction of any property taxes due or other monies owed the City of Sherman, which are or become delinquent during the term of this contract.

Insurance. SELLER agrees to carry insurance as specified in Exhibit "A" and to name the BUYER as an additional insured.

Indemnification. SELLER agrees to defend, indemnify, release and hold harmless BUYER, its officers, agents and employees, harmless against any and all claims, lawsuits, judgments, costs and expenses, including attorney fees for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons that may arise out of or be occasioned by SELLER's breach of any of the terms or provisions of this Agreement, or by any negligent, grossly negligent, strictly liable act, or any omission of SELLER, its officers, agents, employees or subcontractors, in the performance of this Agreement (hereinafter "Claims"); except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence or fault of BUYER, its officers, agents, employees or separate contractors. In addition, this indemnification and save harmless shall apply to any imputed or actual joint enterprise liability.

Amendment of Contract. This agreement may not be changed, varied or altered except by an instrument in writing, duly executed on behalf of BUYER and by SELLER.

Assignment of Contract. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Contract.

Severability. Any provision or part of this Contract is held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the BUYER and SELLER, who agree that the Contract shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

Headings. Section or other headings contained in the Contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this Contract.

Conflicts. If there are any conflicts between the Contract and Exhibit "A", the provisions in the Contract prevail over the provisions in Exhibit "A".

Applicable Laws and Venue: This agreement shall be construed in accordance with the laws of the State of Texas, shall be deemed performable and enforceable in the State of Texas, with venue in Grayson County, Texas.

IN WITNESS WHEREOF, this instrument, in duplicate originals of equal force, has been executed on behalf of SELLER and on behalf of BUYER, City of Sherman, by its City Manager and attested by its City Clerk, effective the _______________ day of _________________________, ~~2006.~~ 2008

SELLER: MArtin Asphalt Company	**BUYER:** **CITY OF SHERMAN, TEXAS**
BY: Tom H **NAME:** Tom Hernandez **TITLE:** SAles Manager **[INSERT ADDRESS]** Three Riverway #400 Houston TX 77056	**BY:** ___________________________ **CITY MANAGER** **220 W. MULBERRY** **SHERMAN, TEXAS 75090**
DATE: 2-20-08	**DATE:** ___________________________
ATTEST: **BY:** Tom Tipman **NAME:** **TITLE:** CSM	**ATTEST:** ___________________________ **LINDA ASHBY, CITY CLERK**
	APPROVED: ___________________________ **CITY ATTORNEY**

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. C.6

**** RESOLUTION NO. 5185***

Awarding a Bid to and Authorizing Execution of a Contract with James Thorpe, individually and doing business as Thorpe Trucking, for the Purchase of an Annual Supply of Cover Stone for the 2008 Seal Coat Program

Issue

To consider an award of bid to for the purchase of seal coat cover stone for the 2008 Seal Coat Program

Background

Following the required advertising in the local newspaper and notices being sent to local material suppliers, three cover stone bids, meeting the City's specifications, were received and opened on February 22, 2008. James Thorpe, individually and doing business as Thorpe Trucking, submitted the low bid at $17.85 per ton. The 5% local vendor preference was applied to the bid submitted by Cranfill and Son Trucking, but the adjusted price was still higher than the low bid submitted by Thorpe.

Origination

Department of Public Works

Financial Consideration

Funds for purchasing seal coat materials were appropriated in the fiscal year 2007-2008 Street Department budget. The total contract amount as submitted by Thorpe Trucking for the cover stone is $71,400.00.

Staff Recommendation

Staff recommends that the City Council award the bid of $17.85 to Thorpe Trucking for up to 4,000 tons of seal coat cover stone for the 2008 Seal Coat Program.

Alternatives

Those as may be recommended by the City Council

Attachments

Bid Tab
Resolution No. 5185
Contract

Prepared by:
Jeffrey Miller, Public Works & Engineering Director

Approved by:
George Olson, City Manager

Street Department
Bid Tab
Rock and Asphalt Material

Company Name	Bid Price (unit price)	Total Price	5% local vendor preference
Lattimore Materials	$20.05	$80,200.00	
Thorpe Trucking	$17.85	$71,400.00	$74,970.00
Cranfill and Son Trucking	$22.00	$88,000.00	

RESOLUTION NO. 5185

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH JAMES THORPE, INDIVIDUALLY AND DOING BUSINESS AS THORPE TRUCKING, FOR THE PURCHASE OF AN ANNUAL SUPPLY OF COVER STONE FOR THE 2008 SEAL COAT PROGRAM; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That James Thorpe, individually and doing business as Thorpe Trucking, is hereby awarded the bid in the total amount of Seventy-one Thousand, Four Hundred Dollars and No Cents ($71,400.00) for an annual supply of cover stone and that the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a contract with James Thorpe, individually and doing business as Thorpe Trucking, for an annual supply of cover stone for the 2008 Seal Coat Program, in accordance with all contract documents attached hereto and incorporated herein for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

CONTRACT OF SALE

THE STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF GRAYSON §

THIS AGREEMENT, made and entered into by and between the **CITY OF SHERMAN,** a municipal corporation of the State of Texas, hereinafter called "BUYER", and JAMES THROPE, **individually and doing business as** THROPE TRUCKING, hereinafter called "SELLER",

WITNESSETH:

SELLER agrees to sell and will deliver to BUYER, and BUYER agrees to purchase from SELLER, the crushed rock cornerstone as described in the bid proposal and specifications attached hereto as Exhibit "A" and incorporated herein for all purposes. As consideration for this contract, SELLER agrees to sell such crushed rock cornerstone at the prices specified therein in Exhibit "A".

Reference is herby made to the specifications and requirements of Invitation to Bid prepared by BUYER and the Bid Sheet submitted by SELLER on, in answer to BUYER'S Invitation to Bid. The terms and content in both BUYER's Invitation to Bid and SELLER's Bid Proposal, previously identified as Exhibit "A", are incorporated herein by reference and are part of this contract for all purposes.

SELLER hereby agrees to deliver the materials specified in Exhibit "A" to BUYER as directed by the BUYER.

BUYER retains the right to reject all or any materials delivered by SELLER that do not comply with the specifications as set forth in the Invitation to Bid and the Bid Proposal submitted by SELLER. Should any parts and supplies be rejected because of failure to meet specifications, and SELLEr not supply conforming products from the next lowest bidder willing to honor its bid, and SELLER agrees to pay to BUYER in cash the difference in the Bid Proposal.

Payment of Monies Owned to the City of Sherman. BUYER may, in its discretion, apply any monies owed to SELLER, the contracting party under this agreement, in partial or complete satisfaction of any property taxes due or other monies owe the City of Sherman, which are or become delinquent during the term of this contract.

Insurance. SELLER agrees to carry insurance as specified in Exhibit "A" and to name the BUYER as an additional insured.

Indemnification. SELLER agrees to defend, indemnify, release and hold harmless BUYER, its officers, agents and employees, harmless against any and all claims, lawsuits, judgments, costs and expenses, including attorney fees for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons that may arise out of or be occasioned by SELLER's breach of any of the terms or provisions of this Agreement, or by any negligent, grossly negligent, strictly liable act, or any omission of SELLER, its officers, agents, employees or subcontractors, in the performance of this Agreement (hereinafter "Claims"); except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence or fault of BUYER, its officers, agents, employees or separate contractors. In addition, this indemnification and save harmless shall apply to any imputed or actual joint enterprise liability.

Amendment of Contract. This agreement may not be changed, varied or altered except by an instrument in writing, duly executed on behalf of BUYER and by SELLER.

Assignment of Contract. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Contract.

Severability. Any provision or part of this Contract is held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the BUYER and SELLER, who agree that the Contract shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

Headings. Section or other headings contained in the Contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this Contract.

Conflicts. If there are any conflicts between the Contract and Exhibit "A", the provisions in the Contract prevail over the provisions in Exhibit "A".

Applicable Laws and Venue: This agreement shall be construed in accordance with the laws of the State of Texas, shall be deemed performable and enforceable in the State of Texas, with venue in Grayson County, Texas.

IN WITNESS WHEREOF, this instrument, in duplicate originals of equal force, has been executed on behalf of SELLER and on behalf of BUYER, City of Sherman, by its City Manager and attested by its City Clerk, effective the ______________ day of ______________, ~~2006~~. 2008

SELLER:
James Thorpe Co.

BY: James T Thorpe
NAME: James T Thorpe
TITLE: Owner
[INSERT ADDRESS]
P.O. Box 1555
Pottsboro TX 75076

DATE: 2-22-08

ATTEST:

BY: ______________
NAME: ______________
TITLE: ______________

BUYER:
CITY OF SHERMAN, TEXAS

BY: ______________

CITY MANAGER
220 W. MULBERRY
SHERMAN, TEXAS 75090

DATE: ______________

ATTEST:

____
LINDA ASHBY, CITY CLERK

APPROVED:

____
CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. C.7

**** RESOLUTION NO. 5186***

Authorizing the Purchase of One (1) 3/4 Ton Pickup Truck through the Houston-Galveston Area Council of Governments (H-GAC) for the Street Services Department

Issue
To consider approval of a resolution to purchase one (1) 3/4 ton pickup truck for Street Services through the Houston-Galveston Area Council of Governments (H-GAC)

Background
Street Department Unit 420, a 1988 GMC pickup truck, is now 20 years old and has operated over 150,000 miles. Prior to receiving a quote from H-GAC, staff received two bids from local vendors. Their bid prices were higher than H-GAC, even after applying the 5% local vendor preference. Equipment Services has inspected the unit and recommends that it be replaced. Equipment purchasing from H-GAC conforms to the requirements of Texas statutes that are applicable to competitive bids and competitive proposals. No product or service is offered by H-GAC that has not been subjected to either competitive bid or competitive proposal process.

Origination
Department of Public Works

Financial Consideration
The new unit will be purchased at a cost of $18,540.00, plus H-GAC's cooperative fee of $600.00, for a total of $19,140.00. Funds for the purchase of this vehicle are contained in the current budget.

Staff Recommendation
It is recommended that the staff be authorized to purchase the quoted 3/4 ton pickup truck from H-GAC.

Alternatives
Those as may be recommended by the City Council

Attachments
Resolution No. 5186
Bid Tabulation
H-GAC Pricing Worksheet
H-GAC Interlocal Agreement

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5186

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF ONE (1) 3/4 TON PICKUP TRUCK THROUGH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC) FOR THE STREET SERVICES DEPARTMENT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized and directed to purchase one (1) 3/4 Ton PickUp Truck at a total purchase price of Nineteen Thousand One Hundred and Forty Dollars and No Cents ($19,140.00), through the Houston-Galveston Area Council of Governments (H-GAC), and in accordance with the terms and conditions of the Interlocal Participation Agreement attached hereto and made a part hereof for all purposes. Any necessary purchase agreements must be approved by the City Attorney

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

Street Department
Bid Tab
Pick-Up Truck

Company Name	Bid Price (per truck)	Total Price	5% local vendor preference
HGAC	$19,140.00	$19,140.00	$20,097.00
Team Bonner	$21,500.00	$21,500.00	
Bob Utter Ford	$23,664.87	$23,664.87	

CONTRACT PRICING WORKSHEET
For Standard Equipment Purchases

Contract No.:	VE03-06	Date Prepared:	3/3/08

This Form must be prepared by Contractor and given to End User. The H-GAC administrative fee shall be shown in Section F. End User issues PO to Contractor, and MUST also fax a copy of PO, together with completed Pricing Worksheet, to H-GAC @ 713-993-4548. Please type or print legibly.

Buying Agency:	CITY OF SHERMAN	Contractor:	PHILPOTT MOTORS
Contact Person:	BRUCE SIMPSON	Prepared By:	MICHAEL WILEY
Phone:	903 892-7254	Phone:	888-858-7801
Fax:	903 814-7354	Fax:	254-865-9118
Email:	bruces@ci.sherman.tx.us	Email:	trucksgov@aol.com

Product Code:	D26	Description:	2008 FORD F-250 REGULAR CAB

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: $ 14,933.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
44T-5-SPD AUTOMATIC	$ 1,088.00	F20- REGUALR CAB 4X2 LONG BED	INCL
AIR-CONDITIONING	$ 621.00	5.4L GAS V8 WITH MANUAL TRANSMISSION	INCL
RECEIVER HITCH	$ 131.00	8800lb GVWR	INCL
TILT/CRUISE	$ 233.00	VINYL BENCH SEAT; RUBBER FLOORS	INCL
CLOTH BENCH SEAT	$ 118.00	FLOOR PLAN	
STABILIZER PACKAGE	$ 81.00	LOT INSURANCE	
TOW COMMAND PACKAGE	$ 249.00		
MANUAL TOW MIRRORS	INCL		
ELECTRIC BRAKE CONTROLLER	INCL		
DAYTIME RUNNING LIGHTS	$ 31.00		
		Subtotal From Additional Sheet(s):	$ -
WHITE IN COLOR		Subtotal B:	$ 2,552.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
PARTS AND SERVICE MANUALS	$ 305.00		
RUBBER FLOORMATS	$ 59.00	Subtotal From Additional Sheet(s):	$ -
2 EXTRA KEYS	$ 20.00	Subtotal C:	$ 384.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).	For this transaction the percentage is:	2%

D. Other Cost Items Not Itemized Above (e.g. Installation, Freight, Delivery, Etc.)

Description	Cost	Description	Cost
PRE DELIVERY INSPECTION	$ 80.00		
DELIVERY TO THE CITY OF SHERMAN	$ 591.00	Subtotal D:	$ 671.00

E. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C+D) $ 18,540.00

Quantity Ordered:	1	X Subtotal of A + B + C + D:	$ 18,540.00	= Subtotal E:	$ 18,540.00

F. H-GAC Fee Calculation (From Current Fee Tables) Subtotal F: $ 600.00

G. Trade-Ins / Other Allowances / Special Discounts

Description	Cost	Description	Cost	
				Subtotal G: $ -

Estimated Delivery Date:	90-120 DAYS	**H. Total Purchase Price (E+F+G):**	$ 19,140.00

HOUSTON-GALVESTON AREA COUNCIL
INTERLOCAL AGREEMENT

ILA NUMBER: 91-153[illegible]

THIS INTERLOCAL AGREEMENT ("Agreement"), made and entered into pursuant to the Interlocal Cooperation Act (Article 4413(32c) V.T.C.S.) by and between the Houston-Galveston Area Council, hereinafter referred to as H-GAC, having its principal place of business at 3555 Timmons Lane, Suite 500, Houston, Texas 77027 and CITY OF SHERMAN hereinafter referred to as the local government having its principal place of business at 400 N. RUSK, SHERMAN, TX 75090.

WITNESSETH:

WHEREAS, H-GAC is a regional planning commission created under Acts of the 59th Legislature, Regular Session, 1965, recodified as Chapter 391 Texas Local Government Code; and

WHEREAS, H-GAC has entered into an agreement with the local government on the 18TH day of MARCH, 19 91 and

WHEREAS, the local government desires to purchase certain governmental administrative functions, goods or services; and

WHEREAS, H-GAC hereby agrees to perform the scope of services outlined in Article 5 as hereinafter specified in accordance with the Agreement, and

NOW, THEREFORE, H-GAC and the local government do hereby agree as follows:

ARTICLE 1 LEGAL AUTHORITY

The local government warrants and assures H-GAC that it possesses adequate legal authority to enter into this Agreement. The local government's governing body has authorized the signatory official(s) to enter into this Agreement and bind the local government to the terms of this Agreement and any subsequent amendments hereto.

ARTICLE 2 APPLICABLE LAWS

H-GAC and the local government agree to conduct all activities under this Agreement in accordance with all applicable rules, regulations, ordinances and laws in effect or promulgated during the term of this Agreement.

ARTICLE 3 WHOLE AGREEMENT

The Interlocal Agreement and Attachments, as provided herein, constitute the complete Agreement between the parties hereto, and supersedes any and all oral and written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Agreement cannot be modified without written consent of the parties.

ARTICLE 4 PERFORMANCE PERIOD

The period of this Interlocal Agreement shall be for the (balance of) fiscal year of the local government which begins 10/31/90, 19 and ends 10/31/91, 19 . This contract shall thereafter automatically be renewed annually for each succeeding fiscal year, provided that such renewal shall not have the effect of extending the period in which the local government may make any payment due H-GAC beyond the fiscal year in which such obligation was incurred under this Agreement.

H-GAC or the local government may cancel this Agreement at any time upon 30 days written notice to the other party to this Agreement. The obligations of the local government, including its obligation to pay H-GAC for all costs incurred under this Agreement prior to such notice shall survive such cancellation, as well as any other obligation incurred under this Agreement, until performed or discharged by the local government.

ARTICLE 5 SCOPE OF SERVICES

The local government appoints H-GAC its true and lawful purchasing agent for the purchase of certain materials and services through the Council's Cooperative Purchasing Program, as enumerated through the submission of a duly executed purchase order, order form or resolution. All material purchased hereunder shall be in accordance with specifications established by H-GAC.

(over)

The materials and services shall be procured in accordance with procedures governing competitive bidding by H-GAC; and at the unit prices and administrative fee as indicated in the current H-GAC Order Form and Price Lists.

Ownership (title) of material purchased shall transfer directly from the vendor to the local government. The local government agrees to provide H-GAC with documentation of receipt and acceptance of material within five (5) days of acceptance of same.

ARTICLE 6 PAYMENTS

The local government agrees that, upon the presentation by H-GAC of a properly documented, verified proof of performance and a statement of costs H-GAC has incurred in accordance with the terms of this Agreement, it shall pay H-GAC, from current revenues available to the local government during the current fiscal year, on or before the date of the delivery of materials and services to be provided under this agreement.

ARTICLE 7 CHANGES AND AMENDMENTS

Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation.

H-GAC may, from time to time, require changes in the scope of the services offered through the H-GAC Cooperative Purchasing Program to be performed hereunder.

ARTICLE 8 TERMINATION PROCEDURES

Either H-GAC or the local government may cancel or terminate this Agreement upon thirty (30) days written notice by certified mail to the other party. In the event of such termination prior to completion of any purchase provided for herein, the local government agrees to pay for services on a prorated basis for materials and services actually provided and invoiced in accordance with the terms of this Agreement, including penalties, less payment of any compensation previously paid.

ARTICLE 9 SEVERABILITY

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not effect any other term of this Agreement, which shall continue in full force and effect.

ARTICLE 10 FORCE MAJEURE

To the extent that either party to this Agreement shall be wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, judgement, act of God, or specific cause reasonably beyond the parties' control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 11 VENUE

Venue and jurisdiction of any suit, or cause of action arising under or in connection with the Agreement shall lie exclusively in Harris County, Texas.

This instrument, in duplicate originals, has been executed by the parties hereto as follows:

CITY OF ~~SHERMAN~~
Local Government

BY [signature]
TALMADGE N. BUIE
CITY MANAGER DATE 3/18/91

Name & Title of Signatory
(PLEASE TYPE)

HOUSTON-GALVESTON AREA COUNCIL

BY [signature] Date 7/27/91
Manager of Cooperative Purchasing

BY [signature] Date 5/3/91
Jack Steele
Executive Director
March 28, 1991

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. C.8

**** RESOLUTION NO. 5187***

Authorizing the Purchase of Two (2) 2-1/2 Ton Dump Trucks through the Houston-Galveston Area Council of Governments (H-GAC) for the Street Services Department

Issue

To consider approval of a resolution to purchase two, 2-1/2 ton dump trucks through the Houston-Galveston Area Council of Governments (H-GAC) for use by Street Services

Background

Two Street Services dump trucks have surpassed their useful life and need to be replaced. Unit 413 is a 22 year old 1986 GMC dump truck with 171,000 miles. Unit 415 is also a GMC dump truck (1985) with over 110, 000 miles. Currently Unit 415 is not operable. Equipment Services has inspected both trucks and concurs that both units need to be replaced. Equipment purchases from H-GAC conform to the requirements of Texas statutes that are applicable to competitive bids and competitive proposals. No product or service is offered by H-GAC that has not been subjected to either competitive bid or competitive proposal process.

Origination

Department of Public Works

Financial Consideration

The two units will be purchased at a cost of $107,206.00, plus H-GAC's fee of $600.00, for a total of $107,806.00. Funds for the purchase of the two dump trucks are contained in the current Street Services budget.

Staff Recommendation

It is recommended that the staff be authorized to purchase the quoted two dump trucks through the H-GAC contract.

Alternatives

Those as may be recommended by the City Council

Attachments

Resolution No. 5187
Bid Tab
H-GAC Contract Pricing Worksheet
H-GAC Interlocal Agreement

Prepared by:
Jeff Miller, Director of Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5187

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF TWO (2) 2-1/2 TON DUMP TRUCKS THROUGH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC) FOR THE STREET SERVICES DEPARTMENT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized and directed to purchase two (2) 2 -1/2 Ton Dump Trucks at a total purchase price of One Hundred Seven Thousand Eight Hundred Six Dollars and No Cents ($107,806.00), through the Houston-Galveston Area Council of Governments (H-GAC), and in accordance with the terms and conditions of the Interlocal Participation Agreement attached hereto and made a part hereof for all purposes. Any necessary purchase agreements must be approved by the City Attorney

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2008.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY

Street Department
Bid Tab
2 each 2 ½ ton dump trucks

Company Name	Bid Price (per truck)	Total Price	5% local vendor preference
HGAC	$53,603.00	$107,206.00	$112,566.30 (5% added)
Southwest International	$57,962.63	$115,925.26	
Fort Worth Freightliner	$64,840.00	$129,680.00	
Rush Truck Center	$69,267.00	$138,534.00	

CONTRACT PRICING WORKSHEET **For Standard Equipment Purchases**	**Contract No.:** HT11-07	**Date Prepared:**	3/3/08

This Form must be prepared by Contractor and given to End User. The H-GAC administrative fee shall be shown in Section F. End User issues PO to Contractor, and MUST also fax a copy of PO, together with completed Pricing Worksheet, to H-GAC @ 713-993-4548. Please type or print legibly.

Buying Agency:	CITY OF SHERMAN	Contractor:	PHILPOTT MOTORS
Contact Person:	BRUCE SIMPSON	Prepared By:	MICHAEL WILEY
Phone:	903 892-7254	Phone:	888-858-7801
Fax:	903 814-7354	Fax:	254-865-9118
Email:	bruces@ci.sherman.tx.us	Email:	trucksgov@aol.com
Product Code:	DD	Description:	2008 FORD F-750

A. Product Item Base Unit Price Per Contractor's H-GAC Contract:	$ 39,313.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
FRONT TOW HOOKS	$ 60.00	31,000lb GVWR; 158" WHEELBASE	INCL
23,000lb SINGLE SPEED SPICER	$ 710.00	RUBBER FLOOR; AM/FM RADIO	INCL
AIR BRAKES STRAIGHT TRUCK	$ 833.00	CUMMINS 6.7L - 200hp DIESEL	INCL
CONVEX MIRRORS	$ 36.00	ALLISON 5-SPD AUTOMATIC	INCL
FUEL TANK 45 GAL.	$ -	VINYL DRIVER CAPTAIN CHAIR	INCL
DARK SHADOW GRAY GRILL	$ (100.00)	2 PASSENGER VINYL BENCH SEAT	INCL
DAVIS 10' 6-8 YARD DUMP BODY	$ 6,272.00	FLOOR PLAN	$ 826.00
SEE UPGRADE		LOT INSURANCE	$ 118.00
		Subtotal From Additional Sheet(s):	$ -
MUST ODER BY FRIDAY 3-7-08		Subtotal B:	$ 8,755.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
CUMMINS 6.7L 220HP DIESEL	$ 317.00	REAR TIRES- 275/80R22.5G X4	$ 210.00
ENGINE HOUR METER	$ 124.00	Subtotal From Additional Sheet(s):	$ 2,174.00
FRONT TIRES- 275/80R22.5G	$ 110.00	Subtotal C:	$ 2,935.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).	**For this transaction the percentage is:**	6%

D. Other Cost Items Not Itemized Above (e.g. Installation, Freight, Delivery, Etc.)

Description	Cost	Description	Cost
EMMISSION SURCHARGE /SHIP THRU PDI	$ 2,600.00		
		Subtotal D:	$ 2,600.00

E. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C+D)				$ 53,603.00
Quantity Ordered: 2	**X Subtotal of A + B + C + D:**	$ 53,603.00	=	**Subtotal E:** $ 107,206.00
F. H-GAC Fee Calculation (From Current Fee Tables)				**Subtotal F:** $ 600.00

G. Trade-Ins / Other Allowances / Special Discounts

Description	Cost	Description	Cost	
				Subtotal G: $ -

Estimated Delivery Date:	150-190 DAYS	**H. Total Purchase Price (E+F+G):**	$ 107,806.00

HOUSTON-GALVESTON AREA COUNCIL
INTERLOCAL AGREEMENT

ILA NUMBER: 91-15388

THIS INTERLOCAL AGREEMENT ("Agreement"), made and entered into pursuant to the Interlocal Cooperation Act (Article 4413(32c) V.T.C.S.) by and between the Houston-Galveston Area Council, hereinafter referred to as H-GAC, having its principal place of business at 3555 Timmons Lane, Suite 500, Houston, Texas 77027 and CITY OF SHERMAN hereinafter referred to as the local government having its principal place of business at 400 N. RUSK, SHERMAN, TX 75090.

WITNESSETH:

WHEREAS, H-GAC is a regional planning commission created under Acts of the 59th Legislature, Regular Session, 1965, recodified as Chapter 391 Texas Local Government Code; and

WHEREAS, H-GAC has entered into an agreement with the local government on the 18TH day of MARCH, 19 91 and

WHEREAS, the local government desires to purchase certain governmental administrative functions, goods or services; and

WHEREAS, H-GAC hereby agrees to perform the scope of services outlined in Article 5 as hereinafter specified in accordance with the Agreement, and

NOW, THEREFORE, H-GAC and the local government do hereby agree as follows:

ARTICLE 1 LEGAL AUTHORITY

The local government warrants and assures H-GAC that it possesses adequate legal authority to enter into this Agreement. The local government's governing body has authorized the signatory official(s) to enter into this Agreement and bind the local government to the terms of this Agreement and any subsequent amendments hereto.

ARTICLE 2 APPLICABLE LAWS

H-GAC and the local government agree to conduct all activities under this Agreement in accordance with all applicable rules, regulations, ordinances and laws in effect or promulgated during the term of this Agreement.

ARTICLE 3 WHOLE AGREEMENT

The Interlocal Agreement and Attachments, as provided herein, constitute the complete Agreement between the parties hereto, and supersedes any and all oral and written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Agreement cannot be modified without written consent of the parties.

ARTICLE 4 PERFORMANCE PERIOD

The period of this Interlocal Agreement shall be for the (balance of) fiscal year of the local government which begins 10/31/90, 19__ and ends 10/31/91, 19__. This contract shall thereafter automatically be renewed annually for each succeeding fiscal year, provided that such renewal shall not have the effect of extending the period in which the local government may make any payment due H-GAC beyond the fiscal year in which such obligation was incurred under this Agreement.

H-GAC or the local government may cancel this Agreement at any time upon 30 days written notice to the other party to this Agreement. The obligations of the local government, including its obligation to pay H-GAC for all costs incurred under this Agreement prior to such notice shall survive such cancellation, as well as any other obligation incurred under this Agreement, until performed or discharged by the local government.

ARTICLE 5 SCOPE OF SERVICES

The local government appoints H-GAC its true and lawful purchasing agent for the purchase of certain materials and services through the Council's Cooperative Purchasing Program, as enumerated through the submission of a duly executed purchase order, order form or resolution. All material purchased hereunder shall be in accordance with specifications established by H-GAC.

The materials and services shall be procured in accordance with procedures governing competitive bidding by H-GAC; and at the unit prices and administrative fee as indicated in the current H-GAC Order Form and Price Lists.

Ownership (title) of material purchased shall transfer directly from the vendor to the local government. The local government agrees to provide H-GAC with documentation of receipt and acceptance of material within five (5) days of acceptance of same.

ARTICLE 6 PAYMENTS

The local government agrees that, upon the presentation by H-GAC of a properly documented, verified proof of performance and a statement of costs H-GAC has incurred in accordance with the terms of this Agreement, it shall pay H-GAC, from current revenues available to the local government during the current fiscal year, on or before the date of the delivery of materials and services to be provided under this agreement.

ARTICLE 7 CHANGES AND AMENDMENTS

Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation.

H-GAC may, from time to time, require changes in the scope of the services offered through the H-GAC Cooperative Purchasing Program to be performed hereunder.

ARTICLE 8 TERMINATION PROCEDURES

Either H-GAC or the local government may cancel or terminate this Agreement upon thirty (30) days written notice by certified mail to the other party. In the event of such termination prior to completion of any purchase provided for herein, the local government agrees to pay for services on a prorated basis for materials and services actually provided and invoiced in accordance with the terms of this Agreement, including penalties, less payment of any compensation previously paid.

ARTICLE 9 SEVERABILITY

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not effect any other term of this Agreement, which shall continue in full force and effect.

ARTICLE 10 FORCE MAJEURE

To the extent that either party to this Agreement shall be wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, judgement, act of God, or specific cause reasonably beyond the parties' control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 11 VENUE

Venue and jurisdiction of any suit, or cause of action arising under or in connection with the Agreement shall lie exclusively in Harris County, Texas.

This instrument, in duplicate originals, has been executed by the parties hereto as follows:

CITY OF SHERMAN
Local Government

BY

TALMADGE N. BUIE
CITY MANAGER DATE 3/18/91

Name & Title of Signatory
(PLEASE TYPE)

HOUSTON-GALVESTON AREA COUNCIL

BY Date 7/27/91
Manager of Cooperative Purchasing

BY Date 5/3/91
Jack Steele
Executive Director

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.1

***CHANGE ORDER NO. 2**

Lockhart Street Water Main Replacement; $10,002.61, Decrease

Issue

Change Order No. 2 is a final reconciliatory change order to adjust final project quantities for the Lockhart Street Water Main Replacement project.

Background

The Lockhart Street Water Main Replacement project has been completed. The change order results in a decrease of $10,002.61 to the contract amount.

Origination

Department of Utility Services

Financial Consideration

The change order results in a $10,002.61 decrease in the contract amount, yielding a final contract price of $178,739.28.

Staff Recommendation

It is recommended that Change Order No. 2 be approved.

Alternatives

As may be directed by the City Council

Attachments

Change Order No. 2
Location Map

Prepared by:
Mark Gibson, Director of Engineering & Utilities

Approved by:
George Olson, City Manager

CHANGE ORDER

No. 2

PROJECT Lockhart Water Line Replacement for the City of Sherman

DATE OF ISSUANCE 2/27/08 EFFECTIVE DATE ______

OWNER Greater Texoma Utility Authority

OWNER's Contract No. ______

CONTRACTOR Jerry Paul Higgins, Ltd. ENGINEER Morris Engineers

You are directed to make the following changes in the Contract Documents:

Description: Adjust final quantities

Reason for Change Order: Reconcile contract price to final quantities of work

Attachments: Spreadsheet

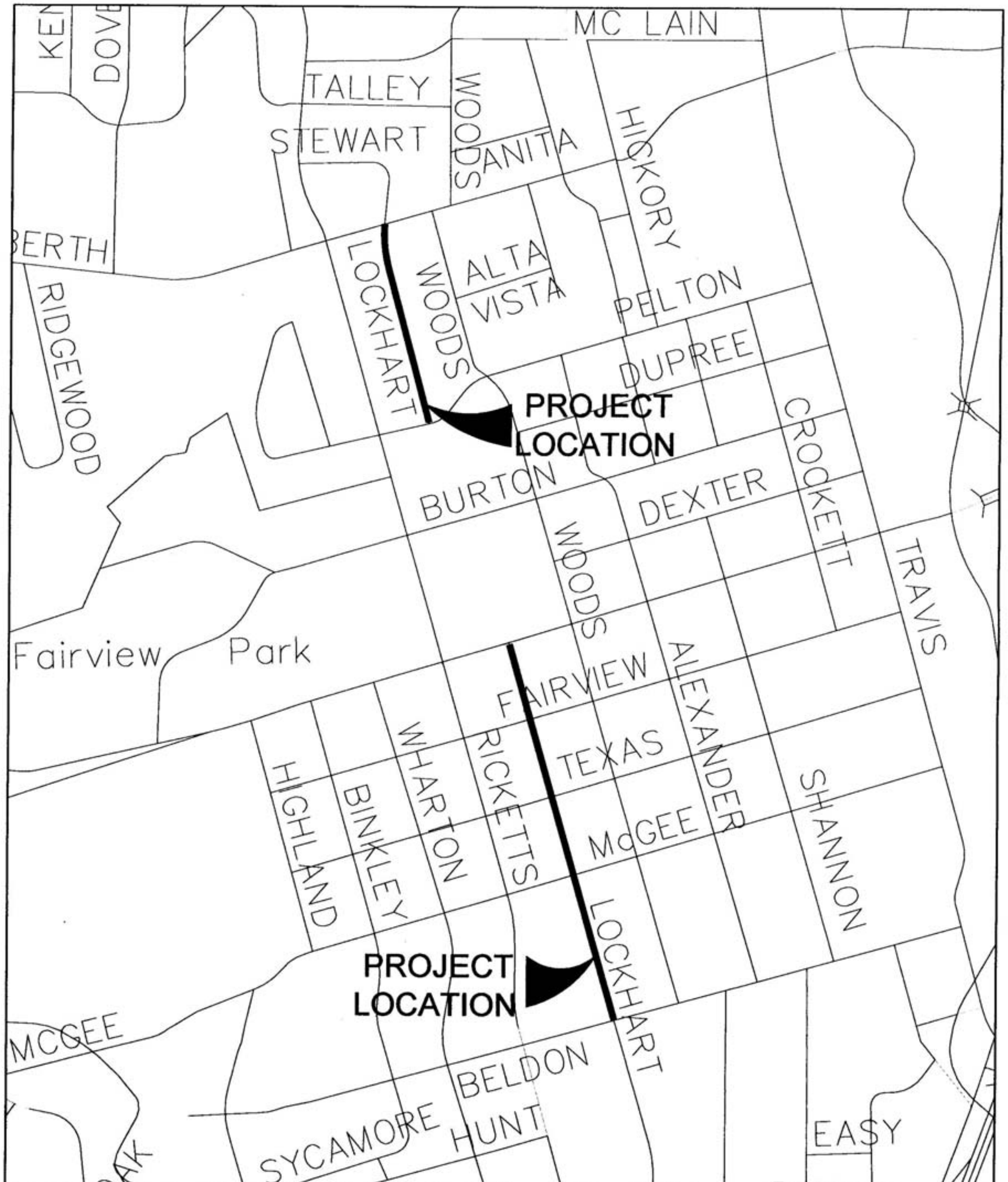
CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price $ 195,970.89	Original Contract Times Substantial Completion: Ready for Final Payment:
Net changes from previous Change Orders No. 1 to 1 . $ 7,229.00	Net change from previous Change Orders No. _ to _. Days
Contract Price prior to this Change Order $ 188,741.89	Contract times prior to this Change Order Substantial Completion: Ready for Final Payment:
Net ~~Increase~~ (Decrease) of this Change Order $ (10,002.61)	Net Increase (Decrease) of this Change Order Days
Contract Price with all approved Change Orders $ 178,739.28	Contract Times with all approved Change Orders Substantial Completion: Ready for Final Payment:

RECOMMENDED:	APPROVED:	APPROVED:	ACCEPTED:
Morris Engineers	Greater Texoma Utility Authority	City of Sherman	Jerry Paul Higgins, Ltd.
By: [signature]	By: ______	By: ______	By: Don Charles Whitley
Engineer (Auth. Signature)	Owner (Auth. Signature)	City (Auth. Signature)	Contractor (Auth. Signature)
Date: 2/28/08	Date: ______	Date: ______	Date: 2/28/2008

GREATER TEXOMA UTILITY AUTHORITY
CONSTRUCTION OF LOCKHART WATER LINE REPLACEMENT
FOR THE CITY OF SHERMAN, TEXAS

2/27/08

ITEM NO	ITEM DESCRIPTION	EST. QTY.	UNIT	UNIT COST	ORIGINAL CONTRACT	CHANGE ORDER NO. 1			CHANGE ORDER NO. 2			QTY	CONTRACT TOTAL
						ADD	DEDUCT	TOTAL	ADD	DEDUCT	TOTAL		
1	F&I 6" DIA. WATER PIPELINE	3144	LF	26.47	$ 83,221.68							3144	$ 83,221.68
2	F&I 6" DIA. GATE VALVES	10	EA	596.30	$ 5,963.00				2		$ 1,192.60	12	$ 7,155.60
3	F&I FIRE HYDRANT ASSY.	2	EA	1,917.98	$ 3,835.96							2	$ 3,835.96
4	F&I 6X6" DIA. TAPPING SLEEVE, 6" DIA. TAPPING VALVE	1	EA	2,204.70	$ 2,204.70							1	$ 2,204.70
5	F&I CEMENT LINED D.I. FITTINGS	0.23	TONS	8,104.95	$ 1,864.14							0.23	$ 1,864.14
6	F&I SERVICE TAP	78	EA	317.39	$ 24,756.42					-9	$ (2,856.51)	69	$ 21,899.91
7	STA. 12+36: REINSTALL FIRE HYDRANT, F&I 6" LINE TEE	1	JOB	2,145.05	$ 2,145.05							1	$ 2,145.05
8	STA. 16+77: REINSTALL FIRE HYDRANT, F&I 6" LINE TEE	1	JOB	2,145.05	$ 2,145.05							1	$ 2,145.05
9	F&I ASPHALT STREET REPAIRS	143	LF	109.23	$ 15,619.89							143	$ 15,619.89
10	REPAIR CONCRETE DRVWY APPROACHES, VALLEY GUTTER	34	EA	1,081.00	$ 36,754.00		-11	$ (11,891.00)		-15	$ (16,215.00)	8	$ 8,648.00
11	REPAIR CONCRETE RESIDENTIAL SIDEWALKS	8	EA	170.00	$ 1,360.00		-7	$ (1,190.00)		-1	$ (170.00)	0	$ -
12	SLICK BORE AT TREES	9	EA	1,789.00	$ 16,101.00		-7	$ (12,523.00)		-2	$ (3,578.00)	0	$ -
CO1	SAW, REMOVE, REPLACE ASPHALT STREET		LF	15.00		1225		$ 18,375.00		-47	$ (705.00)	1178	$ 17,670.00
CO2	INSTALL (3) FH W/VALVE		EA	2,790.00					1		$ 2,790.00	1	$ 2,790.00
CO2	INSTALL CURB & GUTTER		LF	48.50					58		$ 2,813.00	58	$ 2,813.00
CO2	CONCRETE REPAIR		SF	6.00					632.8		$ 3,796.80	632.8	$ 3,796.80
CO2	ASPHALT REPAIR		SF	7.50					53.6		$ 402.00	53.6	$ 402.00
CO2	ADD. PIPE & REPAIR @ LAMBERTH		EA	1,685.00					1		$ 1,685.00	1	$ 1,685.00
CO2	ADD. PIPE & REPAIR @ PELTON		EA	842.50					1		$ 842.50	1	$ 842.50
	TOTAL				$ 195,970.89			$ (7,229.00)			$ (10,002.61)		$ 178,739.28



City of Sherman, Texas

LOCKHART STREET WATER MAIN REPLACEMENT

PROJECT LOCATION MAP

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.2

**** REQUEST TO ADVERTISE***

Sale of Property located at 1624 East King Street, being Lot 1, Block 1 of the Replat of Lot 19, Block 3, and a Portion of Harrison Street between Block 3 and 4 of the J. C. Linnstaedt's Addition

Issue

This item seeks permission to sell a platted lot located at 1624 East King Street.

Background

This property contains a portion of the Harrison Street right-of-way that will not be built and a residential lot that was combined into one tract for development. The City of Sherman received title to the residential lot in lieu of delinquent taxes owed on it and in consideration of removing a substandard house at that location. A creek prevents this portion of the street from being developed. Since this tract is large enough to hold a structure, this property must be sold using a public process. If approved, the staff will seek sealed bids on the property with a $2,500 minimum bid. The City did not receive any bids on this property when it was advertised in May of 2005.

Financial Consideration

In addition to the purchase price, this transaction will return the property to the tax rolls. It will also remove the City of Sherman's obligation to maintain the creek area. The cost of advertising is expected to be about $200.

Staff Recommendation

The staff recommends approval.

Alternatives

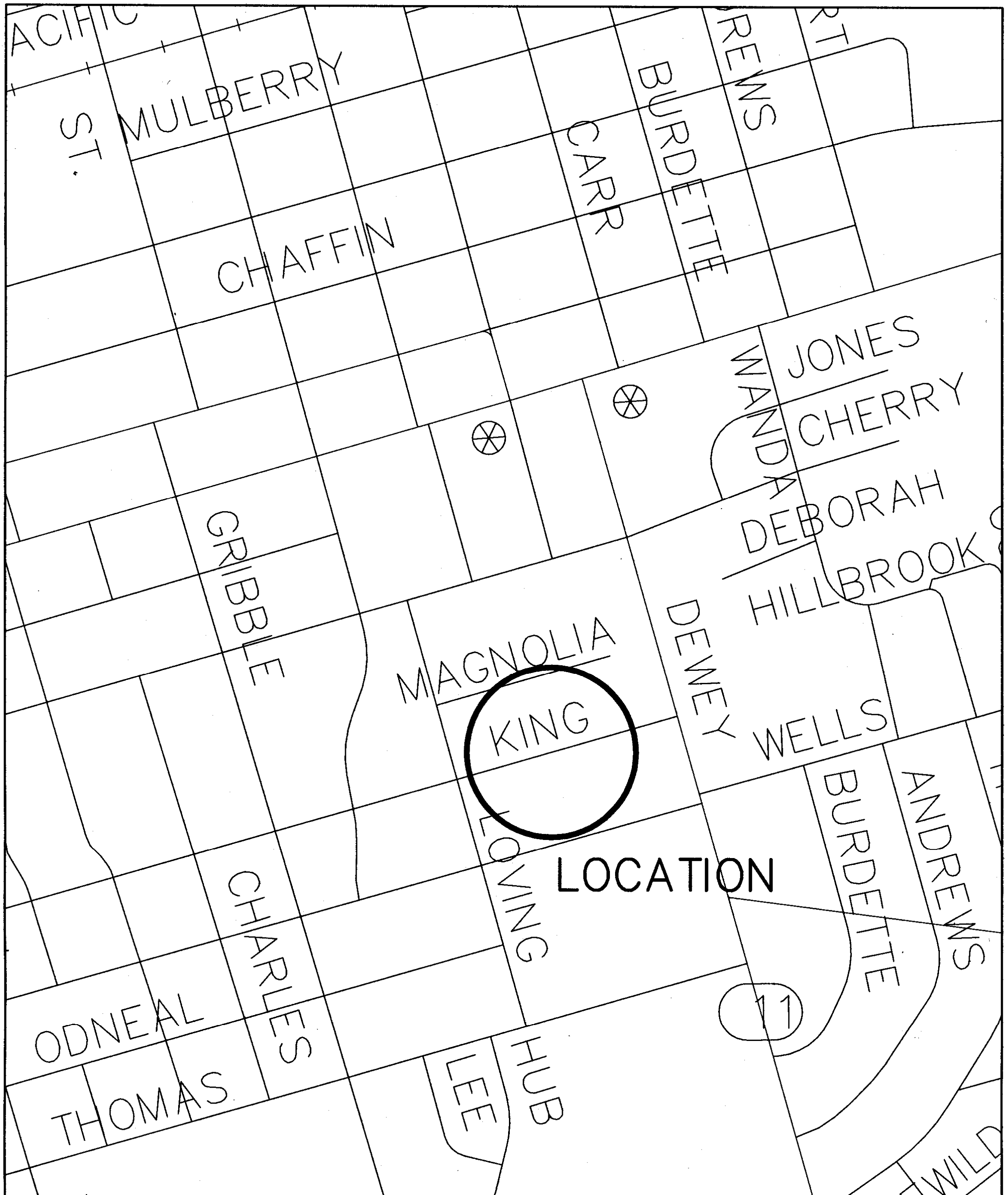
The City Council could decide to retain this property.

Attachments

Location Map
Plat

Prepared by:
Mark Gibson, Director of Utilities & Engineering

Approved by:
George Olson, City Manager



1624 EAST KING STREET

KING STREET
CONCRETE DRAIN OUTLET
110.02'
50.43'
1/2" STEEL ROD SET
N 73°33'10" E
15.40'
SANITARY SEWER EASEMENT
S 16°26'50" E
27.28'
25' BUILDING LINE
1/2" STEEL ROD FOUND
33.67'
S 41°12'32" E
41.13'
CENTERLINE DRAINAGE DITCH
S 17°58'24" E
N 16°46'20" W
LOT 1
BLOCK 1
SANITARY SEWER
S 01°33'32" W
65.53'
150.05'
150.00'
17
15
S 63°39'27" W
56.82'
113.16'
S 73°33'10" W
10' ALLEY
HARRISON
(PLATTED
20
18
16

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.3

**** REQUEST TO ADVERTISE***

Sale of Property located at 800 North Brents Street, being a 60’ x 150’ tract of land (a closed and abandoned portion of Carter Street) lying between Lot 12 in Block 1 and Lot 7 in Block 2 of the Keliehor’s Fourth Addition

Issue

This item seeks permission to sell an excess street right-of-way at 800 North Brents Street.

Background

This property is a portion of Carter Street right-of-way that was closed and abandoned as being unessential. Since it is large enough to hold a structure, this property must be sold using a public process. If approved, the staff will seek sealed bids on the property with a $2,500 minimum bid.

Financial Consideration

In addition to the purchase price, this transaction will return the property to the tax rolls. The costs of advertising is expected to be about $200.

Staff Recommendation

The staff recommends approval.

Alternatives

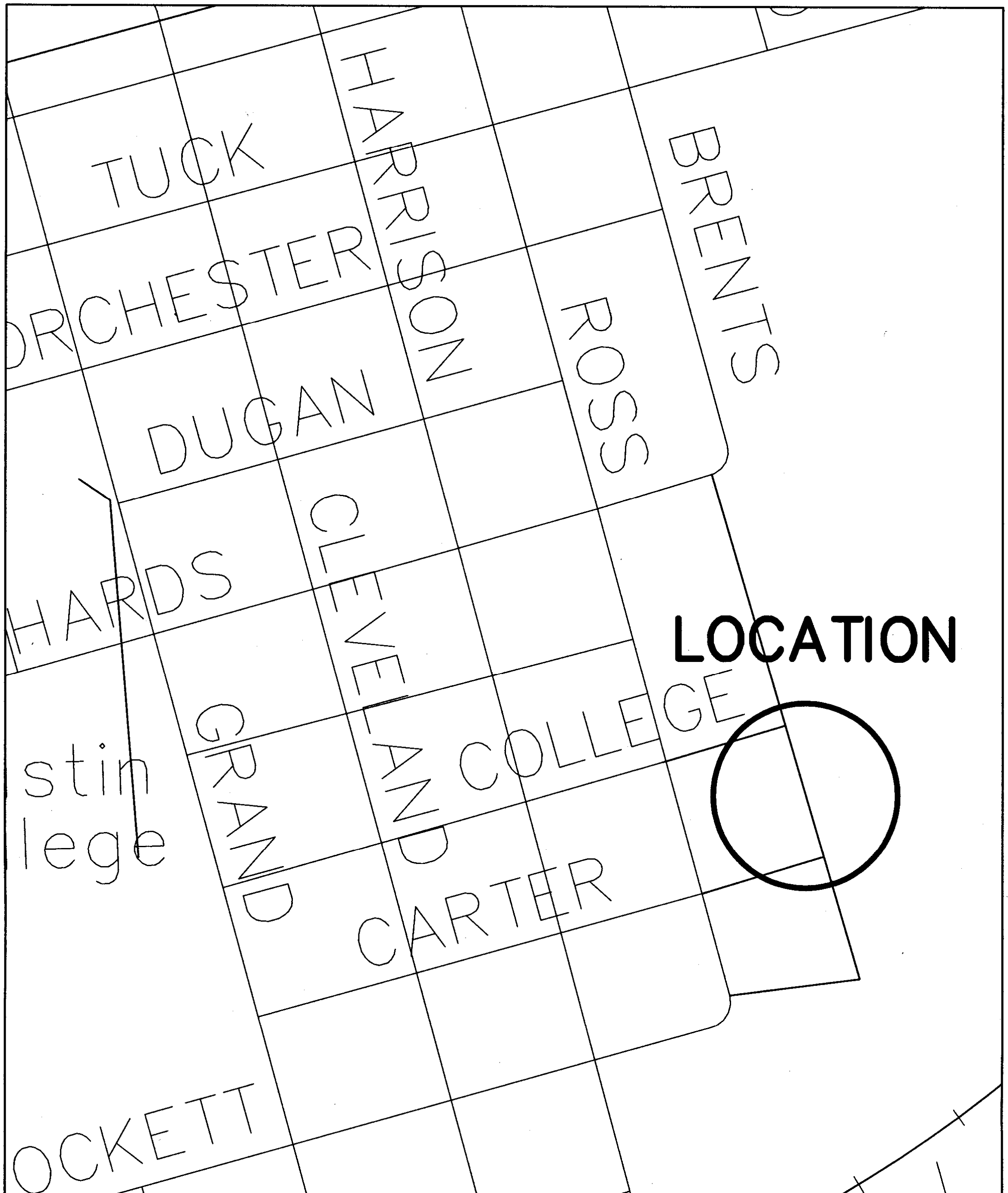
The City Council could decide to retain this property.

Attachments

Location Map
Tax Appraisal Map

Prepared by:
Mark Gibson, Director of Utilities & Engineering

Approved by:
George Olson, City Manager



800 NORTH BRENTS

KELIEHOR'S
FIRST ADD.
THIRD AD
SECTI
2124
COLLEGE STREET
ROSS
CARTER
C. J. KELIEHOR'S
2127
FOURTH ADDITION
Brents
BRENT'S EAST
2390
806
720
BROCKETT STREET

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.4

**** REQUEST TO ADVERTISE***

Sale of Property located in the 500 Block of East Lake Street being 4.024 acres in the Preston Kitchens Survey, Abstract No. 667, and the Samuel Blagg Survey, Abstract No. 56, and of the Spring Glen Park Addition, Block 9 and Part of Blocks 3 and 4, and a Part of Adjacent Streets

Issue

This item seeks permission to sell an unplatted tract of land located in the 500 Block of East Lake Street.

Background

This property contains 4.024 acres of land that was donated to the City by Earl B. Tomlin, Trustee for the Martha B. Tomlin Trust for the purpose of installing a permanent sanitary sewer easement. This land has floodplain across the eastern portion. Development of this property by the City is unlikely. Since this tract is large enough to hold a structure, this property must be sold using a public process. If approved, the staff will seek sealed bids on the property with a $4,500 minimum bid. Appropriate easements will be retained for any City utilities crossing the property.

Financial Consideration

In addition to the purchase price, this transaction will return the property to the tax rolls. It will also remove the City of Sherman's obligation to maintain the creek area. The cost of advertising is expected to be about $200.

Staff Recommendation

The staff recommends approval.

Alternatives

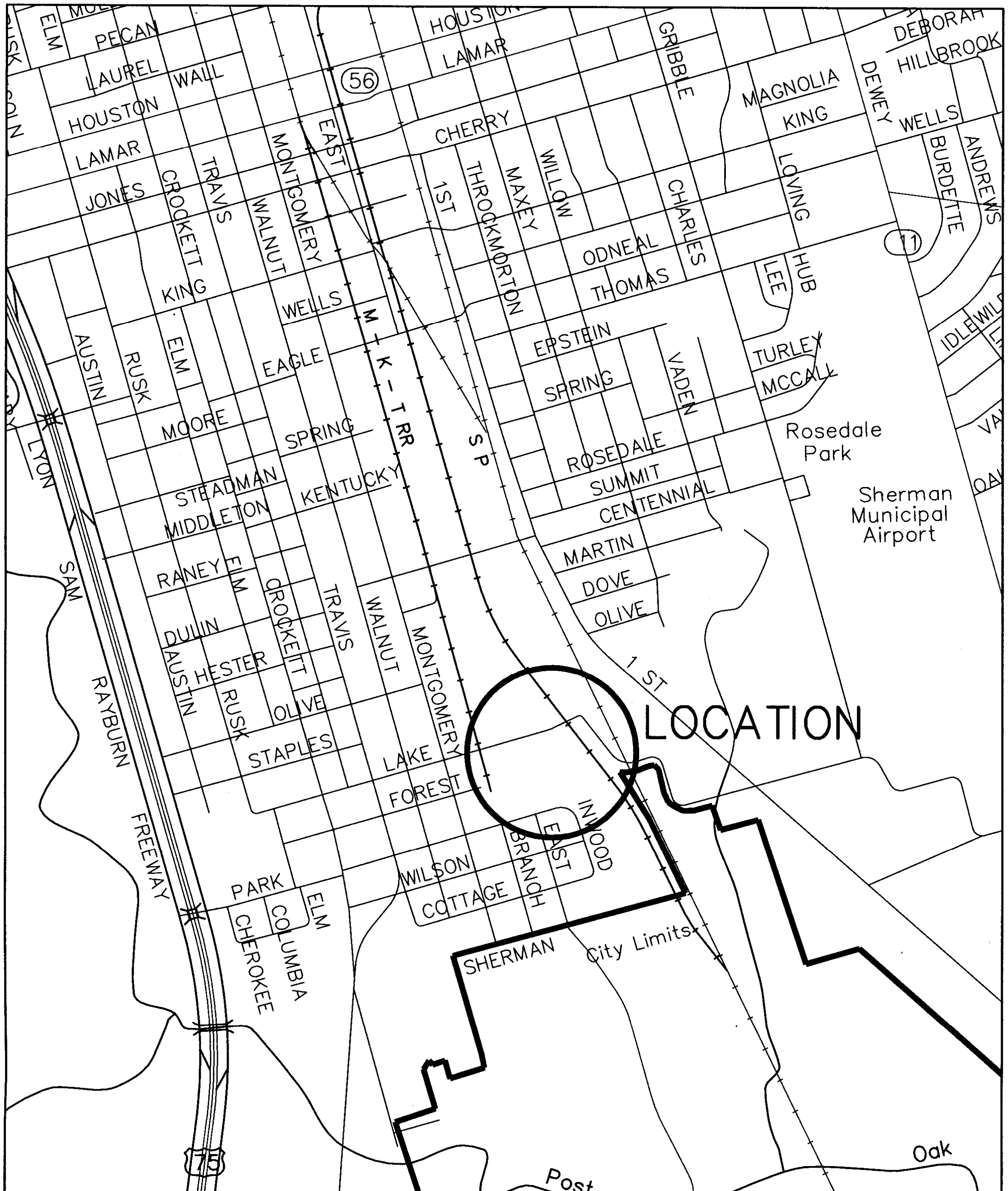
The City Council could decide to retain this property.

Attachments

Location Map
Plat

Prepared by:
Mark Gibson, Director of Utilities & Engineering

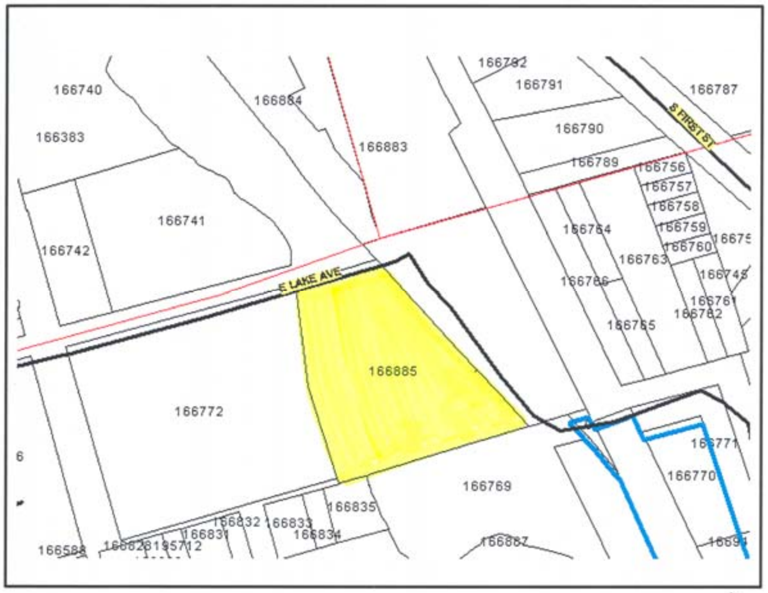
Approved by:
George Olson, City Manager



500 BLOCK OF EAST LAKE STREET

ESRI ArcExplorer 2.0

500 BLOCK EAST LAKE STREET



streets (RDNAME)
Addresses (NEW_ADD)
City_Limits (CITY_NAME)
Abstracts ()
Prop_ID (PROP_ID)

N

Monday, Mar 10 2008

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.5

OTHER BUSINESS
Receive GTUA General Manager Jerry Chapman's Update on the Proposed Mandated Groundwater Conservation District to Include Grayson County

Issue
Receive GTUA General Manager Jerry Chapman's update on the Texas Commission on Environmental Quality's proposed Groundwater Conservation District that would include Grayson County

Background
At the October 15, 2007 meeting, the City Council took formal action to oppose the creation of a mandated Groundwater Conservation District that would include Grayson County. Resolution No. 5106 was approved to request party status in the State Office of Administrative Hearings' contested hearing of October 23, 2007, as well as the payment of between $10,000.00 and $15,000.00 as Sherman's portion of the legal fees for this stage of the effort.

Origination
City Manager and GTUA General Manager

Council Action Requested
Consider approval of Sherman's continued participation in this ongoing legal effort

Alternatives
None recommended

Attachments
Mr. Chapman's Memo of March 11, 2008
Resolution No. 5106
Map of Groundwater Districts in GMA Region 8

Prepared and Approved by:
George Olson, City Manager

GREATER TEXOMA UTILITY AUTHORITY

5100 AIRPORT DRIVE
DENISON, TEXAS 75020-8448
903/786-4433
FAX: 903/786-8211
www.gtua.org

March 11, 2008

Mr. George Olson
City of Sherman
PO Box 1106
Sherman, TX 75091-1106

RE: Groundwater Issues

Dear George:

Thank you for the opportunity to meet with the Sherman City Council on Monday, March 17th to discuss some of the activities related to the Primary Groundwater Management Area recommended by the Texas Commission on Environmental Quality in their "Updated Evaluation for the North Central Texas Trinity-Woodbine Aquifers/Primary Groundwater Management Study Area." As you know, the situation with respect to groundwater issues seems to be constantly changing.

On Monday, I hope to be able to discuss with you and the Council some of these changing conditions. While it is important to continue to voice opposition to the imposition of a Groundwater Conservation District (GCD) in the area, it is also important to recognize the possibility that a GCD may be imposed regardless of the best legal efforts to avoid one.

The groundwater providers in the area should develop an alternative plan that will be acceptable to all parties in the event the legal battle to oppose the creation of one or more GCDs in the area is unsuccessful. Perhaps we can review some of the factors that should be considered and to suggest steps that might be important to undertake before the next legislative session.

Sincerely,

Jerry W. Chapman

Jerry W. Chapman
General Manager

JWC:cc

Request for party status
in a contested case hearing
regarding TCEQ staff recomendation
to create a groundwater cons. dist.

RESOLUTION NO. 5106

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING A REQUEST FOR PARTY STATUS IN A CONTESTED CASE HEARING REGARDING THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY STAFF'S RECOMMENDATION TO CREATE A GROUNDWATER CONSERVATION DISTRICT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the Texas Commission on Environmental Quality ("TCEQ") staff has published a report titled Updated Evaluation for the North-Central Texas Trinity and Woodbine Aquifers Priority Groundwater Management Study Area (the "Study"); and

WHEREAS, the Study recommends designating thirteen counties, including Grayson County, as a priority groundwater management area; and

WHEREAS, the Study recommends creating a groundwater conservation district ("District") that would include Grayson County; and

WHEREAS, the City of Sherman currently provides potable water to its water utility customers by relying on groundwater from the Trinity or Woodbine Aquifers; and

WHEREAS, the TCEQ staff has recommended that the District be empowered to regulate groundwater production and to impose user fees; and

WHEREAS, if a District is created pursuant to the TCEQ staff's recommendation, such a District would have the power to regulate City of Sherman groundwater wells and to impose fees for using those wells; and

WHEREAS, the City of Sherman opposes the creation of a District because, in part, groundwater conditions in Grayson County do not justify creating a District; and

WHEREAS, the State Office of Administrative Hearings ("SOAH") has scheduled a hearing on October 23, 2007 for the purpose of allowing interested persons to seek party status in order to support or oppose the TCEQ staff's recommendation to create a District;

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

SECTION 1. That the Mayor be and is hereby authorized to request party status for the City of Sherman at SOAH's October 23, 2007 hearing and to oppose TCEQ staff's recommendation to create a District.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the 15th day of October, 2007.

CITY OF SHERMAN, TEXAS

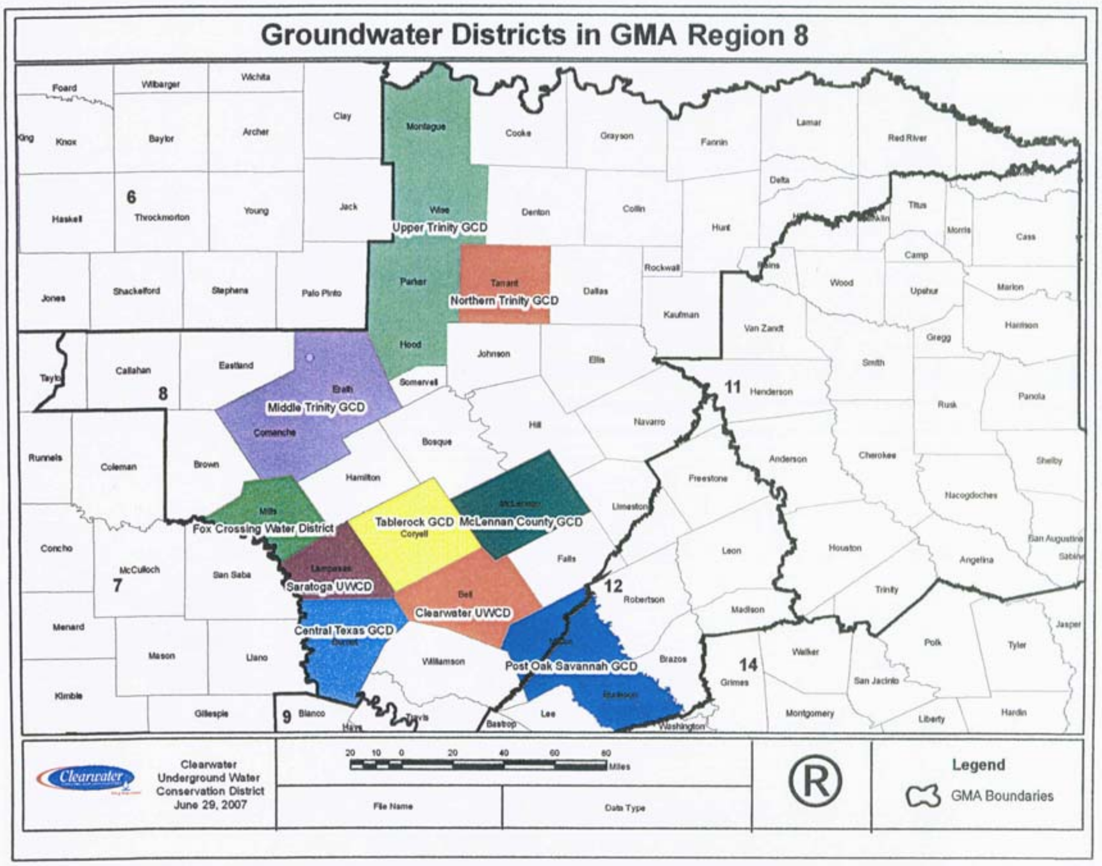
BY: ______________________
BILL MAGERS, MAYOR

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________
DOREEN E. MCGOOKEY,
CITY ATTORNEY


Groundwater Districts in GMA Region 8
Upper Trinity GCD
Northern Trinity GCD
Middle Trinity GCD
Fox Crossing Water District
Tablerock GCD
McLennan County GCD
Saratoga UWCD
Clearwater UWCD
Central Texas GCD
Post Oak Savannah GCD
6
7
8
9
11
12
14
Montague
Cooke
Grayson
Fannin
Lamar
Red River
Wise
Denton
Collin
Hunt
Delta
Parker
Tarrant
Dallas
Rockwall
Kaufman
Hood
Johnson
Ellis
Somervell
Erath
Comanche
Bosque
Hill
Navarro
Hamilton
Mills
Coryell
Lampasas
Bell
Falls
Limestone
Burnet
Williamson
Milam
Robertson
Brazos
Burleson
Travis
Bastrop
Lee
Washington
Clearwater
Underground Water
Conservation District
June 29, 2007
20 10 0 20 40 60 80
Miles
File Name
Data Type
Legend
GMA Boundaries

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.6

OTHER BUSINESS
Accept Annual Audit Report for Year Ended September 30, 2007 from Patillo, Brown & Hill, LLP

Issue
To receive a presentation from Patillo, Brown & Hill, LLP of Waco, Texas, and accept the audit report for the year ended September 30, 2007

Background
On March 10th, the Audit Committee, City Manager, Assistant City Manager, and Controller met with the City's external auditors to discuss the results of the independent audit for the year ended September 30, 2007. This year's audit provided a unique challenge because of new City staff in the Finance area, a comprehensive conversion of the accounting system, and engagement of a new audit firm. The report contains two prior period adjustments related to implementation of recent accounting regulations that came into effect in 2003 regarding compensated absences, and conversion of the City's fixed asset data to the new accounting system.

The auditors gave a "clean" audit opinion, meaning that, in their opinion, the financial statements are fairly presented in accordance with established accounting standards. The City continues to maintain solid fund balances. The Audit Committee had various questions regarding the draft audit report and, after discussion, recommended the report be presented to the Council at the March 17, 2008 meeting.

Origination
Assistant City Manager/CFO

Financial Consideration
None

Staff Recommendation
The staff recommends that the Council accept the audit report, as recommended by the Audit Committee.

Alternatives
None recommended

Attachments
Audit Report (distributed separately)

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.7

OTHER BUSINESS
Receive Quarterly Report from Tourism Director Shawnda Rains

Issue
To receive Tourism Director Shawnda Rains' quarterly report

Background
The brief presentation by Tourism Director Shawnda Rains will provide the City Council with an overview of the Department of Tourism's activities and accomplishments during the last three (3) months. Ms. Rains presented her last quarterly report to the City Council at the September 17, 2007 meeting.

Origination
City Council

Attachments
None

Prepared and Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.8

**** OTHER BUSINESS***

Consider Bid Rejection for the Sherman Police Department's Data Collection Equipment

Issue

To consider rejection of the three (3) bids received for the purchase of data collection equipment for the Sherman Police Department, to be funded through a State Homeland Security Grant. The City Attorney has opined that any rejection of bids must be taken before the City Council for approval.

Background

On October 12, 2007, the Governor's Division of Emergency Management notified the City of Sherman that we had been awarded $163,707.17 in Homeland Security Grant Funds. These funds are directed for three projects, one of which is to enhance the data collection ability of the Sherman Police Department. The project was properly advertised; and three (3) bids were received. None of the three (3) bids met the specifications or legal requirements of the initial bid process.

Origination

Police Chief Tom Watt

Financial Consideration

The funds for this purchase will be reimbursed to the City of Sherman once the Division of Emergency Management is notified of our receipt of the data collection equipment. Funds for the equipment purchase are available in the current budget. The cost to readvertise is expected to be about $200.

Staff Recommendation

Staff is recommending the project be re-bid because none of the three (3) bids met the specifications or legal requirements of the initial bid process.

Alternatives

None recommended

Attachments

None

Prepared by:
Tom Watt, Police Chief

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.9

CITIZEN REQUESTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.10

MEDIA QUESTIONS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. D.11

COUNCIL COMMENTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. E.1

EXECUTIVE SESSION
In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections"

Section 551.072 **Deliberations Regarding Real Property**
- **a) Deliberate Regarding the Potential Purchase of a Piece of Real Property**

Section 551.087 **Deliberations Regarding Economic Development Negotiations:**
- **a) Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:**
  - **1) Panda Energy**

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. F.1

OPEN MEETING
Reconvene into Open Meeting and consider action, if any,
on items discussed in Executive Session

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. F.2

ADJOURNMENT

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-17-2008

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2008

CITY COUNCIL MEETINGS

JANUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	15	16	17	18	19
20	**21**	**22**	23	24	25	26
27	28	29	30	31		

FEBRUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	**4**	5	6	7	8	9
10	11	12	13	14	15	16
17	**18**	19	20	21	22	23
24	25	26	27	28	**29**	

MARCH

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3**	4	5	6	7	8
9	10	11	12	13	14	15
16	**17**	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

APRIL

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	15	16	17	18	19
20	**21**	22	23	24	25	26
27	28	29	30			

MAY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	**5**	6	7	8	9	**10**
11	12	13	14	15	16	17
18	**19**	20	21	22	23	24
25	26	27	28	29	30	31

JUNE

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	**2**	3	4	5	6	7
8	9	10	11	12	13	14
15	**16**	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

JULY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	15	16	17	18	19
20	**21**	22	23	24	25	26
27	28	29	30	31		

AUGUST

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	**4**	5	6	7	8	9
10	11	12	13	14	15	16
17	**18**	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	**2**	3	4	5	6
7	8	9	10	11	12	13
14	**15**	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	**6**	7	8	9	10	11
12	13	14	15	16	17	18
19	**20**	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3**	4	5	6	7	8
9	10	11	12	13	14	15
16	**17**	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	**15**	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

01/21/08 - M.L.K., Jr. Birthday - Called Council Meeting on 01/22/08
02/29/08 - 12:00 Noon Called Meeting with Chamber Board
05/10/08 - City Council Election
09/01/08 - Labor Day - Called Council Meeting on 09/02/08