



# City of Sugar Land

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## City Council Agenda

Sugar Land City Hall  
2700 Town Center  
Boulevard North  
Sugar Land, TX 77479

**Tuesday, June 16, 2026**  
**City Council Meeting**  
**City Council Chambers**  
**5:30 PM**

### **I. Attention**

Members of the City Council, Board and/or Commission may participate in deliberations of posted agenda items through video conferencing means. A quorum of the City Council, Board and/or Commission will be physically present at the above-stated location, and said location is open to the public. Audio/Video of open deliberations will be available for the public to hear/view; and are recorded as per the Texas Open Meetings Act.

The meeting will live stream at <https://www.sugarlandtx.gov/1238/SLTV-16-Live-Video> or <https://youtube.com/live/tfmz8pTrhq4?feature=share>. Sugar Land Comcast/Xfinity Cable Subscribers can also tune-in on Channel 16.

### **II. Call to Order**

### **III. Invocation**

Council Member Stewart Jacobson

### **IV. Pledges of Allegiance**

Council Member Stewart Jacobson

### **V. Public Comment**

Pursuant to Texas Government Code section 551.007, citizens are permitted to address the City Council, Board, and/or Commission in person regarding matters posted for consideration or workshop on the agenda. Each speaker must complete a "Request to Speak" form and give it to the City Secretary or designee, prior to the beginning of the meeting.

Each speaker is limited to 3 minutes, speakers requiring a translator will have 6 minutes, regardless of the number of agenda items to be addressed. Comments or discussion by City Council, Board, and/or Commission members, will only be made at the time the subject is scheduled for consideration.

For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

### **VI. Consent Agenda**

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

#### **A. MINUTES**

Consideration of and action on the approval of the minutes of the June 2, 2026, meeting.

**Linda Mendenhall, City Clerk**

#### **B. PROFESSIONAL SERVICES CONTRACT WITH WOOLPERT**

Consideration of and action on authorization of a Contract with Woolpert, in the amount of \$693,242.00, for phase one design of the Terminal Ramp Expansion & Vertiport Project, CIP CAP2501.

**Mitchell Davies, Director of Aviation**

- C. **AMENDMENT NO. 1 WITH FIRST DUE HOLDINGS, INC**  
 Consideration of and action on Amendment No. 1 to the agreement for services with Governmental Rider (Contract No. 3251494) with First Due Holdings, Inc., for fire department scheduling, community risk reduction, and operational software modules in an amount not to exceed \$113,905.75 over the contract term.  
**Mark Campise, Fire Chief**
- D. **CONTRACT WITH SUMMUS INDUSTRIES, INC.**  
 Consideration of and action on the approval of a contract with Summus Industries, Inc. in the amount of \$198,576.30 for the FY26 technology refresh of computer hardware and peripherals under purchasing agreement DIR-CPO-5792.  
**Steve Budny, Director of IT, Data, and Security**
- E. **AMENDMENT TO REBEES HOT AGREEMENT**  
 Consideration of and action on the approval of the amendment to the agreement between the City of Sugar Land and Sugar Land Town Square POA/Rebees.  
**Alison Brooks, Assistant Director of Tourism**
- F. **CONTRACT WITH ATKINSRÉALIS USA INC.**  
 Consideration of and action on the authorization of the execution of a professional services contract with AtkinsRéalis USA Inc., for the Austin Parkway Reconstruction Phase I Project, CIP CMB2602, in the amount of \$152,775,50.  
**Alece Poudel, Engineering Manager**
- G. **INTERLOCAL COOPERATION AGREEMENT WITH FORT BEND COUNTY TAX ASSESSOR/ COLLECTOR**  
 Consideration of and action on the approval of the Interlocal Cooperation Agreement with Fort Bend County for continued property tax assessment and collection services on behalf of the City of Sugar Land.  
**ShaLae Steadman, Director of Budget**
- H. **OPIOID LITIGATION SETTLEMENT FUND BUDGET AMENDMENT**  
 Consideration of and action on the approval of a budget amendment to the FY2026 Opioid Litigation Settlement Fund revenues and expenditures in the amount of \$24,838.23.  
**Gregory Suter, Police Captain - Staff Services Bureau**
- I. **INTERLOCAL AGREEMENT WITH FORT BEND INDEPENDENT SCHOOL DISTRICT**  
 Consideration of and action on an Interlocal Agreement between the City of Sugar Land and Fort Bend Independent School District to support Sugar Land's 2027 Community Expo efforts.  
**Briana Williams, Assistant Director of Parks & Recreation**
- J. **ENGAGEMENT LETTER WITH WEAVER AND TIDWELL, L.L.P.**  
 Consideration of and action on approval of an Engagement Letter with Weaver and Tidwell, L.L.P. for FY 2026 Annual Audit Services in an amount not to exceed \$161,500.  
**Michelle McCrimmon, Assistant City Manager**

- K. Consideration of and action on **CITY OF SUGAR LAND RESOLUTION 26-29**: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE U.S. DEPARTMENT OF HOMELAND SECURITY (DHS) FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), FOR FISCAL YEAR 2025 ASSISTANCE TO FIREFIGHTERS GRANT (AFG) PROGRAM; AND DESIGNATING THE CITY MANAGER, OR HIS DESIGNEE, AS AUTHORIZED GRANT OFFICIAL TO APPLY FOR, ACCEPT, REJECT, ALTER, OR TERMINATE THE GRANT AND TO EXECUTE ALL GRANT RELATED DOCUMENTS.

**Mark Campise, Fire Chief**

- L. Consideration of and action on **CITY OF SUGAR LAND RESOLUTION NO. 26-28**: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, APPOINTING MEMBERS TO THE LEGISLATIVE CITIZEN'S TASK FORCE.

**Spencer Gutierrez, Intergovernmental Relations Manager**

- M. **SECOND CONSIDERATION**: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2403**: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING PROVISIONS IN CHAPTER 3 RELATED TO TREES AND VEGETATION; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.

**Nicole Guevara, Assistant Director of Neighborhood Services**

## **VII. Public Hearings**

- A. **PUBLIC HEARING 5:30 P.M.**: Receive and hear all persons desiring to be heard on the proposed Water Well Drilling Permit Application with Mister Car Wash.

Consideration of and action on authorization of a Water Well Drilling Permit Application with Mister Car Wash.

**Margo Williams, Water Resources Manager**

## **VIII. Contracts and Agreements**

- A. **THE GROUNDWATER REDUCTION PLAN PARTICIPATION AGREEMENT**

Consideration of and action on the approval of the Groundwater Reduction Plan Participation Agreement between the City of Sugar Land and Mister Car Wash to join the City of Sugar Land Groundwater Reduction Plan (GRP).

**Margo Williams, Water Resources Manager**

## **IX. Ordinances and Resolutions**

- A. **FIRST CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2402:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY RENAMING ARTICLE VIII (WATER AND WASTEWATER) OF CHAPTER 5 (PUBLIC PROPERTY AND SERVICES) TO WATER, WASTEWATER AND STORMWATER; ADDING A NEW DIVISION 13 (STORMWATER COALITION) TO THE RENAMED ARTICLE, ESTABLISHING STORMWATER COALITION FEES, AND SETTING FORTH OTHER PROVISIONS RELATED THERETO.

**Christian Eubanks, Environmental Manager**

- B. **FIRST AND FINAL CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2407:** AN ORDINANCE AUTHORIZING THE ISSUANCE OF COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATIONS, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE CERTIFICATES; AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.

**Michelle McCrimmon, Assistant City Manager**

- C. **FIRST AND FINAL CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2408:** AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION AND/OR REFUNDING BONDS, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE BONDS; AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.

**Michelle McCrimmon, Assistant City Manager**

- D. **FIRST AND FINAL CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2409:** AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATERWORKS AND SEWER SYSTEM REVENUE AND/OR REFUNDING BONDS, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE BONDS, AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.

**Michelle McCrimmon, Assistant City Manager**

## **X. City Council and City Manager Reports**

In accordance with Texas Government Code section 551.0415, City Council Members and the City Manager may provide reports on items of community interest. No action, consideration or discussion will occur regarding these reports.

## **XI. Closed Executive Session**

- A. Closed Executive Session as authorized by Chapter 551, Texas Government Code, in accordance with:

### **Section 551.087 Deliberation Regarding Economic Development Negotiations:**

For the purpose of deliberation regarding the offer of a financial or other incentive to a business prospect the City seeks to have locate, stay, or expand in or near the City.

**Jennifer Alexander, Business Development Manager**

## **XII. Adjournment**

**The Mayor and City Council reserve the right, upon motion, to suspend the rules to consider business out of the posted order. In addition to any Executive Session listed above, the City Council reserves the right to adjourn into Executive Session at any time during this meeting for the purpose of consultation with the Attorney as authorized by Texas Government Code Sections 551.071 to discuss any of the matters listed above.**

**If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact the City Secretary, (281) 275-2730. Requests for special services must be received 48 hours prior to the meeting time. Reasonable accommodations will be made to assist your needs.**

**The agenda and supporting documentation is located on the [City Website](#) under meeting agendas.**

**Posted on this 10th day of June 2026 at 4:30 P.M.**



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.A.

**Agenda of:** City Council Meeting

**Initiated by:** Charlotte Graves, Agenda & Public Meeting Coordinator

**Presented by:** Linda Mendenhall, City Clerk

**Responsible Department:** Admin

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**Agenda Caption:**

**MINUTES**

Consideration of and action on the approval of the minutes of the June 2, 2026, meeting.

**Recommended Action:**

Consideration of and action on the approval of the minutes of the June 2, 2026, meeting.

**Executive Summary:**

Consider the minutes of the June 2, 2026, meeting.

### **Budget**

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**Expenditure Required:** n/a

**Current Budget:** n/a

**Additional Funding:** n/a

**Funding Source:** n/a

**Account Number (ORG-OBJ-Project):** n/a

### **Attachments**

1. 6.2.26 City Council Meeting Minutes



# City of Sugar Land

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## City Council Minutes

Sugar Land City Hall  
2700 Town Center  
Boulevard North  
Sugar Land, TX 77479

**Tuesday, June 2, 2026**  
**City Council Meeting Minutes**  
**City Council Chamber**  
**5:30 PM**

### **I. Attention**

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### **II. Call to Order**

#### **QUORUM PRESENT**

Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, and Carol McCutcheon were present.

### **III. Invocation**

Council Member Jim Vonderhaar

### **IV. Pledges of Allegiance**

Council Member Jim Vonderhaar

### **V. Recognition**

A. DEBRA COFFMAN  
OUTSTANDING COMMUNITY SERVICE  
**Carol McCutcheon, Mayor**

### **VI. Public Comment**

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For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

No members of the public addressed the Council.

## **VII. Consent Agenda**

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### **A. MINUTES**

Consideration of and action on the approval of the minutes of the May 19, 2026, meeting.

**Linda Mendenhall, City Clerk**

A motion to **Approve consent agenda items A through H.** , was made by Stewart Jacobson and seconded by Sanjay Singhal, the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

### **B. CONTRACT WITH BOWMAN CONSULTANT GROUP, LTD.**

Consideration of and action on the authorization of the execution of a professional services contract with Bowman Consultant Group, Ltd. for the Austin Parkway Reconstruction Phase II Project, CIP CMB2603, in the amount of \$536,656.00.

**Greg Nichols, Senior Project Manager**

### **C. Consideration of and action on CITY OF SUGAR LAND RESOLUTION NO. 26-**

**27: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS SUSPENDING THE JUNE 8, 2026 EFFECTIVE DATE OF SIENERGY GAS, LLC'S REQUESTED INCREASE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES IN THE SIENERGY SERVICE AREA; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; AUTHORIZING INTERVENTION IN SIENERGY'S STATEMENT OF INTENT TO CHANGE GAS UTILITY RATES WITHIN THE INCORPORATED AREAS SERVED BY SIENERGY AND NOTICE OF CONSOLIDATION AT THE RAILROAD COMMISSION; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES.**

**Meredith Riede, City Attorney**

### **D. ACCEPTANCE OF ASSIGNMENT FROM MUD NO. 269 FOR CONSTRUCTION CONTRACT WITH LANDMARK STRUCTURES**

Consideration of and action on the acceptance of the assignment from MUD 269 of one (1) construction contract with Landmark Structures for the construction of the Ryehill Water Plant Elevated Storage Tank (EST), in the amount of \$6,533,000.00.

**Robert Wilson, Assistant City Engineer**

- E. **CONTRACT AMENDMENT WITH RIVER NORTH TRANSIT, LLC**  
Consideration of and action on the approval of the execution of Amendment No. 2 to the Microtransit Service Contract with River North Transit, LLC, increasing services to cover additional demand during FIFA World Cup 2026 activities (June 7 to July 19) in the amount of \$99,976.86.  
**Melanie Beaman, Transportation & Mobility Manager**
- F. **SUGAR LAND 4B CORPORATION BOARD OF DIRECTORS APPOINTMENT**  
Consideration of and action on appointment of Suzanne Whatley for an unexpired term ending September 30, 2026, to the Sugar Land 4B Corporation Board of Directors.  
**Carol McCutcheon, Mayor**
- G. **TAX INCREMENT REINVESTMENT ZONE NUMBER THREE BOARD OF DIRECTORS APPOINTMENT**  
Consideration of and action on appointment of Rob Boettcher, Position 2, for an unexpired term ending December 31, 2026, to the Tax Increment Reinvestment Zone Number Three Board of Directors.  
**Carol McCutcheon, Mayor**

## H. COUNCIL COMMITTEE APPOINTMENTS

Consideration of and action on the Council Committee appointments of City Council Members to Mayor Pro Tem, Standing Committees, Task Forces, and Government Agencies:

- **Mayor Pro Tem for a term ending May 31, 2027**
  - Jim Vonderhaar
- **Finance/Audit Committee for a term ending May 31, 2027**
  - Carol McCutcheon
  - Stewart Jacobson
  - Rick Miller
- **Intergovernmental Relations Committee for a term ending May 31, 2027**
  - Carol McCutcheon
  - Rob Boettcher
  - Rick Miller
- **Compensation Committee for a term ending May 31, 2027**
  - Carol McCutcheon
  - Suzanne Whatley
  - Sanjay Singhal
- **Boards and Commissions Appointment Task Force for a term ending May 31, 2027**
  - Carol McCutcheon
  - Sanjay Singhal
  - Rick Miller
- **Houston-Galveston Area Council (H-GAC) General Assembly for a term ending May 31, 2027**
  - Primary: Stewart Jacobson
  - Alternate: Sanjay Singhal
- **Houston-Galveston Area Council (H-GAC) Transportation Policy Council for a term ending May 31, 2027**
  - Primary: Suzanne Whatley
  - Alternate: Jim Vonderhaar

### **Carol McCutcheon, Mayor**

## **VIII. Appointment**

### A. ECONOMIC DEVELOPMENT COMMITTEE APPOINTMENTS

Consideration of and action on the appointment of Carol McCutcheon, Mayor; and Suzanne Whatley, Sugar Land 4B Corporation Representative, and a Sugar Land Development Corporation Director to the City Council's Economic Development Committee, for a term ending May 31, 2027.

### **Carol McCutcheon, Mayor**

The City Council appointed Mayor Carol McCutcheon and Suzanne Whatley as the Sugar Land 4B Corporation Representatives, and Jim Vonderhaar as the Sugar Land Development Corporation Director for the Economic Development Committee for a term ending May 31, 2027.

A motion to **Approve the Economic Development Committee appointments**, was made by Sanjay Singhal and seconded by Robert Boettcher; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim

Vonderhaar, Carol McCutcheon

## **IX. Ordinances and Resolutions**

- A. **FIRST CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2403:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING PROVISIONS IN CHAPTER 3 RELATED TO TREES AND VEGETATION; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.

**Nicole Guevara, Assistant Director of Neighborhood Services**

Nicole Guevara, Assistant Director of Neighborhood Services, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve the first reading of Ordinance No. 2403** was made by Suzanne Whatley and seconded by Rick Miller; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

## **X. Contracts and Agreements**

- A. **INTERLOCAL AGREEMENT WITH FORT BEND COUNTY**

Consideration of and action on an interlocal agreement with Fort Bend County for \$100,000 to support Sugar Land's FIFA World Cup 2026-related tourism and economic development efforts; and authorization of a Budget Amendment in the amount of \$100,000 to revenues and expenditures.

**Alison Brooks, Assistant Director of Tourism**

Alison Brooks, Assistant Director of Tourism, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve HOT Interlocal Agreement with Fort Bend County**, was made by Sanjay Singhal and seconded by Jim Vonderhaar; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

- B. **INTERLOCAL AGREEMENT WITH FORT BEND COUNTY**

Consideration of and action on the authorization of the execution of an Interlocal Agreement (ILA) with Fort Bend County for design and construction of Gannoway Lake Trails and Park.

**Jonathan Braun, Assistant City Engineer**

Jonathan Braun, Assistant City Engineer, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve Interlocal Agreement for Gannoway Lake Trails** was made by Suzanne Whatley and seconded by Sanjay Singhal; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

## **XI. Workshop**

- A. **PROPOSED REVISIONS – BOARDS, COMMISSIONS, AND COMMITTEES**  
Review and discuss proposed updates to Resolution No. 21-17, City Council Policy on Boards, Commissions, and Committees (City Code of Ordinances, Part II, Chapter 2, Article III), and provide direction on potential amendments.  
**Linda Mendenhall, City Clerk**

Linda Mendenhall, City Clerk, gave a presentation, made comments, and answered questions from the Council.

## **XII. City Council and City Manager Reports**

In accordance with Texas Government Code section 551.0415, City Council Members and the City Manager may provide reports on items of community interest. No action, consideration or discussion will occur regarding these reports.

Mayor McCutcheon and the City Council gave comments and reported on events and activities attended. Michael Goodrum, City Manager, gave comments and reported on events and activities attended.

## **XIII. Adjournment**

A motion to **Adjourn at 6:41 p.m.** was made by Sanjay Singhal and seconded by Carol McCutcheon; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

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**Linda Mendenhall, City Clerk**





## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.B.

**Agenda of:** City Council Meeting

**Initiated by:** Mitchell Davies, Director of Aviation

**Presented by:** Mitchell Davies, Director of Aviation

**Responsible Department:** Airport

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**Agenda Caption:**

**PROFESSIONAL SERVICES CONTRACT WITH WOOLPERT**

Consideration of and action on authorization of a Contract with Woolpert, in the amount of \$693,242.00, for phase one design of the Terminal Ramp Expansion & Vertiport Project, CIP CAP2501.

**Recommended Action:**

Approve Professional Services Contract with Woolpert in the amount of \$693,242.00 for Phase One design of the Terminal Ramp Expansion & Vertiport Project, CIP CAP2501.

**Executive Summary:**

Following completion of the Sugar Land Regional Airport Vertiport Study, approved by City Council on June 17, 2025, the Airport is prepared to transition into the next phase of the project, which is design of the Terminal Ramp Expansion & Vertiport Project. Airport staff is seeking approval of a professional services contract with Woolpert in the amount of \$693,242 to provide design services for the first phase of implementation.

The Vertiport Study evaluated numerous components associated with Advanced Air Mobility (AAM) integration at Sugar Land Regional Airport, including Vertiport type, site selection based on existing infrastructure, overall site layout, existing and future obstructions, aircraft approach paths, downwash and outwash impact areas, and electrification strategies. The study ultimately recommended implementing the overall expansion concept into four development phases to allow the Airport to strategically scale improvements based on future demand and funding opportunities.

As part of the implementation strategy identified in the study, the Airport plans to initially advance development through Phase 2A of the recommended long-term phasing plan. For project delivery purposes, the design and construction associated with improvements through Phase 2A will collectively be considered "Phase One" of the Terminal Ramp Expansion &

Vertiport Project. Two additional phases identified in the study may be pursued in the future, depending on operational demand, AAM growth, and available funding opportunities.

Airport staff evaluated the various Vertiport concepts explored during the study and selected a hybrid operational layout rather than a fully dedicated Vertiport facility. The selected concept includes a designated landing area for electric Vertical Takeoff and Landing (eVTOL) aircraft that connects directly to an expanded aircraft parking ramp capable of accommodating both traditional fixed-wing aircraft and future eVTOL operations.

This approach minimizes financial risk by ensuring the expanded pavement infrastructure remains fully functional and beneficial regardless of the pace of Advanced Air Mobility adoption. The hybrid layout allows the Airport to support emerging aviation technologies from one facility while continuing to meet existing operational demand for traditional aircraft parking and ramp capacity.

Additionally, Airport staff recommends initially pursuing mobile charging solutions rather than constructing permanent electrification infrastructure during the first phase of development. This strategy reduces the risk associated with investing heavily in emerging technologies with uncertain near-term demand, while still allowing the Airport flexibility to scale infrastructure investments as the Advanced Air Mobility market matures. Mobile charging systems provide an adaptable and lower-cost solution that can evolve alongside future operational needs.

Construction associated with phase one is currently anticipated in FY29 to accommodate the anticipated financial impacts of the Airport's upcoming runway reconstruction project and to allow for appropriate long-term capital planning and funding coordination. Based on preliminary estimates, phase one construction costs are anticipated to range between \$6 million and \$7 million, with a more refined engineer's estimate to be developed during the design phase. At this time, no grant funding opportunities are available for the project. The Airport intends to recover project investments over time through future user-generated revenue sources associated with Advanced Air Mobility operations and expanded ramp utilization, including eVTOL landing fees, charging fees, fuel sales, and the Airport's newly established infrastructure fee.

The design project is anticipated to take 8 months to complete. Airport staff recommends City Council approve the professional services contract in the amount of \$693,242.00 with Woolpert for the Terminal Ramp Expansion & Vertiport Project, CIP CAP2501.

## **Budget**

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**Expenditure Required:** \$693,242.00

**Current Budget:** \$736,446.00

**Additional Funding:** \$0.00

**Funding Source:** AP CIP 2501

**Account Number (ORG-OBJ-Project):** 6129405-621015

## **Attachments**

1. Cover Page Woolpert Contract

**CITY OF SUGAR LAND CONTRACT  
FOR PROFESSIONAL ENGINEERING DESIGN  
SERVICES FOR CITY FACILITIES**

\$100,000 to \$999,999  
(Rev. 1-16-25)

**I. Signatures.** By signing below, the parties agree to the terms of this Contract.

**CITY OF SUGAR LAND**

**ENGINEER:**

**By:**

**By:**

DocuSigned by:  
*Jason Virzi*  
88C66044F188434...

**Date:**

**Date:** 5/20/2026

**Title:**

**Title:** Vice President

**Company:** Woolpert, Inc.

MATTER NUMBER: 9089M  
APPROVED AS TO FORM:

**II. General Information and Terms.**

Engineer's Name and Address: Woolpert, Inc.  
11750 Katy Fwy., Suite 1260  
Houston, TX 77079

Project Description: Sugar Land Regional Airport Apron Expansion and Vertiport Project – Design and Bid Phase Services

Maximum Contract Amount: \$693,242.00

Effective Date: On the latest date of the dates executed by both parties.

Termination Date: See III.F.

Contract Parts: This Contract consists of the following parts:

- I. Signatures
- II. General Information and Terms
- III. Standard Contractual Provisions
- IV. Additional Terms or Conditions
- V. Additional Contract Documents



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.C.

**Agenda of:** City Council Meeting

**Initiated by:** Tracey Siu, Fire/EMS Administrator

**Presented by:** Mark Campise, Fire Chief

**Responsible Department:** Fire

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**Agenda Caption:**

**AMENDMENT NO. 1 WITH FIRST DUE HOLDINGS, INC**

Consideration of and action on Amendment No. 1 to the agreement for services with Governmental Rider (Contract No. 3251494) with First Due Holdings, Inc., for fire department scheduling, community risk reduction, and operational software modules in an amount not to exceed \$113,905.75 over the contract term.

**Recommended Action:**

Sugar Land Fire Department recommends that Mayor and City Council approve Amendment Number 1 to the Agreement for Services with Governmental Rider (Contract No. 3251494) with First Due Holdings.

**Executive Summary:**

In 2025, Sugar Land Fire Department (“SLFD”) entered into a agreement with First Due Holdings, Inc. (“First Due”) to provide fire personnel scheduling software for the department.

First Due offers a comprehensive, AI-powered scheduling and personnel management module designed specifically for Fire, EMS, and Law Enforcement agencies. It centralizes timekeeping, shift bidding, fatigue management, and payroll exports into a single cloud-based platform at a more affordable rate than the previous provider.

SLFD has had great feedback and success with the scheduling module and proposes to transition other divisions in the department to other available First Due modules. The Community Risk Reduction Division proposes purchasing the following modules with First Due:

- **Occupancy Management & Pre-Incident Planning:** manage occupancies, pre-incident mapping, ArcGIS Maps, fire systems, hazardous materials, and contacts.
- **Inspections:** configurable checklists, violation management, virtual inspections, inspections scheduler, and integrated pre-incident planning.
- **Investigations:** organize, analyze, and document investigations, keeping case information secure and separated from, but integrated with other modules.

- First arriving integration with existing software to provide a centralized digital dashboard with real time operational data.

The cost breakdown of the original agreement plus the new quote contained in the amendment is as follows:

**Initial Term**

- Base subscription: \$18,000 + Added module (prorated): \$7,528.75 = \$25,528.75

**Renewal Terms:**

- Year 2: \$14,200 base subscription + \$12,500 added module = \$26,700
- Year 3: \$29,370 (10% increase to total annual subscription)
- Year 4: \$32,307 (additional 10% increase)

Total potential contract value: \$113,905.75.

The addition of the module for the CRR division is aligned with the department's intent to evaluate current software platforms and seek to ensure that existing platforms are maximizing performance while remaining efficient in regard to the budget. The move to First Due, away from the current platform, provides cost savings to the city, while enhancing the capabilities of the work being conducted by the CRR Division and shared to the Operations Division.

Additionally, the First Due platform is compatible with other compliance systems being utilized between Fire and the Building department, providing real-time information to responders of incidents at commercial structures.

Sugar Land Fire Department recommends City Council approve Amendment Number 1 to the Agreement for Services with Governmental Rider (Contract No. 3251494) with First Due Holdings.

**Budget**

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**Expenditure Required:** 113,905.75

**Current Budget:** 113,905.75

**Additional Funding:** N/A

**Funding Source:** Fire's Budget for Year 1/Base Subscription and the following years from IT's Budget.

**Account Number (ORG-OBJ-Project):** 101-8110-541055

**Attachments**

1. Amendment No.1 to Agreement with First Due



**AMENDMENT NUMBER 1**

This is Amendment Number 1 ("Amendment 1") to the Agreement for Services ("Agreement") with Governmental Rider (Contract No. 3251494), by and between Locality Media, LLC dba First Due ("First Due"), and **City of Sugar Land** ("Customer"). This Amendment 1 is effective as of the last dated signature below ("Effective Date").

**WHEREAS**, on October 1, 2025, the parties hereto entered into the Agreement;

**WHEREAS**, the parties now desire to transition Customer's procurement of the Services to the Sourcewell cooperative purchasing vehicle under Sourcewell Contract No. 030425-LME, and to have this Amendment and all future renewals issued under that contracting vehicle; and

**WHEREAS**, the Customer wishes to purchase the following additional modules: Occupancy Management & Pre-Incident Planning, Inspections, Investigations, First Arriving Integration, Premium Online Training, and Implementation and Configuration Services.

**NOW THEREFORE**, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to make the following amendments to the Agreement:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated into this Amendment 1 by this reference.
2. **Transition to Sourcewell Contract.** As of the Effective Date of this Amendment 1, the Agreement is hereby incorporated into and shall be administered under Sourcewell Contract No. 030425-LME. All purchases, renewals, and ordering documents issued after the Effective Date of this Amendment 1 shall reference the Sourcewell Contract.
3. **Sourcewell Discount.** Beginning on the Effective Date of this Amendment 1, Customer shall receive a five percent (5%) discount applicable to fees for the Services as provided under Sourcewell Contract No. 030425-LME. This discount applies solely to fees invoiced on or after the Effective Date of this Amendment 1 and shall not apply retroactively to any amounts previously invoiced or paid under the Agreement. The five percent (5%) discount shall continue to apply to all future renewals issued under the Sourcewell contracting vehicle, provided Customer remains eligible under the Sourcewell program.
4. **Add-on Modules:** Customer agrees to purchase the following additional modules as of the Effective Date of this Amendment 1 and in accordance with the Terms and Conditions of the Agreement and this Section 4:

<b>Account Name:</b>	Sugar Land Fire Department	<b>Quote Number:</b>	1545132000576990102
<b>Billing Address:</b>	PO Box 110 Sugar Land, TX 77487	<b>Prepared By:</b>	Rachael Landman
<b>Subscription Start:</b>	June 1, 2026	<b>Valid Until:</b>	July 31, 2026
<b>Initial Term:</b>	4 months	<b>Sourcewell Member No.:</b>	159496
<b>Annual Subscription:</b>	\$12,500.00		
<b>Product Details</b>			
<b>Occupancy Management &amp; Pre-Incident Planning</b>			
Manage Occupancies, Pre-Incident Mapping, ArcGIS Maps, Fire Systems, Hazardous Material, and Contacts.			

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**Inspections**

Field Inspections, Configurable Checklists, Violation Management, Virtual Inspections, Inspections Scheduler, and Integrated Pre-Incident Planning.

**Investigations**

Organize, analyze, and document investigations, keeping case information secure and separated from, but integrated with other modules.

**First Arriving Integration**

First Arriving Integration.

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**Premium Online Training Package**

Up to 8 Hours Online Training with certified First Due Instructor

**Implementation and Configuration Services**

Services related to configuring and customizing the First Due Platform as described in the Statement of Work.

One-Time Fees Subtotal	\$ 3,800.00
4-months Subscription Fees Subtotal	\$ 4,125.00
Sourcewell Discount (5%)	(\$ 396.25)
<b>Grand Total*</b>	<b>\$ 7,528.75</b>

*\*Excluding Tax*

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**Invoicing and Payment Terms.** The above-listed Grand Total will be invoiced on or around the Subscription Start date and due within thirty (30) days from the date of the invoice. For subsequent annual periods, the Service fees are due and payable annually in advance on October 1st.

5. **Amended Records:** After this Amendment 1 is fully executed, First Due will revise its records and Customer's invoicing accordingly.
6. **Governmental Rider Additional Terms.** The parties agree that Paragraphs 11 through 15 are added to the Governmental Rider for Preprinted Agreements, to read as follows:

**11. Disclosure of Interested Persons for Council-Approved Agreements:** Agreements that require City Council approval, such as agreements that exceed \$100,000, are subject to the requirements of Section 2252.908, Tex. Gov't Code. Under the provisions of this statute:

- (1) The City may not enter into an agreement with a business entity that requires Council approval unless the business entity submits a disclosure of interested persons at the time the business entity submits a signed agreement to the City;
- (2) A disclosure of interested parties must be submitted on a form prescribed by the Texas Ethics Commission (Commission) that includes:
  - (a) A list of each interested party for the agreement of which the contractor business entity is aware, an interested party being a person who has a controlling interest in the business entity or who actively participates in facilitating or negotiating the terms of the agreement, including a broker, intermediary, adviser, or attorney for the business entity; and
  - (b) The signature of the authorized agent of the contracting business entity, acknowledging that the disclosure is made under oath and under penalty of perjury.

The Commission has approved a Certificate of Interested Persons form, which must be filled out, signed and notarized by Vendor and submitted to the City at the time of execution of this Amendment, along with the certification of filing generated from the Commission's website at <https://www.ethics.state.tx.us/filinginfo/1295/>. The Certificate of Interested Persons form is available on the Commission's website and Vendor must follow the Commission's filing process adopted pursuant to the statute.

**12. Prohibition on Agreements with Companies Boycotting Israel:** Certain agreements for goods and services are subject to the requirements of Section 2271.002, Tex Gov't Code (H.B. 89, as amended by H.B. 793). Specifically, agreements for goods and services that:

- (1) are between the City and a company with ten (10) or more full-time employees; and
- (2) have a value of \$100,000.00 or more that is to be paid wholly or partly from public funds of the City.

Under the provisions of this statute, if the above conditions apply the City may not enter into an agreement with a company for goods and services unless the agreement contains a written verification from the company that it:

- (1) does not boycott Israel; and
- (2) will not boycott Israel during the term of the agreement.

The City has approved a verification form which must be filled out and signed by Vendor and submitted to the City at the time of execution of this Amendment.

**13. Prohibition on Agreements with Companies Boycotting Certain Energy Companies.** Certain agreements for goods and services are subject to the requirements of Section 2276.002, Tex. Gov't Code (S.B. 13). Specifically, agreements for goods and services that:

- (1) are between the City and a company with ten (10) or more full-time employees; and
- (2) have a value of \$100,000.00 or more that is to be paid wholly or partly from public funds of the City.

Under the provisions of this statute, the City may not enter into an agreement with a company for goods and services unless the agreement contains a written verification from the company that it:

- (1) does not boycott energy companies; and
- (2) will not boycott energy companies during the term of the agreement.

The City has approved a verification form which must be filled out and signed by Vendor and submitted to the City at the time of execution of this Amendment.

**14. Prohibition on Agreements with Companies that Discriminate Against Firearm and Ammunition Industries.** Certain agreements for goods and services are subject to the requirements of Section 2274.002, Tex. Gov't Code (S.B. 19). Specifically, agreements for goods and services that:

- (1) are between the City and a company with ten (10) or more full-time employees; and
- (2) have a value of \$100,000.00 or more that is to be paid wholly or partly from public funds of the City.

Under the provisions of this statute, if the above conditions apply the City may not enter into an agreement with a company for goods and services unless the agreement contains a written verification from the company that it:

- (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of the agreement against a firearm entity or firearm trade association.

The City has approved a verification form which must be filled out and signed by Vendor and submitted to the City at the time of execution of this Amendment. This verification requirement does not apply if this agreement is with a sole-source provider or, if this agreement is subject to competitive bidding, the City did not receive any bids from a company that is able to provide the written verification required.

**15. Sourcewell Contract.** If there is a conflict between a provision in the Sourcewell Contract and a provision in this Governmental Rider, the latter controls.

Except as expressly amended herein, all other terms and conditions of the Agreement remain unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the Effective Date set forth above. The undersigned represent and warrant that they are duly authorized to enter into this Agreement on behalf of the respective parties.

**LOCALITY MEDIA, LLC DBA FIRST DUE**

**CITY OF SUGAR LAND**

By: \_\_\_\_\_  
 (Signature)

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

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

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

By: \_\_\_\_\_  
 (Signature)

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

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

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



Summus Industries

Quote

Date: 5/12/2026
Quote #: 3000203886379.1

Customer #: 550088108937
OEM Contract #: DIR-CPO-5792
Summus Contract Co...: C000001276175
Vendor #: 1760533392500
Terms: Net 30
Expires: 6/19/2026

Summus Industries, Inc.
77 Sugar Creek Center Blvd., Suite 420
Sugar Land, TX 77478
United States

Customer & Bill To Address:

ACCOUNTS PAYABLE
City of Sugar Land
PO BOX 110
Sugar Land TX 77487
United States

Table with 5 columns: Line, Description, Quantity, Rate, Amount. Contains 3 line items for Dell Pro laptops with estimated delivery dates.

Total \$198,576.30

ATTENTION:

\* Due to ongoing global supply chain challenges, all Summus/Dell quotes are valid for 14 days only. Pricing fluctuations are expected to continue throughout 2026, and hardware and support costs may increase. Thus, expired quotes will be refreshed prior to purchase. We recommend placing orders promptly to help secure current pricing.

\* All sales of Dell Technologies products and services are FINAL. Please read the Dell Technologies return policy to learn more.
https://www.dell.com/en-us/lp/return-policy

Description	SKU	Qty
<a href="#">Dell Pro Max 14 Premium MA14250</a> <a href="#">Estimated delivery if ordered today: Jun. 11, 2026</a>		5
Dell Pro Max 14 Premium (MA14250) XCTO Base	210-BRWN	5
Intel(R) Core(TM) Ultra 9 285H, vPro(R) Enterprise (13 TOPS NPU, 16 cores, 16 threads, up to 5.40 GHz, 45W)	379-BGJX	5
Windows 11 Pro	619-BBPM	5
64GB LPDDR5x 8400 MT/s	370-BDFT	5
Intel(R) Core(TM) Ultra 9 285H with vPro, 64GB memory, NVIDIA RTX PRO 2000 Blackwell Graphics	329-BLJK	5
NVIDIA RTX PRO 2000 Blackwell 8GB GDDR7	490-BLBL	5
Intel vPro Enterprise Technology Enabled	631-BCJR	5
1TB Performance SSD Gen4, SED Ready, TLC	400-BSYP	5
14", Touch, QHD+ Tandem OLED 2880x1800, 60Hz, 400 Nit, DCI-P3 100%, Anti-Reflection, VESA HDR TB 500	391-BKCH	5
8MP HDR + IR UPD Camera with ExpressSign-In + Intelligent Privacy Ready, TNR, No Camera Shutter, Mic	319-BBLW	5
English US battery-saving mini LED backlit Copilot hotkey zero-lattice keyboard	583-BMXF	5
No Mouse	570-AADK	5
Wireless Intel BE201 WLAN Driver	555-BMVR	5
Intel(R) Wi-Fi 7 BE201, 2x2, 802.11be, MU-MIMO, Bluetooth(R) wireless card	555-BMVQ	5
4 cell, 72Whr, ExpressCharge(TM) Capable, standard battery	451-BDLR	5
130W AC adapter, Type C (TCO10)	492-BFDZ	5
Palmrest w/ NVIDIA RTX PRO 2000 Blackwell and Fingerprint Reader	346-BMHP	5
E5 Power Cord 1M for US	537-BBDK	5
Quick Setup Guide - Dell Pro Max 14 Premium	340-DWVX	5
Documentation	340-DNBV	5
ENERGY STAR Qualified	387-BBLW	5
Dell Pro Max Laptop Packaging	340-DWXS	5

Intel(R) Core(TM) Ultra 9 Processor vPro EVO label	389-FNRG	5
BTO Standard Shipment (VS)	800-BBGU	5
No UPC/EAN Label	389-BCGW	5
English, French, Spanish, Brazilian Portuguese	619-BBPD	5
Intel Connectivity Performance Suite for Evo/vPro	640-BBTB	5
Dell Adapter USB-C to USB-A/HDMI Magnetite	492-BFFZ	5
EPEAT Gold with Climate+	379-BDZB	5
Intel(R) Rapid Storage Technology Driver	409-BCYZ	5
Custom Configuration	817-BBBB	5
Thank you for choosing Dell ProSupport Plus. For tech support, visit www.dell.com/contactdell or call 1-866-516-3115	997-8367	5
ProSupport Plus: Accidental Damage Service, 3 Years	720-9394	5
ProSupport Plus: Keep Your Hard Drive, 3 Years	720-9406	5
Dell Limited Hardware Warranty Plus Service	720-9335	5
ProSupport Plus: 7x24 Technical Support, 3 Years	720-9382	5
ProSupport Plus: Next Business Day Onsite, 3 Years	720-9418	5
Activate Your Microsoft 365 For A 30 Day Trial	630-ABBT	5
Dell Pro Max 14 Premium MA14250	658-BFXX	5
No Anti-Virus Software	650-AAAM	5
OS-Windows Media Not Included	620-AALW	5
No AutoPilot	340-CKSZ	5
<b>Description</b>	<b>SKU</b>	<b>Qty</b>
<a href="#">Dell Pro 14 Plus PB14250</a>		<b>60</b>
<a href="#">Estimated delivery if ordered today: May 26, 2026</a>		
Dell Pro 14 Plus (PB14250) XCTO Base	210-BPDR	60
Intel(R) Core(TM) Ultra 7 255U (12 TOPS NPU, 12 cores, up to 5.2 GHz)	379-BFXM	60

Windows 11 Pro	619-BBQD	60
32 GB: 2 x 16 GB, DDR5, 5600 MT/s, dual channel	370-BCNK	60
Integrated Intel graphics for Intel Core Ultra 7 255U processor	338-CRML	60
1 TB TLC SSD	400-BSLR	60
English, French, Spanish, Brazilian Portuguese	619-BBPD	60
14" Touch, FHD+ , 400nits, 100% sRGB, Anti-Glare, 5MP+IR Cam 5G capable	391-BKNC	60
No Fingerprint Reader, No Smart Card Reader, includes RJ-45	346-BLCZ	60
5MP HDR + IR Camera with Presence Detection, Facial Recognition, TNR, Camera Shutter, Microphone	319-BBJW	60
English US backlit Copilot key keyboard, 79-key	583-BMLQ	60
No Mouse	570-AADK	60
Intel(R) AX211 WLAN Driver	555-BLNY	60
Intel® Wi-Fi 6E AX211, 2x2, 802.11ax, Bluetooth® 5.3 card	555-BLLZ	60
5G - Qualcomm Snapdragon X72 Global 5G Modem (DW5934e), eSIM capable	556-BFTW	60
3-cell, 55 Wh, ExpressCharge Capable, Long Life Cycle, 3-year limited hardware warranty	451-BDKV	60
100W USB-C AC Adapter	492-BDVT	60
E5 Power Cord 1M for US	470-AFGV	60
Quick Start Guide	340-DSKC	60
Documentation	340-DNBV	60
ENERGY STAR Qualified	387-BBLW	60
Custom Configuration	817-BBBB	60
ARL CPU+100W Adapter, Clamshell	340-DTPQ	60
BTO Standard Shipment (VS)	800-BBQK	60
No UPC/EAN Label	389-BCGW	60
EPEAT Gold with Climate+	379-BDZB	60
Intel(R) vPro(R) Management Disabled	631-BBZV	60

5G WWAN Tray, includes RJ-45, Clamshell	321-BLNZ	60
No Intel(R) Connectivity Performance Suite	650-BBBG	60
Intel Rapid Storage Technology Driver	409-BCYM	60
Series 3 Intel(R) Core(TM) Ultra 7 Processor Label	389-FGBC	60
Dell Limited Hardware Warranty	714-0464	60
ProSupport Plus: Next Business Day Onsite, 1 Year	714-6667	60
ProSupport Plus: Next Business Day Onsite, 2 Year Extended	714-6671	60
ProSupport Plus: Accidental Damage Service, 3 Years	714-6689	60
ProSupport Plus: Keep Your Hard Drive, 3 Years	714-6690	60
ProSupport Plus: 7x24 Technical Support, 3 Years	714-6691	60
Dell Limited Hardware Warranty Extended Year(s)	975-3461	60
Thank you for choosing Dell ProSupport Plus. For tech support, visit www.dell.com/contactdell or call 1-866-516-3115	997-8367	60
No AutoPilot	340-CKSZ	60
Activate Your Microsoft 365 For A 30 Day Trial	630-ABBT	60
Dell Additional SW - Dell Pro Laptop	658-BFVB	60
No Anti-Virus Software	650-AAAM	60
OS-Windows Media Not Included	620-AALW	60
<b>Description</b>	<b>SKU</b>	<b>Qty</b>
<a href="#">Dell Pro Micro Plus QBM1250</a> <a href="#">Estimated delivery if ordered today: May 26, 2026</a>		20
Intel(R) Core(TM) Ultra 7 265 (13 TOPS NPU, 20 cores, up to 5.3GHz)	338-CRZM	20
Windows 11 Pro	619-BBQD	20
16 GB: 1 x 16 GB, DDR5, up to 5600 MT/s, non-ECC	370-BCWF	20
1TB SSD TLC	400-BSWR	20
No Additional Hard Drive	401-AANH	20

Internal WiFi Antenna	555-BLWT	20
Intel(R) Wi-Fi 6E AX211, 2x2, 802.11ax, Bluetooth(R) wireless card	555-BLWW	20
Wireless Driver, Intel(R) Wi-Fi 6E AX211, 2x2, 802.11ax, Bluetooth(R) wireless card	555-BLZP	20
Dell Pro Micro Plus with 65W Processor	329-BKRQ	20
Dell Pro Keyboard and Mouse - KM5221W - US English - Black	580-BCCH	20
Mouse included with Keyboard	570-AADI	20
No Additional Cable	379-BBCY	20
No Stand or Mount	575-BBBI	20
ENERGY STAR Qualified	387-BBLW	20
US Power Cord	450-AAZN	20
Documentation	340-DNBV	20
Watch Dog SRV	379-BFYR	20
Quick Start Guide	340-DTSX	20
US/Canada Battery Warning Label	389-FKHG	20
No UPC/EAN Label	389-BCGW	20
Trusted Platform Module (Discrete TPM Enabled)	329-BBJL	20
Shipping Material, MPP Cushion	340-DTXM	20
Shipping Label	389-BBUU	20
Regulatory Label for 180W Adapter	389-FKNY	20
Driver/APP for IRST	658-BFTS	20
Series 3 Intel(R) Core(TM) Ultra 7 Processor Label	389-FGBC	20
Desktop BTO Standard shipment	800-BBIO	20
Dell Pro Micro Plus QBM1250	210-BPQG	20
No vPro(R) support	631-BCCN	20

Internal Speaker	520-BBGY	20
EPEAT Gold with Climate+	379-BDZB	20
180 Watt A/C Adapter, TCO Compliant	450-BDXJ	20
NO RAID	817-BBBN	20
No Stand or Mount	575-BBBI	20
Custom Configuration	817-BBBB	20
1st M.2 2230 SSD Extend Bracket & Screw	575-BCRQ	20
No PCIe add-in card	492-BBFF	20
No Additional Video Ports	492-BCKH	20
No Option Included	340-ACQQ	20
English, French, Spanish, Brazilian Portuguese	619-BBPD	20
Dell Limited Hardware Warranty Plus Service	717-0497	20
Onsite/In-Home Service After Remote Diagnosis, 3 Years	717-0455	20
Accidental Damage Service, 3 Years	717-0492	20
No AutoPilot	340-CKSZ	20
Activate Your Microsoft 365 For A 30 Day Trial	630-ABBT	20
Dell Pro Micro Plus QBM1250	658-BFWF	20
No Anti-Virus Software	650-AAAM	20
OS-Windows Media Not Included	620-AALW	20
Not selected in this configuration	817-BBBC	20

**CITY OF SUGAR LAND**  
**STANDARD CONTRACT FOR GENERAL SERVICES**  
\$100K to \$999,999.99  
(Rev. 5-22-25)

**I. Signatures.** By signing below, the parties agree to the terms of this Contract:

**CITY OF SUGAR LAND**

**CONTRACTOR:**



**By:**

**By:** Rodney L. Craig

**Date:**

**Date:** 5/21/2026

**Title:**

**Title:** CEO

**Company:** Summus Industries, Inc.

MATTER NUMBER: 9215M  
APPROVED AS TO FORM:

**II. General Information and Terms.**

Contractor's Name and Address: Summus Industries, Inc.  
77 Sugar Creek Center Blvd., Suite 420  
Sugar Land, TX 77478

Description of Services: Purchase of Dell Computers (Tech Refresh)

Maximum Contract Amount: \$198,576.30

Effective Date: On the latest of the dates signed by both parties.

Termination Date: See III.C.

Contract Parts: This Contract consists of the following parts:

- I. Signatures
- II. General Information and Terms
- III. Standard Contractual Provisions
- IV. Additional Terms or Conditions
- V. Additional Contract Documents

**III. Standard Contractual Provisions.**

A. Contractor's Services. The Contractor will provide to the City the services described in



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.E.

**Agenda of:** City Council Meeting

**Initiated by:** Elizabeth Huff, Director of Economic Development and Tourism

**Presented by:** Alison Brooks, Assistant Director of Tourism

**Responsible Department:** Economic Development

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**Agenda Caption:**

**AMENDMENT TO REBEES HOT AGREEMENT**

Consideration of and action on the approval of the amendment to the agreement between the City of Sugar Land and Sugar Land Town Square POA/Reebes.

**Recommended Action:**

Approval of Sugar Land Town Square POA HOT Agreement Amendment

**Executive Summary:**

In September 2025, the City entered into a \$2.5 million sponsorship agreement with the Houston FIFA World Cup 2026™ Host Committee to become an Official Houston World Cup 2026 Host City Supporter. This designation serves as the platform for the City to participate in and benefit from the World Cup by providing access to official branding, regional and international marketing channels, and event-related opportunities.

The City's key tourism goals for this agreement is to increase hotel occupancy, length of stay, visitor spending, and overall economic impact during the World Cup. A key component of this strategy is hosting community-based activations and public viewing opportunities to extend the World Cup experience beyond Houston match venues.

In February 2026, the City entered into an agreement with Sugar Land Town Square Property Owner's Association, Inc. (Reebes) to plan and produce a series of FIFA World Cup watch parties at Sugar Land Town Square. The agreement outlines Reebes' responsibility for event production, including staging, audiovisual infrastructure, programming, and on-site operations, while the City supports public safety, traffic control, and overall coordination.

Staff from multiple departments have been meeting and planning resource allocations since October/November 2025. This effort intensified as the watch party dates were being finalized with the watch party agreement with Reebes. Since the approval of the agreement, staff and

Rebees have been hard at work planning for the watch parties. After much deliberation, city staff proposed the elimination of the July 4th game as one of the proposed watch parties in Sugar Land Town Square. This was discussed with Rebees and their team and all parties mutually agreed it would be best to eliminate this watch party.

Due to this change an amendment to the agreement is required. Staff recommends the approval of the amendment to the agreement between the city and Sugar Land Town Square POA/Rebees.

**Budget**

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**Expenditure Required: 0**

**Current Budget: 0**

**Additional Funding: 0**

**Funding Source: 0**

**Account Number (ORG-OBJ-Project): 0**

**Attachments**

- 1. 1.0 Rebees Contract Amendment 5-7-26

**AMENDMENT NO. 1 TO THE CITY OF SUGAR LAND CONTRACT FOR USE OF  
HOTEL OCCUPANCY TAX REVENUES FOR TOURISM EVENTS BETWEEN THE  
CITY OF SUGAR LAND AND SUGAR LAND TOWN SQUARE PROPERTY OWNER'S  
ASSOCIATION**

This Amendment No. 1 to the City of Sugar Land Contract for Use of Hotel Occupancy Tax Revenues for Tourism Events is entered into among the City of Sugar Land, Texas (“City”) and Sugar Land Town Square Property Owner’s Association, Inc. (“Event Planner”).

**RECITALS:**

WHEREAS, on or about February 25, 2026, the City and Event Planner entered into a contract for the use of hotel occupancy tax revenues for tourism events (the “Contract”), whereby the City would reimburse Event Planner for eight (8) public FIFA World Cup 2026 watch parties to be held at Sugar Land Town Square, in accordance with the schedule in Exhibit A; and

WHEREAS, the Event Planner has requested to remove the July 4, 2026 event date from Exhibit A and reduce the number of Events from eight (8) to seven (7), which the City agrees to; and

NOW THEREFORE, the City and Event Planner desire to amend the Contract to remove the July 4, 2026 event date and reduce the number of Events from eight (8) to seven (7).

**AGREEMENT:**

In consideration of the mutual benefits to accrue to each, the Contract is amended as follows:

1. The definition of Events is amended to read as follows:

*Events* mean seven (7) public FIFA World Cup 2026 watch parties to be held at Sugar Land Town Square, according to the schedule in Exhibit A attached hereto. Event, singular, refers to a single public FIFA World Cup 2026 watch party.

2. Section D.1., Event Planner Obligations, is amended to read as follows:

Event Planner will plan, produce, and operate seven (7) public FIFA World Cup 2026 watch party events to be held at Sugar Land Town Square, according to the schedule in Exhibit A attached hereto.

3. The original Exhibit A is replaced with the new Exhibit A attached hereto.
4. This Amendment No. 1 to the City of Sugar Land Contract for Use of Hotel Occupancy Tax Revenues for Tourism Events is effective on the latest of the dates executed by the parties and terminates when the Contract terminates.

**CITY OF SUGAR LAND, TEXAS**

By: \_\_\_\_\_  
Name: Michael W. Goodrum  
Title: City Manager  
Date: \_\_\_\_\_

**SUGAR LAND TOWN SQUARE PROPERTY OWNER'S ASSOCIATION, INC.**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTEST/SEAL:

\_\_\_\_\_  
Linda Mendenhall, City Clerk

XAKIA MATTER NO. 9133M  
APPROVED AS TO FORM:  
*DAnn Shea Smith*

Attachments:  
EXHIBIT A

AMENDMENT NO. 1 TO CITY OF SUGAR LAND CONTRACT FOR USE OF HOTEL OCCUPANCY TAX  
REVENUES FOR TOURISM EVENTS / Page 2

SLTSPOA.HOTAmendment  
5/7/26

**EXHIBIT A**

Event Planner shall produce and operate seven (7) public FIFA World Cup 2026 watch party events at Sugar Land Town Square on the dates listed below. Certain dates may include more than one match or activation, as determined by the official FIFA match schedule and subject to City approval. Dates with more than one match qualify as one Event.

Event #	Day	Date
1	Thursday	June 11, 2026
2	Friday	June 12, 2026
3	Saturday	June 13, 2026
4	Wednesday	June 17, 2026
5	Friday	June 19, 2026, (two matches)
6	Saturday	June 27, 2026
8	Sunday	July 19, 2026

Final match times and programming details are subject to the official FIFA World Cup 2026 match schedule.

Dates may be adjusted by mutual written agreement of the parties.

Event Planner may be required to support more than one match viewing or activation on a single date, depending on the match schedule and City direction.

**Commented [AB1]:** Since we already know which dates we will be including more than one match, can we go ahead and list those out?

**Commented [SS2R1]:** That's perfectly fine. That change has been accepted.



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.F.

**Agenda of:** City Council Meeting

**Initiated by:** Alence Poudel, Engineering Manager

**Presented by:** Alence Poudel, Engineering Manager

**Responsible Department:** Engineering

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**Agenda Caption:**

**CONTRACT WITH ATKINSRÉALIS USA INC.**

Consideration of and action on the authorization of the execution of a professional services contract with AtkinsRéalis USA Inc., for the Austin Parkway Reconstruction Phase I Project, CIP CMB2602, in the amount of \$152,775,50.

**Recommended Action:**

Authorize the execution of a professional services contract with AtkinsRéalis USA Inc., for the Austin Parkway Reconstruction Phase I Project, CIP CMB2602, in the amount of \$152,775,50.

**Executive Summary:**

In November 2023, Fort Bend County voters approved the 2023 Mobility Bond Program, which includes multiple mobility projects within the City of Sugar Land's jurisdiction. Building on this regional investment, Sugar Land voters approved Proposition B in November 2024, authorizing the City to issue up to \$118 million in bonds dedicated to streets, sidewalks, and mobility improvements. On November 18, 2025, the City Council approved the Interlocal Agreement (ILA) with Fort Bend County for City-Managed Mobility Projects, and the agreement was subsequently approved by the Fort Bend County Commissioners Court on December 4, 2025.

The partnership and associated projects directly support the priorities outlined in Sugar Land's 2023 Mobility Master Plan, which emphasizes enhanced mobility, multimodal connectivity, and safety. Regular reporting, coordination, and oversight measures included in the agreement ensure transparency and accountability throughout project delivery. The Austin Parkway Reconstruction Phase I Project advances these goals by providing improved pavement quality and drainage inlet improvements, and supports safer travel along Austin Parkway between Williams Trace Boulevard/Sweetwater Boulevard and Lexington Boulevard. Key improvements include:

- Design panel replacements for the 4-lane boulevard with an approximately 30' median,

within the limits of the project

- Replacement of existing Type BB curb inlets with Type C, C-1, or C-2 curb inlets to improve drainage system function

Under the ILA's Roles and Responsibilities, Fort Bend County selects consultants for design and related services from the City's pre-qualified list, after which the City contracts with and manages the selected consultant. The City is responsible for project design using City standards, as well as bidding, contracting, and construction management, including oversight of change orders and payment processing. The County retains the ability to review project plans, conduct inspections, and provide comments. For the CIP CMB2602 Austin Parkway Phase I Project, the County selected AtkinsRéalis as the design consultant. AtkinsRéalis will provide design services for the Austin Parkway Reconstruction Phase I Project, including:

- Project management
- Topographic surveying and survey control
- Utility coordination support
- Traffic control plan
- Tree protection plan
- Production of 90% and 100% design submittals, including: project layout, paving and inlet replacement plans, drainage inlet capacity evaluation, storm water pollution prevention plan details, construction cost estimates, construction duration estimates, utility conflict tables, and bid documents
- Bidding support

Per the ILA's Payments and Funding provisions, the County will contribute 50% of the total project costs, up to the maximum amount established for each project, and 100% of the design costs up front. A formal request for these funds will be submitted to the County once the contract is approved.

The Engineering Department has negotiated the above scope of work with AtkinsRéalis for a base lump sum fee in the amount of \$147,055.50, with additional Level B subsurface utility engineering services available as authorized in the amount of \$5,720.00, for a total not-to-exceed amount of \$152,775.50. There is currently \$525,000.00 available in CIP CMB2602. Design is anticipated to start in June 2026 and be completed within approximately six months. Construction is planned to start in February 2027.

The Engineering and Public Works Departments recommend that the City Council approve a

professional services contract with AtkinsRéalis for the design of Austin Parkway Reconstruction Phase I, CIP CMB2602, in the amount of \$152,775.50.

## **Budget**

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**Expenditure Required:** \$152,775.50

**Current Budget:** \$525,000.00

**Additional Funding:** N/A

**Funding Source:** GO Bonds

**Account Number (ORG-OBJ-Project):** 5013199-414110-CMB2602

## **Attachments**

1. Contract\_Council
2. Map

**CITY OF SUGAR LAND CONTRACT  
FOR PROFESSIONAL ENGINEERING DESIGN  
SERVICES FOR CITY FACILITIES**


\$100,000 to \$999,999  
(Rev. 1-16-25)

**I. Signatures.** By signing below, the parties agree to the terms of this Contract.

**CITY OF SUGAR LAND**

**ENGINEER:**

**By:**

**By:**  Aaron W. Autry

**Date:**

**Date:** 4/24/2026

**Title:**

**Title:** Vice President

**Company:** AtkinsRéalis

MATTER NUMBER: 8895M  
APPROVED AS TO FORM:

**II. General Information and Terms.**

Engineer's Name and Address: AtkinsRéalis USA Inc.  
920 Memorial City Way, Suite 400  
Houston, TX, 77024

Project Description: Engineering Services for Austin Parkway Pavement  
Reconstruction Phase I, CMB2602

Maximum Contract Amount: \$152,775.50

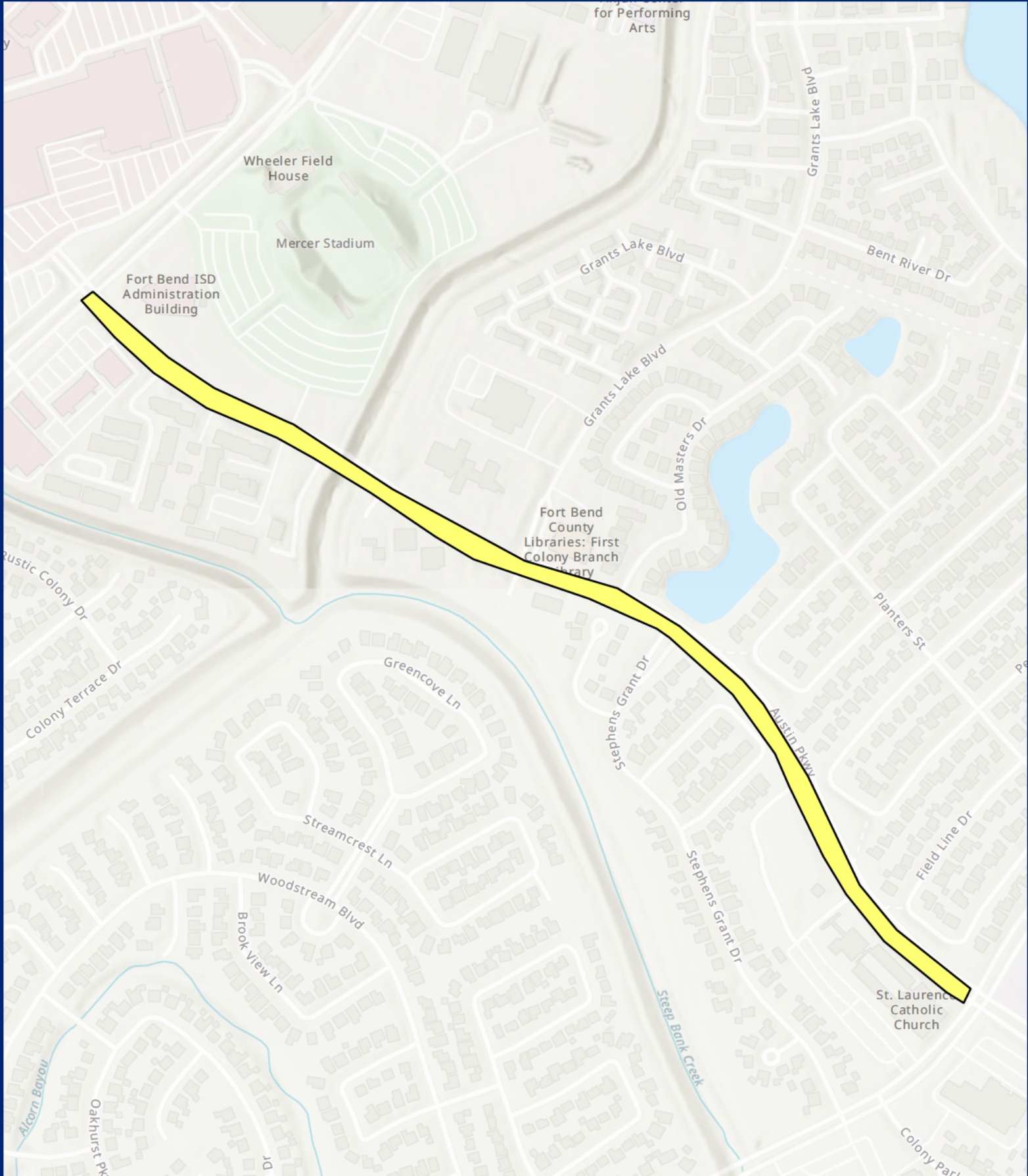
Effective Date: On the latest date of the dates executed by both parties.

Termination Date: See III.F.

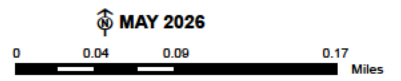
Contract Parts: This Contract consists of the following parts:

- I. Signatures
- II. General Information and Terms
- III. Standard Contractual Provisions
- IV. Additional Terms or Conditions
- V. Additional Contract Documents

**III. Standard Contractual Provisions.**



### CMB2602 Austin Parkway Reconstruction Phase I





## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.G.

**Agenda of:** City Council Meeting

**Initiated by:** ShaLae Steadman, Director of Budget

**Presented by:** ShaLae Steadman, Director of Budget

**Responsible Department:** Budget

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**Agenda Caption:**

**INTERLOCAL COOPERATION AGREEMENT WITH FORT BEND COUNTY TAX ASSESSOR/ COLLECTOR**

Consideration of and action on the approval of the Interlocal Cooperation Agreement with Fort Bend County for continued property tax assessment and collection services on behalf of the City of Sugar Land.

**Recommended Action:**

Approval of the Interlocal Cooperation Agreement with Fort Bend County for continued property tax assessment and collection services on behalf of the City of Sugar Land.

**Executive Summary:**

**Purpose**

This agreement authorizes Fort Bend County, through the County Tax Assessor-Collector, to provide tax assessment and collection services on behalf of the City of Sugar Land for ad valorem property taxes within Fort Bend County. Services also include special assessments for the Enclave at Riverpark PID and Park at Eldridge PID.

**Term**

- Initial agreement term extends through June 30, 2027.
- Automatically renews annually through June 30, 2031, unless terminated by either party.

**Key Services Provided by Fort Bend County**

The County Tax Assessor-Collector will:

- Assess and collect City property taxes;
- Prepare and mail consolidated tax statements;

- Manage delinquent tax notices and collections;
- Process refunds and corrections;
- Provide regular tax collection and levy reports to the City; and
- Remit collected taxes to the City at least weekly.

### **Financial Terms**

The City will reimburse the County for actual collection costs, including:

- \$0.40 per parcel per year;
- \$1.00 per delinquent account added;
- \$2.77 per out-of-county account; and
- Additional actual costs for requested or mandated services.

The County may review and adjust costs annually prior to automatic renewal with prior notification to the City.

### **Recommended Action**

Approval of the Interlocal Cooperation Agreement with Fort Bend County for continued property tax assessment and collection services on behalf of the City of Sugar Land.

### **Budget**

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**Expenditure Required:** \$21,000

**Current Budget:** \$21,000

**Additional Funding:** 0

**Funding Source:** General Funds

**Account Number (ORG-OBJ-Project):** 1012105-541000

### **Attachments**

1. Agreement

THE STATE OF TEXAS           §  
  §  
COUNTY OF FORT BEND       §

**INTERLOCAL COOPERATION AGREEMENT FOR  
THE COLLECTION OF TAXES**

This Agreement (“Agreement”) is made and entered into by and between the County of Fort Bend, Texas, with the agreement, consent, and participation of the Fort Bend County Tax Assessor/Collector (singularly or collectively referred to as "County" or “County Tax Assessor/Collector”), and City of Sugar Land, a taxing entity in the State of Texas.

**RECITALS**

WHEREAS, Section 6.24 of the Texas Property Tax Code and the Interlocal Cooperation Act, Chapter 791, Texas Government Code, as amended, authorize political subdivisions of the State of Texas to enter into interlocal contracts for the provision of tax assessing and collecting services; and

WHEREAS, Fort Bend County acting by and through its Commissioner's Court with the approval of the County Tax Assessor-Collector, hereinafter referred to as the "County," has agreed to provide tax assessing and collecting services for City of Sugar Land, such services shall include the special assessments for Enclave at Riverpark PID and Park at Eldridge PID, as authorized by Texas Local Government Code, Section 372.0175; and

WHEREAS, City of Sugar Land acting by and through its governing body, having authorized their President to execute this Agreement has agreed to authorize the County to provide tax assessing and collecting services for it in the form and manner most efficient and economical to it and its taxpayers; and

WHEREAS, City of Sugar Land has the authority to authorize the County to act as its Tax Assessor and Collector, and the County has the authority to act in that capacity;

NOW, THEREFORE, for and in consideration as hereinafter expressed and the mutual condition set out herein, it is agreed by and between the County and City of Sugar Land as follows:

ARTICLE I  
PURPOSE

- 1.01 The purpose of this Agreement is to designate and allow the Fort Bend County Tax Assessor/Collector as the Tax Assessor/Collector for City of Sugar Land for the collection of ad valorem taxes, including penalties, interest and attorney's fees for the collection of taxes owed City of Sugar Land in Fort Bend County.

ARTICLE II  
TERM

- 2.01 This Agreement shall be effective as of date executed by both Parties and shall terminate on June 30, 2027.
- 2.02 This Agreement shall automatically renew each July 1 for a one (1) year term thereafter and through June 30, 2031, unless sooner terminated as provided herein.
- 2.03 City of Sugar Land may terminate this agreement at any time by providing ninety (90) days advanced written notice to County.
- 2.04 County may terminate this agreement without cause by providing written notice to City of Sugar Land no later than six (6) months in advance of the expiration of the initial term of this Agreement or any renewal term.
- 2.05 In the event of termination of this Agreement by City of Sugar Land, City of Sugar Land shall assume all contractual obligations entered into with County for services rendered to City of Sugar Land for the duration of the term of the Agreement and any renewal, and County shall be relieved of all contractual obligations under this Agreement.
- 2.06 As soon as practicable after the date of termination or the expiration of this Agreement, the County shall submit a final report containing the information set forth in Article III. At that time, distribution of the amount due to City of Sugar Land shall be made or City of Sugar Land shall be invoiced for any amounts due from City of Sugar Land pursuant to the terms of this Agreement. Payment by City of Sugar Land shall be due and payable, no later than thirty (30) days after receipt of an invoice. Copies of all reports and all records of City of Sugar Land shall be delivered to City of Sugar Land when and if this Agreement is terminated or upon its expiration if not sooner terminated.

ARTICLE III  
OBLIGATION OF COUNTY

- 3.01 For the purposes and consideration herein stated and contemplated, County shall provide tax collection services by and through the Tax Assessor for City of Sugar Land for tax accounts within the jurisdiction of City of Sugar Land, limited to Fort Bend County accounts.
- 3.02 City of Sugar Land hereby designates the County Tax Assessor/Collector as its Tax Assessor/Collector for purposes of compliance with Chapter 26 of the Texas Property Tax Code, as amended, for Fort Bend County accounts.

- 3.03 County shall perform all the duties required by law of the Tax Assessor-Collector of City of Sugar Land with regard to assessing and collection of ad valorem taxes.
- 3.04 City of Sugar Land shall adopt a tax rate in accordance with Tax Code 26.05 (a)
- 3.05 City of Sugar Land hereby expressly authorizes County to do and perform all acts necessary and proper to collect taxes for City of Sugar Land, including but not limited to:
  - A. Calculation of taxes, preparation of current and delinquent tax rolls, proration of taxes, correction of clerical errors in tax rolls, collection of current liabilities, collection of delinquent taxes, issuance of refunds.
  - B. County shall assess and collect the ad valorem property taxes owing to the City of Sugar Land. The term “assess” does not include those functions defined as “appraisal” by the Property Tax Code.
  - C. The county shall produce a consolidated tax statement for both County and City of Sugar Land taxes.
  - D. County shall prepare consolidated tax statements for each parcel on the tax rolls of City of Sugar Land.
  - E. County shall mail statements.
  - F. County shall mail notices of delinquent service charges in accordance with Section 33.07, 33.08 and 33.11 of the Texas Property Tax Code.
  - G. County shall perform for City of Sugar Land all duties provided by law of the State of Texas for the collection of taxes.
  - H. County shall perform any additional, reasonable services, which may be requested by City of Sugar Land. County shall bill all additional services to City of Sugar Land at actual costs.
- 3.06 County shall provide the following reports, upon request, by City of Sugar Land.
  - A. Report of the current year tax levy, showing taxable value, exemptions, abatements, net taxable values, tax rate, and tax levy for each parcel of property;
  - B. Remittance report with each remittance to City of Sugar Land showing the taxes paid by year, amount paid, principal and interest paid, service charge paid, etc.;
  - C. Monthly report of tax activity showing the amount of initial levy, collections during month for both current and delinquent taxes, adjustments during the month, and the year-to-date collections percentage of current levy; and
  - D. Any additional reports, which may be requested by the City of Sugar Land.
- 3.07 The taxes collected by County for City of Sugar Land shall be remitted as follows:
  - A. a credit/debit memo within same depository bank: or
  - B. by ACH; or
- 3.08 City of Sugar Land shall provide written notification to County of the manner in which taxes shall be remitted, as described in Section 3.07 above.
- 3.09 The taxes collected by County shall be remitted at least once per week.
- 3.10 Wire transfers may incur a charge of five dollars (\$5.00) for each transfer.
- 3.11 Refunds to taxpayers and taxpayer checks returned from banks shall be deducted from the County’s remittance to City of Sugar Land.

ARTICLE IV  
OBLIGATIONS OF CITY OF SUGAR LAND

- 4.01 City of Sugar Land agrees to promptly deliver to County all records necessary to perform its duties under the terms of this Agreement.
- 4.02 For services rendered pursuant to this Agreement, City of Sugar Land agrees to pay County for the actual costs incurred, for assessing or collecting taxes for City of Sugar Land in accordance with Tax Code Section 6.27. The Parties acknowledge and agree that these amounts as of the date of this Execution are as follows:
- A. Forty cents (\$0.40) per parcel per year;**
  - B. One dollar (\$1.00) per account to add delinquent accounts to County's records;**
  - C. Two dollars and seventy-seven cents (\$2.77) per account outside of Fort Bend County; and**
  - D. Other costs for which City of Sugar Land will reimburse the County for actual costs incurred for any additional services requested by City of Sugar Land or mandated by state statute.**
- 4.03 County will review actual costs annually and advise City of Sugar Land of any cost change in advance of the auto renewal. The Agreement will then renew at those rates without need to amend this document unless otherwise terminated by the Parties.
- 4.04 City of Sugar Land shall pay to County the cost of assessment and collection as provided in Section 4.02. The payment shall be withdrawn from the January collection by County each year.

ARTICLE V  
ADMINISTRATIVE PROVISIONS

- 5.01 All records necessary to be maintained by County for the assessment and collections of taxes shall be kept clearly on the books and records of County, and a designated representative of City of Sugar Land, including City of Sugar Land's auditors, is authorized to examine the records maintained by County at such reasonable time and interval as City of Sugar Land deems necessary. Such books and records will be kept in the offices of County.
- 5.02 City of Sugar Land shall maintain a Public Fidelity Bond covering all offices, officials and employees for one hundred thousand dollars (\$100,000.00).
- 5.03 City of Sugar Land shall transfer to the possession and control of County, without charge, copies of all records necessary for the performance of the duties and responsibilities of County pursuant to this Agreement, which shall include all tax records, including the delinquent tax rolls.
- 5.04 County shall not be legally responsible to City of Sugar Land for any failure to collect taxes, nor shall the County Tax Assessor-Collector be legally responsible unless the failure to collect taxes results from failure to perform the duties imposed by law and by this Agreement.

- 5.05 City of Sugar Land reserves the right to institute such suits for the collection of delinquent taxes, as City of Sugar Land deems necessary and to contract with an attorney for collection of delinquent taxes.
- 5.06 County shall comply with all provisions of the Texas Property Tax Code, as amended, and any policies and procedures regarding collection of ad valorem property taxes which City of Sugar Land may adopt.
- 5.07 In the event County waives any penalty and/or interest on any parcel, pursuant to Section 33.011 of the Property Tax Code, City of Sugar Land consents to the waiver of the penalty and/or interest on the same parcel(s), and hereby authorizes County to waive such penalty and/or interest on behalf of City of Sugar Land.
- 5.08 City of Sugar Land's performance under this Agreement is conditioned on the appropriation of funds by City of Sugar Land on a yearly basis for payment of the Collection Fee, and shall constitute a commitment of current revenues only. The failure by City of Sugar Land's governing body to appropriate funds sufficient for payment of such Collection Fee shall be grounds for termination of this Agreement.

ARTICLE VI  
LIABILITY

- 6.01 Each party to this Agreement agrees that it shall have no liability whatsoever for the actions or omissions of an individual employed by another party, regardless of where the individual's actions occurred. Each party is solely responsible for the actions and/or omissions of its employees and officers.

ARTICLE VII  
MISCELLANEOUS

- 7.01 This Agreement shall be governed by and constructed in accordance with the laws of the State of Texas.
- 7.02 No assignment of this Agreement or of any right accrued hereunder shall be made, in whole or in part, by either party without the prior written consent of the other party. Venue shall be in Fort Bend County, Texas.
- 7.03 The undersigned officer and/or agents of the parties hereto are the properly authorized officials of the party presented and have the necessary authority to execute this Agreement on behalf of the parties hereto and each party hereby certifies to the other that any necessary approvals have been duly passed and approved and are now in full force and effect.
- 7.04 The parties to this Agreement do not intend by this Agreement that any specific third party may obtain a right by virtue of the execution of performance of this Agreement.



9.01 This executed instrument is understood and intended to be the final expression of the parties' agreement and is a complete and exclusive statement of the terms and conditions with respect thereto, superseding all prior agreements or representations, oral or written, and all other communication between the parties relating to the subject matter of this agreement. Any oral representations or modifications concerning this instrument shall be of no force or effect excepting a subsequent modification in writing signed by all the parties hereto, except as provided in Section 4.03 of this Agreement.

**FORT BEND COUNTY:**

Attest:

\_\_\_\_\_  
Daniel Wong, County Judge

\_\_\_\_\_  
Laura Richard, County Clerk

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

**CITY OF SUGAR LAND:**

Attest:

\_\_\_\_\_

\_\_\_\_\_

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

Reviewed:

\_\_\_\_\_  
Carmen P. Turner, MPA, PCC, CTOP, PCAC  
Tax Assessor-Collector



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.H.

**Agenda of:** City Council Meeting

**Initiated by:** Larysa Chiski, Senior Police Finance Manager

**Presented by:** Gregory Suter, Police Captain - Staff Services Bureau

**Responsible Department:** Police

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**Agenda Caption:**

**OPIOID LITIGATION SETTLEMENT FUND BUDGET AMENDMENT**

Consideration of and action on the approval of a budget amendment to the FY2026 Opioid Litigation Settlement Fund revenues and expenditures in the amount of \$24,838.23.

**Recommended Action:**

City Council approve a budget amendment to the FY2026 Opioid Litigation Settlement Fund revenues and expenditures in the amount of \$24,838.23.

**Executive Summary:**

In April 2026, the City of Sugar Land received \$24,838.23 in Opioid Settlement Proceeds from the Opioid Abatement Trust Fund.

These funds are made available through the Texas Comptroller of Public Accounts (CPA) and the Opioid Abatement Fund Council (OAFC) through their work with the Texas Treasury Safekeeping Trust Company (TTSTC). The proceeds received will be split 50/50 between the Police and Fire Departments and used for the remediation of opioid harms and related police, fire, and EMS responses.

The Sugar Land Police Department and Sugar Land Fire Department recommend the City Council approve a budget amendment to the FY2026 Opioid Litigation Settlement Fund revenues and expenditures in the amount of \$24,838.23.

### **Budget**

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**Expenditure Required:**

\$24,838.23.

**Current Budget:** \$0

**Additional Funding:**

\$24,838.23.

**Funding Source:**

Opioid Settlement Proceeds from the Opioid Abatement Trust Fund

**Account Number (ORG-OBJ-Project):**

**Expenditures:** 2197105-531002 - \$12,419.11; 2198110-522034 - \$12,419.12; **Revenues:** 2199990-481315 - \$24,838.23.

**Attachments**

None



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** V.I.I.

**Agenda of:** City Council Meeting

**Initiated by:** Briana Williams, Assistant Director of Parks & Recreation

**Presented by:** Briana Williams, Assistant Director of Parks & Recreation

**Responsible Department:** Parks

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**Agenda Caption:**

**INTERLOCAL AGREEMENT WITH FORT BEND INDEPENDENT SCHOOL DISTRICT**

Consideration of and action on an Interlocal Agreement between the City of Sugar Land and Fort Bend Independent School District to support Sugar Land's 2027 Community Expo efforts.

**Recommended Action:**

Approval of the Interlocal Agreement with Fort Bend Independent School District to support Sugar Land's 2027 Community Expo efforts

**Executive Summary:**

**Purpose**

To provide an overview of the proposed Interlocal Agreement between the City of Sugar Land and Fort Bend Independent School District (FBISD) in support of the City's 2027 Community Expo initiative.

**Background**

The Community Expo was developed in response to stakeholder feedback that identified a desire for stronger connections between the City and the community. The event is intended to serve as a platform for engagement, education, and collaboration among residents, businesses, organizations, and local institutions.

Following the presentation of a preliminary Community Expo concept to City Council in Fall 2025, staff began identifying key stakeholders and potential partners to support the initiative. Fort Bend Independent School District emerged as a primary partner for the inaugural event, with the James Reese Career and Technical Center identified as the proposed venue for 2027.

The partnership aims to create an engaging, educational, and accessible event that connects

community members with local organizations, businesses, educational resources, and City services. Through facility tours, collaborative planning meetings, and discussions regarding student and staff involvement, City and FBISD staff have developed a proposed Interlocal Agreement centered around the following goals:

- Foster meaningful relationships between the City of Sugar Land and community partners through informative and interactive exhibits, demonstrations, and educational sessions.
- Showcase the talents, achievements, and programs of local students, residents, businesses, and organizations.
- Provide family-friendly enrichment opportunities and activities that appeal to participants of all ages.
- Strengthen collaboration between the City and community stakeholders while establishing ongoing opportunities for engagement, feedback, and future growth.

## **Agreement**

The proposed Interlocal Agreement outlines the collaborative partnership between the City of Sugar Land and Fort Bend Independent School District for the planning, promotion, and execution of the Community Expo.

Under the agreement, FBISD will provide the event facility as well as planning and coordination support in partnership with the City. The City will be responsible for the overall programming, event management, and execution of the Expo.

Funding for the Community Expo has already been established within the General Fund budget. Expenses associated with this agreement will be accommodated within the approved budget and are not expected to exceed \$15,000. No additional funding is required to execute the agreement.

Staff is excited about the opportunity to partner with Fort Bend Independent School District and views this collaboration as a significant step toward strengthening community engagement and enhancing partnerships throughout Sugar Land.

The agreement is scheduled for consideration by the Fort Bend Independent School District Board of Trustees on June 15. Staff recommends approval of the Interlocal Agreement with Fort Bend Independent School District.

## **Budget**

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**Expenditure Required:** N/A

**Current Budget:** NA

**Additional Funding:** N/A

**Funding Source:** N/A

**Account Number (ORG-OBJ-Project):** N/A

**Attachments**

1. 1.5 CoSL\_FBISD\_MOU-Draft - Clean 5-21-26



**Interlocal Agreement**  
**CITY OF SUGAR LAND and FORT BEND INDEPENDENT SCHOOL DISTRICT**

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This Interlocal Agreement ("Agreement") is made under Government Code Chapter 791 and entered into between Fort Bend Independent School District ("FBISD"), a Texas public independent school district in Fort Bend County, Texas, and City of Sugar Land ("Partner"), a Texas municipal corporation in Fort Bend County, Texas, for the express purpose of providing Sugar Land Community Expo ("Program"). For the purposes of this Agreement, FBISD and Partner shall be collectively referred to as "Parties," or individually as "Party."

**1. Purpose**

This overview outlines the collaborative partnership for the planning, promotion, and execution of the Program. The goal of the partnership is to provide an engaging, educational, and accessible event that connects the community with local organizations, businesses, and educational resources.

The purpose of this partnership is to:

- a. Showcase community resources, local businesses, nonprofits, and educational programs.
- b. Strengthen connections between the school district, local organizations, and the broader community.
- c. Provide opportunities for students and families to engage with educational and recreational programs.
- d. Encourage civic engagement and community participation.

**2. Term**

This Agreement shall commence on the complete execution of this Agreement ("Effective Date") and shall continue in full force and effect until July 31, 2027, unless terminated earlier in accordance with the provisions of this Agreement. After the initial term period has expired, this Agreement shall automatically renew annually for one-year terms unless either Party provides the other Party with thirty (30) days written notice of termination of the Agreement.

### **3. Termination**

- a. Convenience. Either party hereto may terminate this Agreement at any time and for any reason by providing the other party with 60 days' written notice of termination.
- b. Breach. FBISD and Partner covenant and agree that in the event either party fails to comply with, or breaches, any of the terms or provisions of this Agreement, the non-breaching party shall provide written notice to the other as soon as reasonably possible after the non-breaching party becomes aware of the failure to comply with, or breach of, any of the terms or provisions of this Agreement. The breaching party shall have a reasonable time not to exceed fifteen (15) days to cure or correct the breach. If the breaching party fails to cure or correct the breach within fifteen (15) business days, the Agreement shall terminate without any penalty to the non-breaching party whatsoever. This provision is not intended to limit the rights of the parties to terminate this Agreement at any time and for any reason upon thirty (30) days' written notice.

### **4. Duties and Responsibilities of Partner**

- a. Partner shall lead the planning committee and coordinate all logistics.
- b. Partner shall secure vendors, exhibitors, and sponsors at Partner's expense.
- c. Partner shall promote the event through marketing, social media, and local media outlets.
- d. Partner shall manage volunteer recruitment and assignments.
- e. Partner shall oversee event operations, safety protocols, and post-event evaluation.
- f. Partner shall share post-event evaluations and feedback collected.
- g. Leverage third party for stage rental, AV Equipment, backdrops, and décor.
- h. Marketing and Promotions:
  - i. Graphic design and branding;
  - ii. Custom signs;
  - iii. Custom staff shirts;
  - iv. Printing (flyers, banners, signage);
  - v. Digital ads/ social media boosts; and
  - vi. Website/event platform/mobile app option.
- i. Provide promotional items.

- j. Provide volunteer needs and materials.
- k. Provide security personnel to assist with traffic flow and overall event security.
  
- l. Partner shall comply with all applicable federal, state, and local laws, and shall comply with all FBISD Board of Trustees policies, rules, and regulations.
  
- m. To the extent permitted by law, including the Texas Public Information Act, the Partner, for itself and its officers, agents, and employees, agrees that it shall treat all information provided to it by FBISD as confidential and shall not disclose any such information to a third party without the prior written approval of FBISD, except as required by law. In carrying out duties, Partner shall, at all times, recognize and respect the confidentiality of student and education records and shall seek access to such records only in accordance with the requirements of the Family Education Rights and Privacy Act, 20 U.S.C. §1232g (“FERPA”) and FBISD Board of Trustees policy, rules and regulations. Further Partner agrees to abide by these obligations as outlined in the Data Sharing Agreement attached as Exhibit A.
  
- n. During the term of this Agreement, Partner shall cooperate with FBISD to ensure full compliance with all practices and policies regarding Criminal Background Checks as required by FBISD and in compliance with Texas Education Code. This includes but is not limited to submitting all information required to complete any screenings and providing pre-service affidavits under Texas Education Code Section 22A.055 as amended.

**5. Duties and Responsibilities of FBISD**

- a. Provide guidance to campus staff, administration, and Partner as needed.
- b. Promote the event through websites, newsletters, social media, and email notifications.
- c. Encourage student and staff participation as volunteers, performers, or exhibitors.
- d. Facilitate coordination for educational or interactive activities tied to curriculum or enrichment programs.

- e. Provide security personnel to assist with traffic flow and overall event security.
- f. Assist in post-event evaluations and feedback collection from students and families.
- g. Provide the agreed upon facilities and ensure they are accessible and safe.
- h. Assist with set-up and take down logistics, including tables, chairs,
- i. Ensure compliance with occupancy limits, insurance requirements, and local safety regulations.
- j. Offer guidance on facility operations and restrictions.

6. Collective Duties and Responsibilities

- a. Event planning and coordination:
  - i. Planning meetings will be held monthly leading up to the event, with additional meetings as necessary.
  - ii. A joint planning meeting consisting of representatives from all parties will oversee scheduling programming, logistics, and promotional strategies.
  - iii. Each party will designate a primary contact responsible for communication and decision making.
- b. Promotion and Branding
  - i. The event will carry co-branding of both parties on promotional materials, signage, social media, and press releases.
  - ii. All content will be reviewed by all parties before publication to ensure accuracy and alignment with organizational messaging.
- c. Evaluation and Reporting
  - i. After the event, a debrief meeting will be held to assess attendance, community engagement, and overall success.
  - ii. Feedback from vendors, attendees, and students will be collected to guide improvements for future expos.
  - iii. A summary report will be shared among all partners, including financials, survey results, and recommendations.

7. **Expenses and Payment**

- a. Expenses incurred by FBISD for the Program will be invoiced to Partner separately and may include items such as giveaways, attendee gifts, food for attendees, and student services. Partner shall pay FBISD the invoiced amount within 30 days of receipt of the invoice. FBISD will not charge Partner for overhead items or personnel costs.

- b. In no event shall any funds ever be due or owed from FBISD to Partner under this Agreement. Partner shall pay its own expenses and costs in the performance of its duties and responsibilities of this Agreement without reimbursement from FBISD.
- c. The budget narrative below, specifically for meals, refreshments, and drinks outlines the projected costs, as of the date of execution of this Agreement. The Parties acknowledge that the expenses for the Program are not finalized and that the line items, quantities, timing, logistics, and associated costs for items provided by FBISD in the budget narrative below are subject to change. The budget narrative provided by FBISD is a good-faith approximation for planning purposes and shall not be deemed a guaranteed maximum, fixed price, or cap on reimbursable expenses. **Notwithstanding the foregoing, FBISD agrees that the actual costs will not exceed Fifteen Thousand and No/100 Dollars (\$15,000.00), unless approved in writing by Partner.**
- d. Partner shall reimburse FBISD for its reasonable and documented costs and expenses incurred, including costs arising from changes in scope, timing, vendor pricing, or event requirements, whether or not such costs were contemplated in the below budget narrative. FBISD and Partner agree to cooperate and communicate in good faith on any changes in scope to the budget narrative, but to avoid delay or disruption to the Program, FBISD will not be required to obtain Partner's prior written approval for (1) any individual cost item that is consistent with the nature of the line items below or the Program or (2) any reasonable increase in cost to existing or previously agreed to items. Budget Narrative:

**Commented [SS1]:** There needs to be some sort of ceiling on the maximum amount. It cannot be completely open-ended.

**Commented [LC2R1]:** @ Shea Smith, agree, but we have added this minor revision in the event we end up with an unexpected cost. It would be mutually reviewed and agreed upon prior to proceeding with expenditure. Thoughts??

Food/Refreshments	Per person	Projected Cost
Light breakfast pastries, coffee, tea, water for 100	\$ 4.00	\$ 400.00
Hospitality for VIPS and Vendors: Sweet Treats for the closing for 100	\$ 5.00	\$ 500.00
Café Boxed Meals for 50	\$ 17.00	\$ 850.00
General Desserts/Treats for all attendees (1,000)	\$ 5.00	\$ 5,000.00
Water Stations		
Subtotal		\$ 6,750.00
Supplies	Per item	Projected Cost
Work shop Demonstration Supplies		\$ 1,000.00
Supplies for Attendee Giveaways (1,000 total)		\$ 500.00
Kids crafts/activities		\$ 500.00
Subtotal		\$ 2,000.00
<b>Total</b>		<b>\$ 8,750.00</b>

## 8. Non-Appropriation

Non-Appropriation and Unavailability of Funds. As FBISD shall incur all expenses under this Agreement from current revenues available, in the event no funds or insufficient funds have been appropriated for any fiscal period when such expenses are required to be incurred by FBISD, FBISD shall notify Partner of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which payment was received without penalty to FBISD of any kind whatsoever.

As Partner shall make all payments under this Agreement from current revenues available, in the event no funds or insufficient funds have been appropriated for any fiscal period when such payment is due, Partner shall notify FBISD of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which payment was due without penalty to Partner of any kind whatsoever. However, Partner shall be responsible to remit payment for all services provided by FBISD prior to the termination date.

## 9. Insurance

- a. Throughout the term of this Agreement, Partner shall maintain, at its sole cost and expense, a policy or policies of
  - i. Comprehensive General Liability (“CGL”) insurance with limits of not less than \$1,000,000.00 per occurrence, including \$2,000,000.00 aggregate, \$1,000,000 for personal injury, \$500,000 for fire damage, and \$5,000 for medical payments. Such coverage shall include but not be limited to normal and customary coverages under CGL policies, coverages for products, completed operations, independent contractors, broad form property damage, pollution, and blanket contractual liability coverages. Any XCU exclusions must be removed when underground work is performed.
  - ii. Automobile Liability Coverage insurance covering any automobile used or hired by Partner or Partner’s employees, contractors, or affiliates in a combined single limit of \$1,000,000.
  - iii. Workers’ Compensation (“WC”) insurance in an amount that complies with the requirements of the Texas Workers’ Compensation Act, and Employer’s Liability in the amount of \$1,000,000.00
  - iv. **Errors and Omissions** insurance coverage at \$1,000,000 per occurrence.

**Commented [SS3]:** Per the City’s Risk Manager: We do not carry abuse & molestation coverage. We carry Errors & Omissions (E&O) which provides coverage for any employee wrong doing.

All such policy or policies shall be written by an insurance company or companies reasonably satisfactory to FBISD, licensed to do business in the State of Texas, and shall have a Best's Key rating of at least "A-X."

- b. Partner shall provide FBISD an indemnification under contract.
- c. Partner shall provide FBISD, thirty (30) days prior to commencement of performance of this Agreement, a certificate or certificate(s) of insurance evidencing required insurance coverage, documented by a Texas Acord Form 25, which shall display that the District is an additional insured, or an indemnification under contract. Throughout the term of this Agreement, Partner shall provide an updated certificate of insurance coverage upon expiration of the current certificate.
- d. Partner will insure its own equipment.
- e. The insurance requirements of this Paragraph 8 are a condition precedent to this Agreement, without the fulfillment of which FBISD would not enter into this Agreement. These requirements cannot be waived by conduct or statement of any District employee unless such a waiver is expressly made in writing and signed by the Superintendent. If the insurance requirements are not strictly maintained, in addition to any other available remedies, the District may immediately terminate this Agreement.

#### **10. Indemnification**

To the extent permitted by law, each party shall hereby indemnify and holds the other and the other's affiliates and its respective officers, directors, agents, employees and contractors harmless from and against any and all third party claims, demands, liabilities, and expenses, including reasonable attorneys' fees and litigation expenses for any asserted personal injury of any kind, any other injury, death of any person, or property damage or any kind, (collectively "claims") arising from the negligence or misconduct of that party or its officers, directors, agents, employees, or contractors occurring on the other's property or during any and all activities related to the Program regardless of location. In the event any action or proceeding shall be brought against either party by reason of any such claim, the parties shall defend the same at each party's expense. Each party's insurance carrier will select counsel if the defense is provided under that party's insurance policy.

It is understood and agreed that by execution of this Agreement, neither party waives or surrenders any of its immunities. FBISD specifically does not waive or surrender any of its immunities, including those authorized and provided by Chapter 101 of the Texas Civil Practice and Remedies Code and the Texas Education Code.

**11. Relationship of the Parties**

FBISD and Partner agree that each party is a distinct legal entity and that no employees, volunteers, affiliates, or contractor of one party shall be deemed to be an agent, employee, or affiliate of the other. Accordingly, Partner shall be solely responsible for payment of all wages, taxes, including, but not limited to, federal income taxes, Social Security (FICA) taxes, and other taxes or business license fees, if any, workers’ compensation, disability benefits, or other obligations due to its employees arising out of Partner’s performance of its duties under this Agreement. Likewise, Partner shall be solely responsible for the acts and omissions of its officers, members, agents, servants, and employees.

**12. Notices**

Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, c/o the designated person listed below; or (2) received by the other party by United States Mail, certified or registered, return receipt requested, addressed as follows:

<b>FBISD</b>	<b>City of Sugar Land</b>
Attn: Chassidy Olainu-Alade	Attn: Briana A. Williams
Title: Chief Communications Officer	Title: Assistant Director of Parks and Recreation
Address: 16431 Lexington Blvd., Ste. 312, Sugar Land, TX 77479	Address: 2700 Town Center Blvd., Sugar Land, TX 77479
Chassidy.OlainuAlade@fortbendis.gov	bawilliams@sugarlandtx.gov

**13. Governing Law and Venue**

This Agreement shall be construed in accordance with the laws of the State of Texas. If any action, whether real or asserted, at law or in equity, is brought pursuant to this Agreement, venue for such action shall lie in state courts located in Fort Bend County, Texas, or the United States District Court for the Southern District of Texas.

**14. Severability**

If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions which can be given effect without the invalid provisions shall not in any way be affected or impaired.

**15. Force Majeure**

FBISD and Partner shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control, including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, pandemic, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, material or labor restrictions by any governmental authority, transportation problems and/or any other similar causes.

**16. Non-Solicitation**

During the term of this Agreement, and for a period of two (2) years immediately thereafter, Partner agrees not to directly solicit for employment any employee or independent contractor of FBISD, nor shall Partner directly induce any employee or independent contractor of FBISD to terminate his or her employment with FBISD for any reason. Partner understands and agrees that any solicitation in violation of this paragraph shall cause substantial harm to FBISD and shall be liable for such substantial harm. Notwithstanding the foregoing, however, this prohibition shall not apply to any of FBISD's employees that are offered employment through their response to an indirect solicitation for employment by Partner, such as general job postings on the internet, in a newspaper, or by other media.

**17. Name, Logo, and other Trademarks**

Both Parties retain the right to control the use of their logos or images and neither Party may use such logos or images of the other Party without prior written permission from a person authorized to grant such permission. Neither Party shall take any action that states, implies, or allows another to infer that the other Party has approved or endorsed any studies, materials, or promoted content. Any use of one Party’s logos or images in print, media, or in association with the other Party or its affiliates must be approved in advance in writing by the person authorized to grant such permission.

**18. Headings Not Controlling**

Headings and titles used in this Agreement are for reference purposes only, shall not be deemed a part of this Agreement and are not intended to define or limit the scope of any provision of this Agreement.

**By execution of this Agreement below, each party acknowledges that the foregoing expresses the principal understandings between FBISD and Partner and their shared goal to work collaboratively. The foregoing does not necessarily express all of the understandings between the parties now or in the future and the parties further agree that, if and when issues arise that seem to be of a nature that expression of the parties' shared understanding would be beneficial, the parties may amend or supplement this Agreement by writing an addendum signed on behalf of both parties.**

**Accepted and Agreed:**

<b>City of Sugar Land</b>	<b>Fort Bend Independent School District</b>
By:	By:
Printed Name: Mike Goodrum	Printed Name: Dr. Marc Smith
Title: City Manager	Title: Superintendent
Date:	Date:

**Important Contacts:**

*City of Sugar Land Central Office Team:*

Memorandum of Understanding  
FBISD and City of Sugar Land

Brianna Williams  
bawilliams@sugarlandtx.gov  
832-278-7870  
*FBISD Education Central Office:*  
Chassidy Olainu-Alade  
Chassidy.OlainuAlade@fortbendisd.gov  
281-634-5788

**Exhibits**

- Exhibit A: Requested Insurance Coverage (sample COI)
- Exhibit B: Consents for student participation and media releases



**City Council Agenda Request**  
**June 16, 2026**

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**Agenda Request No:** VI.J.

**Agenda of:** City Council Meeting

**Initiated by:** Betty Jurado, Administrative Coordinator

**Presented by:** Michelle McCrimmon, Assistant City Manager

**Responsible Department:** Finance

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**Agenda Caption:**

**ENGAGEMENT LETTER WITH WEAVER AND TIDWELL, L.L.P.**

Consideration of and action on approval of an Engagement Letter with Weaver and Tidwell, L.L.P. for FY 2026 Annual Audit Services in an amount not to exceed \$161,500.

**Recommended Action:**

Approve the engagement letter with Weaver and Tidwell, L.L.P. for professional audit services in the amount of \$161,500 for fiscal year 2026. Engagement letters for subsequent year's audits will be considered by City Council annually for approval.

**Executive Summary:**

**Background**

The City is required by State law to have its records and accounts audited annually by an independent professional auditor and shall have an annual financial statement prepared based on the audit. The audit shall be performed by a certified public accounting (CPA firm) licensed to practice in the State of Texas. The audit firm shall also provide a compliance audit of federal and state grants when necessary and certain non-attest services including the preparation of financial statements and related notes, preparation of the schedule of expenditures of federal awards, assist with entries to convert accounting records from modified accrual to full accrual, and prepare the Data Collection Form.

Weaver and Tidwell, L.L.P. was selected in spring 2025 through a Request for Proposal (RFP) solicitation for a 5-year period. The annual budget includes funding to cover the audit. The audit fees include:

Financial statement audit	\$145,000
Uniform Guidance compliance audit *	8,500

Non-attest services      7,500  
Total estimated audit fees      \$161,500

\* Assumes one major program. Additional major programs will be \$5,000 each.

Funding for the audit fees will be included in the FY27 budget.

## **Budget**

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**Expenditure Required:** \$161,500

**Current Budget:** \$161,500 (FY27)

**Additional Funding:** NA

**Funding Source:** Multiple Funding Source

**Account Number (ORG-OBJ-Project):** 1012115-541010 : \$72,668;

1041185-541010 : \$1,794;

6019105-541010 - \$70,163;

6119305 - \$12,240;

7041190 - \$1,730.

## **Attachments**

1. City of Sugar Land FY26 EL

May 28, 2026

To the Honorable Mayor and City Council  
City of Sugar Land, Texas  
2700 Town Center Boulevard North  
Sugar Land, Texas 77479

Dear Honorable Mayor and City Council:

Weaver and Tidwell, L.L.P. (“our”, “us”, and “we”) will perform an audit of the basic financial statements, which comprise the financial statements of governmental activities, the business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (as applicable) as of and for the year ending September 30, 2026, and the related notes to the financial statements of City of Sugar Land.

This required supplementary information (“RSI”) will be subjected to certain limited procedures but will not be audited:

1. Management’s Discussion and Analysis
2. General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
3. Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System
4. Schedule of Contributions – Texas Municipal Retirement System
5. Schedule of Changes in Total OPEB Liability and Related Ratios – Retiree Health Care Plan
6. Schedule of Changes in Total OPEB Liability and Related Ratios – Texas Municipal Retirement System Supplemental Death Benefits Fund

In addition, we will audit the entity’s compliance over major federal award programs for the period ended September 30, 2026.

The following accompanying supplementary information will also be subjected to our auditing procedures, as well as certain additional procedures:

1. Schedule of Expenditures of Federal Awards
2. Combining and individual nonmajor fund financial statements and schedules
3. Budgetary comparison schedules for Debt Service, and nonmajor special revenue funds, as applicable
4. Discretely presented component units fund based financial statements

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

1. Introductory section
2. Statistical section

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

### **Applicable Standards and Framework**

The auditing standards applicable to this engagement will be U.S. GAAS (generally accepted auditing standards in the United States of America) and the Government Auditing Standards (“GAGAS”); if applicable, any state or regulatory audit requirements; and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”).

The financial reporting framework applicable to this engagement is U.S. GAAP (generally accepted accounting principles in the United States of America).

### **Engagement Objective**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with applicable auditing standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the financial statements.

### **Our Responsibilities**

We will conduct our engagement in accordance with the applicable standards described above. As part of an engagement conducted in accordance with the applicable standards, we exercise professional judgment and maintain professional skepticism throughout the engagement.

We also do the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the system of internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit that we have identified during the engagement.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence that support the amounts and disclosures in the financial statements. Such tests may include tests of the physical existence of assets, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected, even though the audit is properly planned and performed in accordance with applicable standards.

May 28, 2026

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

The accompanying supplementary information referred to above will be presented for purposes of additional analysis and is not a required part of the financial statements. Such information will be subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with applicable standards. Our auditor's report will provide an opinion on the supplementary information in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

Our responsibilities for this engagement are limited to the period covered by our engagement and do not extend to any other periods. Our engagement also does not include consultation with you on the adoption of new accounting standards or any future increased duties we may have because of the actions of any regulatory body, implementation of any new auditing standard, or occurrence of an unknown or unplanned significant transaction.

Mr. John DeBurro, CPA, is the engagement partner or equivalent for the services specified in this letter and is responsible for supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign our report.

We expect to begin our procedures in July 2026. We will issue a written report only upon completion of our engagement. Our report will be addressed to the Mayor and City Council of the City.

We cannot provide assurance that an unmodified audit opinion will be expressed. Circumstances may arise in which it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraphs, delay the initiation or completion of our engagement, or withdraw from the engagement. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance.

If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from the engagement.

#### *GAGAS*

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will consider the entity's internal control over financial reporting and perform tests of the entity's compliance with the provisions of applicable laws, regulations, contracts, and grant agreements that could have a direct and material effect on the determination of financial statement amounts.

In accordance with the requirements of GAGAS, we will also issue a written report describing the scope of our testing over internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and grant agreements, and the results of that testing. However, providing an opinion on internal control over financial reporting and compliance with respect to the financial statements will not be an objective of the audit and, therefore, no such opinion will be expressed. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

#### *Uniform Guidance*

Our audit of the entity's major federal award program(s) compliance will be conducted in accordance with the Uniform Guidance.

Our procedures will include a determination of major federal award programs in accordance with the Uniform Guidance, and the identification of the compliance requirements that are direct and material to such major programs. We will also perform other procedures we consider necessary to enable us to obtain reasonable assurance about whether the entity complied with the direct and material compliance requirements applicable to major federal award programs, so that we may express an opinion or disclaimer of opinion on major federal award program compliance and render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

Also, as required by the Uniform Guidance, we will perform tests to evaluate the effectiveness of the design and operation of internal controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each of the entity's major federal award programs. Our report will include any significant deficiencies and/or material weaknesses identified. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion on the effectiveness of the internal control over compliance will be expressed in our report.

*Required Supplementary Information (RSI)*

U.S. GAAP, as promulgated by the Governmental Accounting Standards Board ("GASB"), requires that management's discussion and analysis and budgetary comparison information, among other items, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with U.S. GAAS. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

**Non-Attest Services**

We will perform the following additional non-attest (non-audit) services as part of this engagement.

- Preparation of financial statements and related notes
- Preparation of schedule of expenditures of federal awards (as applicable)
- Assisting with entries to convert accounting records from modified accrual to full accrual (GASB 34 entries)
- Prepare the Data Collection Form

GAGAS require that we perform and document an assessment of the skills, knowledge, and experience of the individual designated by the entity to oversee any non-attest services we perform. The entity has designated Michelle McCrimmon, Assistant City Manager – Chief Financial Officer, to oversee these services.

These non-attest services do not constitute an audit under GAGAS, and such services will not be conducted in accordance with GAGAS.

**Data Collection Form on Reporting for Single Audits**

It is expected that prior to the conclusion of the engagement, sections of the Data Collection Form will be completed by our firm. The sections that we will complete summarize our audit findings by federal grant or contract. Management is responsible for submitting the reporting package (defined as including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. The instructions to the Data Collection Form require that the reporting package be an unlocked, unencrypted, text searchable portable

document file (PDF) or else it will be rejected by the Federal Audit Clearinghouse. We will be available to assist management in creating the PDF if needed.

We will coordinate with you the electronic submission and certification upon the reporting package completion. If applicable, we will provide copies of our report for you to include with the reporting package if there is a need to submit the package to pass-through entities.

The Data Collection Form and the reporting package must be submitted within the earlier of thirty (30) days after receipt of our reports or nine (9) months after the end of the audit period.

### **Third-Party Service Providers**

Depending on the requirements of this engagement, we may use the services of our affiliate, Weaver and Tidwell India LLP, a limited liability partnership incorporated in India, or one or more other third-party service providers to assist us. Before sharing confidential information with those service providers, we will (i) secure agreements to maintain the confidentiality of such information and ensure the information is only used for the purpose of assisting us with the performance of this engagement and (ii) take commercially reasonable precautions to determine the service providers have appropriate procedures in place to prevent the unauthorized disclosure of the information. If we use such service providers, we will remain responsible for all work performed and any breach of our confidentiality arrangements by those service providers.

### **Management's Responsibilities**

Our engagement will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility for:

- a. the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework described above;
- b. the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- c. the design, implementation, and maintenance of programs and controls to prevent and detect fraud;
- d. informing us of any known or suspected fraud involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on the financial statements (including any allegations of fraud or suspected fraud received in communications from employees, former employees, regulators, or others);
- e. providing us with:
  - i. access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
  - ii. additional information that we may request from management for the purpose of the engagement; and
  - iii. unrestricted access to persons from whom we determine it necessary to obtain evidence;
- f. including our report, and our report on any supplementary information if described above, in any document containing financial statements that indicates that such financial statements have been audited by us;
- g. identifying and ensuring compliance with the applicable laws and regulations;
- h. adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
- i. maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- j. the accuracy and completeness of all information provided;

- k. with regard to the supplementary information referred to above: (a) the preparation of the supplementary information in accordance with the applicable criteria; (b) providing us with the appropriate written representations regarding supplementary information; (c) including our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) presenting the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon;
- l. the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to violations of laws, governmental regulations, grant agreements, or contractual agreements;
- m. identifying all federal awards expended during the period;
- n. providing us with access to all information of which management is aware that is relevant to federal award programs;
- o. preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- p. the design, implementation, and maintenance of internal control over compliance;
- q. identifying and ensuring that entity complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs;
- r. following up and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- s. following up and taking corrective action on current period audit findings and preparing a corrective action plan for such findings;
- t. submitting the reporting package and data collection form to the appropriate parties;
- u. making us aware of any significant vendor relationships where the vendor is responsible for program compliance;
- v. informing us of facts that may affect the financial statements of which you may become aware during the period from the date of our report to the date the financial statements are issued; and
- w. confirming your understanding of your responsibilities in this letter to us in your management representation letter.

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we request.

If we agree herein or otherwise to perform any non-attest services (such as tax services or any other non-attest services), you agree to assume all management responsibilities for those services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. We will perform any such non-attest services in accordance with applicable professional standards.

During the course of our engagement, we will request information and explanations from management regarding operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will also require, as a precondition to the issuance of our report, that management provide certain representations in a written letter concerning representations made to us in connection with our engagement. You agree that as a condition of our engagement, management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the engagement and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that

May 28, 2026

we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the engagement; or, worse, could cause a material error or a fraud to go undetected by our procedures.

The hiring of, or potential employment discussions with, any of our personnel could impair our independence. Accordingly, you agree to inform the engagement partner prior to any such potential employment discussions taking place.

## **Fees and Invoicing**

We estimate the fee for this engagement will be as follows:

- Financial statement audit: \$145,500
- Uniform Guidance compliance audit: \$8,500 for one major program and \$5,000 for each additional major program
- Non-attest services as described above: \$7,500

The total fee for our services will be determined by the complexity of the work performed and the tasks required. Individual hourly rates vary according to the degree of responsibility involved and the skills required and are subject to periodic review and change. It is understood that neither our fees nor the payment thereof will be contingent upon the results of this engagement.

Our fee estimate is based on anticipated cooperation from all involved and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss the reasons with you and arrive at a new fee estimate before we incur the additional costs.

Our invoices for this engagement will be rendered each month as work progresses. Our invoices are payable in accordance with Texas Government Code § 2251.021, if applicable.

## **Documentation and Deliverable**

The documentation we prepare pertaining to and in support of this engagement is our property and constitutes confidential information.

If you intend to make reference to our firm or include a report or portion of a report we issue in a published document or other reproduction that includes a modified version of the report or financial information to which it was attached, you agree to provide us with printers' proofs or masters for our review and approval before reproducing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our approval. This requirement does not pertain to distributing unmodified reports along with the attached financial information or dissemination of your financial information as a standalone document, such as on your website.

Unless we provide you with written consent in advance of such use, reports we issue are not intended to and should not be provided or otherwise made available for use in connection with the sale of debt or other securities. If, in our professional judgment, the circumstances require, we may withhold our consent.

Consistent with professional standards, our firm is subject to peer review and inspection by the PCAOB. Those programs require that our system of quality management and a sample of our work be periodically examined by another independent accounting firm or the PCAOB, respectively. A copy of our latest external peer review report is available at [peerreview.aicpa.org](http://peerreview.aicpa.org). The work we perform for you may be selected for review. If it is, we will provide the reviewers with the required information without notice to you. Professional standards and PCAOB regulations provide the applicable confidentiality requirements.

*[Signatures on Next Page]*

May 28, 2026

**Incorporated General Terms**

Attached are our General Terms that provide additional terms (including but not limited to provisions on confidentiality, limitations on liability, indemnifications, dispute resolution, jury waiver, etc.) for this engagement. Those terms are incorporated and apply to all services described herein.

We appreciate the opportunity to assist you and look forward to working with you and your team.

Sincerely,

*Weaver and Tidwell, L.L.P.*

**WEAVER AND TIDWELL, L.L.P.**

The Woodlands, Texas

Please sign and return a copy of this letter to indicate acknowledgment of, and agreement with, the arrangements for our engagement as described herein, including each party’s respective responsibilities. By signing below, the signatory also represents that they have been authorized to execute this agreement.

**City of Sugar Land**

By: \_\_\_\_\_

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

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

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

## GENERAL TERMS

### 1. Expenses.

In addition to the fee for our services, reasonable and necessary out-of-pocket expenses we incur (such as parking, reproduction and printing, postage and delivery, and out-of-market travel, meals, and accommodations) will be invoiced at cost. The total amount stated on each invoice will include a separate administrative and technology charge. The charge represents an estimated allocation of our support personnel, telecommunication, and technology infrastructure expenses. The amount stated on each invoice will also include any sales, use, gross receipts, excise, or other transaction tax imposed on our fees or expenses.

### 2. Payment.

Any disagreement with the charges must be communicated to us in writing within thirty (30) days of the invoice date, after which any right to contest the invoices will be waived. For invoices not paid within sixty (60) days of the invoice date, a late charge will be added to any uncontested outstanding balance. The late charge will be assessed at a rate of half a percent (0.5%) of the unpaid balance per month. If invoices are not paid within ninety (90) days of the invoice date, this engagement (and any other engagements for the same party) will be placed on hold and we will stop work until the balance is brought current, or we may withdraw, and we will not be liable for any damages that may result.

### 3. Term.

A. This engagement ends at the earlier of the completion of our services described above, the provision of any deliverables described above, or the termination of this engagement. Any party may earlier terminate this engagement at any time with ten (10) days' written notice to the other party. If the engagement is terminated, our engagement will be deemed to have been completed upon written notification of termination, and we will be paid for our time expended and expenses incurred through the date of termination.

B. If we are requested to perform additional services not addressed in this engagement letter, we will communicate our ability to perform the services, the scope of additional services we agree to perform, and the fee arrangements we would use. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting the arrangement for performance of such additional services, those services will continue to be governed by the terms of this engagement letter.

### 4. Ethical Conflict Resolution.

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will provide notice of such conflict as soon as practicable and discuss any possible means of resolving the conflict prior to suspending our services.

### 5. Non-Solicitation of Our Staff.

We value every one of our partners, employees, and contractors and have spent a great deal of time and resources to locate, train, and retain those individuals. Accordingly, during the term of this engagement letter and for two (2) years after the later of the termination of this engagement letter or conclusion of the performance of all of our services performed hereunder, no party, whether voluntarily or involuntarily, directly or indirectly, will solicit to employ or engage, on a partner, employee, contractor, or other basis, any of our partners, employees, or contractors who perform these services, without obtaining the prior written consent of our CEO or COO. This section shall not apply to a solicitation by general advertisement (e.g. website, social media posting, newspaper, etc.) or any employment or engagement resulting therefrom.

### 6. Confidentiality.

A. During the course of this engagement, the parties may disclose to each other, orally, in writing, or otherwise, information that is identified as or which is otherwise categorized by law as proprietary, confidential, or privileged ("Confidential Information"). Confidential Information does not include material which (i) is in the public domain through no fault of the receiving party, (ii) was already known to the receiving party before it was first disclosed to the receiving party by or on behalf of the disclosing party related to this engagement, (iii) is received by the receiving party from third-parties without confidentiality restrictions, unless those third-parties were acting for or on behalf of the disclosing party related to this engagement, or (iv) is developed by the receiving party independently of, and without reference to, any Confidential Information communicated to the receiving party by or on behalf of the disclosing party. We will use the Confidential Information disclosed to us during this engagement solely to perform services for which we have been engaged.

B. We may be requested to make the Confidential Information available to regulators and other government agencies, pursuant to authority given by law or regulation. Responding to many such requests is mandatory. In those

cases, access to such Confidential Information will be provided under our supervision and we may, upon their request, provide the regulator or agency with copies of all or selected portions of the Confidential Information. The requesting party may intend or decide to distribute the copies or information contained therein to others, including other regulators or agencies.

C. Unless otherwise stated herein, prohibited by law or direction of law enforcement, or agreed in writing, the parties will (i) provide prompt notice of any request received to make Confidential Information pertaining to this engagement, including any of our work product, available to outside parties not involved in the performance of these services and (ii) obtain written consent from the affected party before disclosing the Confidential Information in response to the request. If consent is withheld, the parties will cooperate with any lawful efforts taken to minimize the disclosure or protect the Confidential Information.

D. We will invoice for reasonable and necessary time (at our then-current standard hourly rates) and out-of-pocket expenses (including attorney's fees) we incur to respond to any request (such as a subpoena, summons, court order, or administrative investigative demand) pertaining to this engagement in a legal matter to which we are not a party. If we agree to perform additional substantive services related to or arising out of the request, such matters may be the subject of a new engagement letter.

E. The parties agree to maintain Confidential Information using the same standard of care each uses to protect its own information of like importance but in no case less than a reasonable standard of care.

F. All rights to Confidential Information (including patent, trademarks, copyrights, or other intellectual property rights) shall remain vested in the disclosing party, and no rights in the Confidential Information are vested in the receiving party, except the limited right to use the Confidential Information solely to perform its obligations or exercise its rights under this engagement letter.

G. We will return or destroy the Confidential Information upon the disclosing party's request within a reasonable period of time, except that we will maintain any copies of the Confidential Information for the period necessary to comply with any applicable laws or professional standards and our own document retention policy (e.g. we will maintain our workpapers for seven (7) years from the date of any attest report we issue). Following such a period, we may destroy the Confidential Information without notice.

H. We may at times provide (i) documents marked as drafts or (ii) preliminary or ancillary information or advice (not included in a final deliverable). Those documents, information, and/or advice are for review and consideration purposes only and should not be relied upon or distributed,

and should be destroyed, unless otherwise required by law. If further analysis, information, or advice is desired, we will be informed in writing. We may assist if the matter is within our expertise. Unless already encompassed by the scope of our engagement letter, if we agree to provide such further assistance, our services will be handled as additional services in the manner described above.

I. We may transmit and store data via email, the cloud, or other electronic and Internet-based mechanisms to facilitate this engagement. Please be aware that those mediums inherently pose a risk of misdirection or interception of Confidential Information. Any request to limit such transmissions or use a different means of transmission or storage must be made in writing and we will not be responsible for any resulting compromise in data security.

J. We do not act as the host or repository of financial or non-financial information or as an information back-up service provider for our clients. It is the responsibility of our clients to maintain a complete set of their own financial and non-financial data and records. If some portion of the data and records is contained only within our files, inform us before the issuance of our deliverable and we will provide a copy.

K. Unless otherwise stated herein or agreed in writing, neither this engagement nor engagement letter is intended for the benefit of any third party. Any party may inform us of any third party who will receive our deliverable. If we are not informed in writing by a party, we are not aware of the identity of such third parties and we do not anticipate their reliance upon our professional services or deliverable unless otherwise agreed in writing.

#### **7. Limitations on Liability and Indemnifications.**

A. Each party to this engagement letter other than us gives the following releases and indemnifications to us and our affiliates' partners, employees, and contractors, and each of their heirs, executors, personal representatives, successors and assigns ("Our Representatives"). We and Our Representatives are hereby released, indemnified, and held harmless, from and against any liability and costs, including related liabilities, losses, damages, costs, expenses, and attorneys' fees, resulting from or arising out of: (i) knowing misrepresentations or unintentional or unauthorized disclosures to us or Our Representatives by any party (other than us) or the officers, employees, or others acting or purporting to act on their behalf, (ii) disclosure of our work product to anyone not a party this engagement letter who we were not informed of in advance, or (iii) misdirection, interception, or failed delivery of information connected with this engagement during transmission, submission, or storage.

B. Our and Our Representatives' total aggregate liability pertaining to this engagement and engagement letter shall be limited to one (1) times the amount of our fees (excluding any reimbursable expenses) the party bringing the claim paid to us for the services in question. In no event shall we or Our Representatives be liable for indirect, incidental, consequential, special, multiple, exemplary, or punitive losses or damages—even if advised of their possible existence.

C. Satisfaction of a claim or cause of action arising from nonattest services (if any) which are part of this engagement or performed pursuant to this engagement letter shall only be sought from the limited liability partnership, Weaver and Tidwell, L.L.P. In no event will our partners, directors, employees, or agents be individually liable for any liability, damages, expenses, or losses of any nature, caused by or resulting from the engagement, engagement letter, or use of our work product. While we are entering into this engagement letter on our own behalf, this paragraph is also intended for the benefit of Our Representatives.

D. All limitations on liability and indemnifications contained herein shall apply to the fullest extent permissible by applicable laws and professional standards (including, without limitation, any applicable rules and interpretations of the AICPA, PCAOB, and SEC), regardless of the cause of action (whether contract, negligence, or otherwise), except as finally determined to have resulted solely from our fraud, gross negligence, or willful misconduct.

#### **8. Dispute Resolution Procedure including Jury Waiver.**

A. No claim arising out of or relating to this engagement or engagement letter shall be filed more than two (2) years after the earlier of the termination of this engagement or the date of the delivery of our work product in question, if any. This limitation applies and begins to run even if no damage or loss has been suffered, or the injured or damaged party has not become aware of the existence or possible existence of a dispute.

B. If a dispute arises out of or relates to this engagement or engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to litigation. In such event, the parties will attempt to agree upon a location, mediator, and mediation procedures, but absent such agreement any party may require mediation in Houston, Texas, administered by the AAA under its Commercial Mediation Procedures.

C. This engagement letter and all disputes between the parties shall be governed by, resolved, and construed in accordance with the laws of the State of Texas, without regard to conflict-of-law principles. Any action arising out of or relating to this engagement or engagement letter shall

only be brought in, and each party agrees to submit and consent to the exclusive jurisdiction of the federal or state courts in the State of Texas and convenience of those situated in Harris County, Texas.

D. Each party hereby irrevocably waives any right it may have to trial by jury in any proceeding arising out of or relating to this engagement or this engagement letter.

E. Whenever possible, this engagement letter shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretation, but if any term of this engagement letter is declared illegal, unenforceable, or unconscionable, that term shall be severed or modified, and the remaining terms of the engagement letter shall remain in force. The court should in such case modify any term declared to be illegal, unenforceable, or unconscionable in a manner that will retain the intended term as closely as possible.

F. If because of a change in status or due to any other reason, any of the terms of this engagement or any contract we have now or enter into in the future with any of the other parties, would be prohibited by, or would impair our independence when required under laws, regulations or published interpretations by governmental bodies, professional organizations or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and the contract shall consist of the remaining portions.

#### **9. Miscellaneous.**

A. We have non-CPA owners who may provide services pertaining to this engagement.

B. We do not provide legal advice or services. If necessary, refer to appropriate legal counsel for advice or services of that nature.

C. This engagement letter sets forth all agreed upon terms and conditions of our engagement with respect to the matters covered herein and supersedes any that may have come before. This engagement letter may not be amended or modified except by further writing signed by all the parties. Any provisions of this engagement letter which expressly or by implication are intended to survive its termination or expiration will survive and continue to bind the parties. The use of electronic signatures or multiple counterparts to execute this engagement letter shall have the same force and effect as a manually or physically signed original instrument.



## Report on the Firm's System of Quality Control

November 19, 2025

To the Partners of Weaver & Tidwell, L.L.P.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver & Tidwell, L.L.P. (the firm) applicable to engagements not subject to Public Company Accounting Oversight Board (PCAOB) permanent inspection in effect for the year ended May 31, 2025. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Weaver & Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2025, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Weaver & Tidwell, L.L.P. has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP



## **City Council Agenda Request** **June 16, 2026**

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**Agenda Request No:** VI.K.

**Agenda of:** City Council Meeting

**Initiated by:** Tara Thompson, Grants Officer

**Presented by:** Mark Campise, Fire Chief

**Responsible Department:** Fire

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**Agenda Caption:**

Consideration of and action on **CITY OF SUGAR LAND RESOLUTION 26-29**: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE U.S. DEPARTMENT OF HOMELAND SECURITY (DHS) FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), FOR FISCAL YEAR 2025 ASSISTANCE TO FIREFIGHTERS GRANT (AFG) PROGRAM; AND DESIGNATING THE CITY MANAGER, OR HIS DESIGNEE, AS AUTHORIZED GRANT OFFICIAL TO APPLY FOR, ACCEPT, REJECT, ALTER, OR TERMINATE THE GRANT AND TO EXECUTE ALL GRANT RELATED DOCUMENTS.

**Recommended Action:**

Approve resolution 26-29 for submission to the Assistance to Firefighter's Grant (AFG)

**Executive Summary:**

**Assistance to Firefighters Grant (AFG) Application – Self-Contained Breathing Apparatus (SCBA) Replacement Project**

The City is seeking authorization to apply for funding through the Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant (AFG) Program to support a comprehensive replacement of the Fire Department's Self-Contained Breathing Apparatus (SCBA) systems and associated breathing air equipment.

This project will replace outdated SCBA equipment currently utilized by frontline fire suppression and emergency medical personnel across the department. The replacement initiative will equip every fire apparatus and ambulance with new SCBA air packs to ensure firefighters and emergency responders have reliable, compliant, and modern respiratory protection while operating in hazardous and immediately dangerous to life

and health (IDLH) environments.

The proposed project includes the acquisition of:

- 106 SCBA air packs
- 300 air cylinders/bottles
- 160 face masks
- 9 Rapid Intervention Team (RIT/RIC) packs
- 100 spare batteries
- 2 breathing air compressors for Station 1 and Station 5

In addition to apparatus-assigned equipment, select SCBA units will be designated for training operations at the department's public safety training facility and for use by technicians located at Station 5. The new breathing air compressors at Station 1 and Station 5 will support department-wide operations by ensuring reliable filling capacity for SCBA cylinders and enhancing operational readiness.

The total project cost is approximately **\$2,000,000**, with the department requesting **\$2,000,000 in federal funding** through the AFG Program and providing the required **10% local match of \$200,000**.

This project will significantly enhance firefighter safety, operational readiness, and compliance with current National Fire Protection Association (NFPA) standards by replacing aging respiratory protection equipment with modern, reliable technology. The replacement of these critical life-safety systems will help reduce equipment failures, improve emergency response capabilities, and ensure firefighters and EMS personnel are adequately protected while serving the community.

## **Budget**

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**Expenditure Required:** A request of 10% match funds not to exceed \$200,000 if grant is awarded.

**Current Budget:** TBD

**Additional Funding:** N/A

**Funding Source:** FEMA Assistance to Firefighter's Grant

**Account Number (ORG-OBJ-Project):** TBD

## **Attachments**

1. Resolution 26-29 -up

**RESOLUTION NO. 26-29**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE U.S. DEPARTMENT OF HOMELAND SECURITY (DHS) FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), FOR FISCAL YEAR 2025 ASSISTANCE TO FIREFIGHTERS GRANTS (AFG) PROGRAM; AND DESIGNATING THE CITY MANAGER, OR HIS DESIGNEE, AS AUTHORIZED GRANT OFFICIAL TO APPLY FOR, ACCEPT, REJECT, ALTER, OR TERMINATE THE GRANT AND TO EXECUTE ALL GRANT RELATED DOCUMENTS.**

WHEREAS, the City Council of the City of Sugar Land (“City”) finds it is in the best interest of the citizens of the City to submit an application to the U.S. Department of Homeland Security, Federal Emergency Management Agency, for the Fiscal Year (FY) 2025 Assistance to Firefighters Grants (AFG) Program, to seek funding to support a comprehensive replacement of the Sugar Land Fire Department Self-Contained Breathing Apparatus (SCBA) systems and associated breathing air equipment at fire stations and in ambulances, including air compressors, to ensure firefighters and emergency responders have reliable, compliant and modern respiratory protection while operating in a hazardous and dangerous environment; and

WHEREAS, the City Council agrees to provide all applicable matching funds as required by the grant application; NOW THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL  
OF THE CITY OF SUGAR LAND, TEXAS:**

**Section 1.** That the City Council authorizes the submission of a grant application to the U.S. Department of Homeland Security, Federal Emergency Management Agency, FY 2025 Assistance to Firefighters (AFG) Grants Program to seek funding to support a comprehensive replacement of the Sugar Land Fire Department Self-Contained Breathing Apparatus (SCBA) systems and associated breathing air equipment.

**Section 2.** That the City Manager, or his designee, is designated as authorized grant official to apply for, accept, reject, alter, or terminate the grant and to execute all grant related documents on behalf of the City of Sugar Land.

APPROVED on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Carol K. McCutcheon, Mayor

ATTEST:

APPROVED AS TO FORM:



\_\_\_\_\_  
Linda Mendenhall, City Clerk



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.L.

**Agenda of:** City Council Meeting

**Initiated by:** Spencer Gutierrez, Intergovernmental Relations Manager

**Presented by:** Spencer Gutierrez, Intergovernmental Relations Manager

**Responsible Department:** Strategic and Government Affairs

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**Agenda Caption:**

Consideration of and action on **CITY OF SUGAR LAND RESOLUTION NO. 26-28**: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, APPOINTING MEMBERS TO THE LEGISLATIVE CITIZEN'S TASK FORCE.

**Recommended Action:**

Staff recommends the appointment of the Legislative Task Force members for the 89th Session of the Texas Legislature.

**Executive Summary:**

The goal of the Legislative Task Force (LTF) is to provide a public engagement component to the creation of the City's legislative agenda. The LTF examines specific legislative issues that impact the way the city provides public services.

The 13-member LTF is comprised of two independent homeowners, one Homeowner's Association representative, three business owners, two members of Sugar Land's Boards and Commissions, one Sugar Land 101 current student or alumnus, one Fort Bend Regional Partnership representative, one Fort Bend Independent School District staff member, one Lamar Consolidated Independent School District staff member and one student (age 18 or above).

The Legislative Task Force is responsible for the following:

- Review the city's current legislative position statements and provide feedback on where changes may be needed to better reflect the community's perspective;
- Provide a unique, citizen perspective through discussions with task force members, city staff and city partners on legislative issues that impact city services;
- Make a recommendation on the State Legislative Agenda for the 89th Session of the Texas Legislature to City Council for consideration;
- Serve as community advocates for the City's legislative program during the legislative

session.

Staff recommends appointment of the Legislative Task Force members for the 90th Session of the Texas Legislature.

## **Budget**

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**Expenditure Required:** N/A

**Current Budget:** N/A

**Additional Funding:** N/A

**Funding Source:** N/A

**Account Number (ORG-OBJ-Project):** N/A

## **Attachments**

1. Resolution 26-28

**RESOLUTION NO 26-28**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS,  
APPOINTING MEMBERS TO THE LEGISLATIVE CITIZEN’S TASK FORCE.**

WHEREAS, the process for local government is a public and participatory process whereby the actions of local governments are subject to the public scrutiny of the residents; and

WHEREAS, residents of the state of Texas expect elected government officials representing local governments to make every effort to be informed on the needs of the constituents and the local government to ensure that local governments have the necessary authorities and resources in which to fulfill the desired needs of the citizens who have elected them; and

WHEREAS, the City Council passed Resolution No. 26-17 on April 7, 2026, establishing a Legislative Citizen’s Task Force; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL  
OF THE CITY OF SUGAR LAND, TEXAS:**

**Section 1.** That the facts and recitations set forth in the preamble of this resolution are declared true and correct.

**Section 2.** That it appoints the following members to the Legislative Citizen’s Task Force, to perform the charges as set forth in Resolution No. 26-17 establishing such task force:

<u>Name</u>	<u>Position Appointed</u>
1. Isaiah Garcia	Homeowner
2. Dave Dratler	Homeowner
3. Terry Azzouz	Business
4. King Banerjee	Business
5. Keith Teague	Business
6. Sarah Calobrisi	Boards & Commissions
7. Amy Suhl	Boards & Commissions
8. Nathan Mathew	Sugar Land 101 graduate
9. Anum Siddiqui	HOAs
10. Annika Mondal	Student
11. Beth Martinez	Fort Bend ISD
12. Jon Maxwell	Lamar Consolidated ISD
13. Irfan Motiwala	Fort Bend Regional Partnership

APPROVED on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Carol K. McCutcheon, Mayor

ATTEST:

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read "Jisha Day".

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Linda Mendenhall, City Clerk



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VI.M.

**Agenda of:** City Council Meeting

**Initiated by:** Charlotte Graves, Agenda & Public Meeting Coordinator

**Presented by:** Nicole Guevara, Assistant Director of Neighborhood Services

**Responsible Department:** Public Works

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**Agenda Caption:**

**SECOND CONSIDERATION:** Consideration of and action on CITY OF SUGAR LAND ORDINANCE NO. 2403: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING PROVISIONS IN CHAPTER 3 RELATED TO TREES AND VEGETATION; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.

**Recommended Action:**

Consider and approve the second reading of Ordinance No. 2403 amending Chapter 3, Article IX, Division 5 of the Code of Ordinances

**Executive Summary:**

Public Works presented several proposed ordinance amendments during a Council workshop in November 2025. Of the proposed ordinance amendments, additional follow-up was needed for the landscaping ordinance changes. The proposed changes were:

- Tree trimming around streetlights
- Tree trimming and vegetation affecting Visibility triangles
- Tree trimming around License Plate Recognition (LPR) cameras

Ordinance No. 2403 has been drafted with the following recommendations as a result from City Council feedback from the initial workshop.

Sugar Land Police Department has confirmed that every effort is being made to avoid placing new LPR cameras in locations that would require landscape/tree modifications.

CenterPoint Energy has confirmed a minimum clearance rule of thumb of three feet around light fixtures, along with unobstructed access beneath the pole/fixture for maintenance. Ordinance No.

2403 proposes the minimum three-foot clearance, based on CenterPoint’s recommendation. (Attachment 1 & 2) In February Workshop staff presented the data and findings from the Lumitracker project. The findings clearly identified a correlation between tree trimming and streetlight performance. (Attachment 3) The data also identified trees that had been properly trimmed allowed for better streetlight performance and had larger, lusher canopies than trees in which were not trimmed and blocking streetlights. (Attachment 4)

For the remainder of the 2026 calendar year, staff will issue courtesy notices to notify residents of a trimming violation. The courtesy notice will outline the ordinance requirements, why the ordinance is beneficial and a reminder that enforcement activities will begin in January 2027. This gives property owners time to anticipate and prepare for mandatory trimming. Staff will work with affected property owners and HOAs to establish reasonable compliance timeframes.

Staff will present Ordinance No. 2403 for Second Reading on June 16, 2026.

**Budget**

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**Expenditure Required:** NA

**Current Budget:** NA

**Additional Funding:** NA

**Funding Source:** NA

**Account Number (ORG-OBJ-Project):** NA

**Attachments**

- 1. Ordinance 2403\_Trees and Vegetation Amendment
- 2. Redline\_Sec. 3-164 Redline\_Visibility triangle or right of way
- 3. Attachment 1
- 4. Attachment 2
- 5. Attachment 3
- 6. Attachment 4

**ORDINANCE NO. 2403**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING PROVISIONS IN CHAPTER 3 RELATED TO TREES AND VEGETATION; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.**

WHEREAS, Chapter 756, Subchapter G of the Texas Health and Safety Code authorizes a municipality, upon making certain findings, to address conditions on private property to protect public health, safety, and welfare; and

WHEREAS, trees, shrubs, and other vegetation located within visibility triangles, street rights-of-way, and areas used for vehicular and pedestrian circulation may obstruct visibility, interfere with street lighting, and reduce clearance over streets, sidewalks, and parking areas, thereby creating hazardous conditions for motorists and pedestrians within the City; and

WHEREAS, the City Council finds that the amendments set forth in this ordinance are necessary to address these conditions and are in the best interest of the public health, safety, and welfare; NOW, THEREFORE;

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:**

**Section 1.** That Section 3-164 of Chapter 3, Article IX is amended to read as follows:

**Sec. 3-164. Trees and objects in the visibility triangle or right-of-way.**

(a) *Findings.* Before the city may provide landscaping services, including tree-trimming, tree disposal, remediation, cleanup and recycling services on private property to protect the public health, safety, or welfare, the city council must make certain findings pursuant to Chapter 756 Subchapter G of the Health and Safety Code. Therefore, the city council makes the following findings:

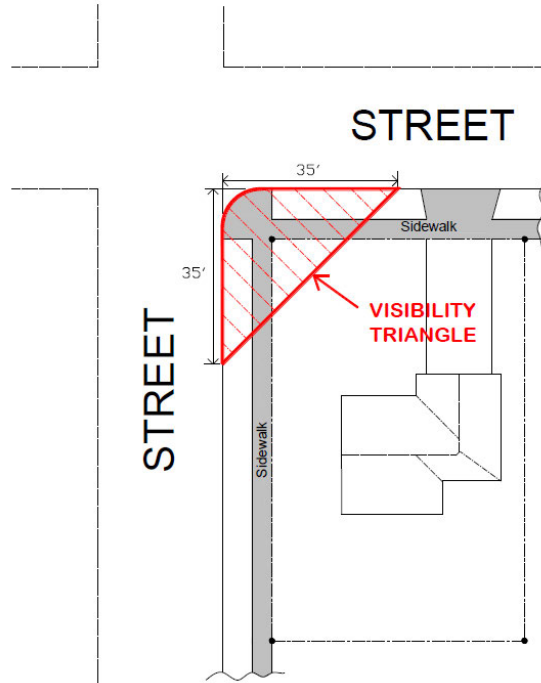
- (1) That trees and other vegetation on private property, including parking-lot drive aisles, and within street rights-of-way, if not properly trimmed, may obstruct the view of traffic-control devices, approaching traffic, pedestrians' use of sidewalks, the light from streetlights, or license plate recognition cameras used by the Police Department;
- (2) That the obstructions constitute a safety concern;
- (3) That the city has taken reasonable action to address this safety concern by adopting ordinances requiring property owners to trim trees and other vegetation; and
- (4) That property owners are required to correct the obstruction within 30 days of the date the city notifies the owner of the obstruction.

(b) *Definitions.* In this section:

*Visibility triangle* is a triangular sight area, at all intersections, which includes that portion of the public right-of-way and any corner lot within the adjacent curb lines and a diagonal line intersecting such curb lines at points thirty-five (35) feet back from their intersection, such curb

lines being extended if necessary to determine the intersection point. If there is no curb, the measurements are made along the edge of the street pavement.

**Figure 3-164**



*Luminaire* is the light-emitting fixture affixed to and supported by a streetlight pole.

*Non-residential street* is any street shown as a freeway, highway, arterial or major collector on the city's thoroughfare plan.

*Residential street* is any street not classified as a non-residential street.

(c) *Objects in the visibility triangle or right-of-way.*

- (1) It is unlawful for a person to place, maintain, or cause to be placed or maintained, in a visibility triangle or right-of-way, any object permanently affixed to the ground and having a height greater than three feet above the pavement surface of the nearest abutting street.
- (2) The restriction in subsection (c)(1) does not apply to traffic control signs and signals, street signs, public utility poles, or other public infrastructure placed within such area by or with the approval of the city.
- (3) It is an affirmative defense to prosecution under this subsection that the object permanently affixed to the ground:
  - a. Was lawfully installed and in existence on the effective date of this section; and

- b. Has not been repaired, replaced, expanded, altered, relocated, or structurally modified after that date.
- (d) *Trees, foliage, branches, and other vegetation in the visibility triangle, right-of-way, or parking-lot drive aisles.* It is unlawful for a person to place or allow any tree, foliage, branches, or other vegetation to extend into a visibility triangle, or right-of-way, or parking-lot drive aisle, unless the tree, foliage, branches, or other vegetation are pruned so that:
  - (1) They do not occupy the space between three feet and eight feet above the adjacent street surface, sidewalk surface, or parking lot driving surface, as applicable;
  - (2) Along any residential street, there is a clear vertical space from the street surface to 12 feet above the street surface;
  - (3) Along any nonresidential street, there is a clear vertical space from the street surface to 14 feet above the street surface;
  - (4) Over any public sidewalk surface or parking lot surface, there is a clear vertical space of eight feet above that surface;
  - (5) They do not obstruct license plate recognition cameras utilized by the Police Department; and
  - (6) They do not obstruct streetlights by:
    - a. being located within three feet of the luminaire;
    - b. interfering with or diminishing the illumination of the streetlight; or
    - c. impeding access to the streetlight for maintenance.
- (e) *Trees and objects near fire hydrants.* It is unlawful for a person to plant or maintain any tree or maintain any object permanently affixed to the ground within three feet of a fire hydrant.
- (f) *Dangerous or substantially dead trees.*
  - (1) It is unlawful for a person to maintain any tree that is dead, substantially dead, or in a condition that poses an imminent threat to life or property.
  - (2) It is an affirmative defense to prosecution under this subsection that the tree is not dead, substantially dead, or does not pose an imminent threat to life or property as determined by a certified arborist.

**Section 3.** That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

**Section 4.** That the provisions of this ordinance are severable and the invalidity of any part of this ordinance will not affect the validity of the remainder of the ordinance.

APPROVED on first consideration on \_\_\_\_\_, 2026.

ADOPTED upon second consideration on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Carol K. McCutcheon, Mayor

ATTEST:

APPROVED AS TO FORM:



\_\_\_\_\_  
Linda Mendenhall, City Clerk

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### Sec. 3-164. Trees and objects in the visibility triangle or right-of-way.

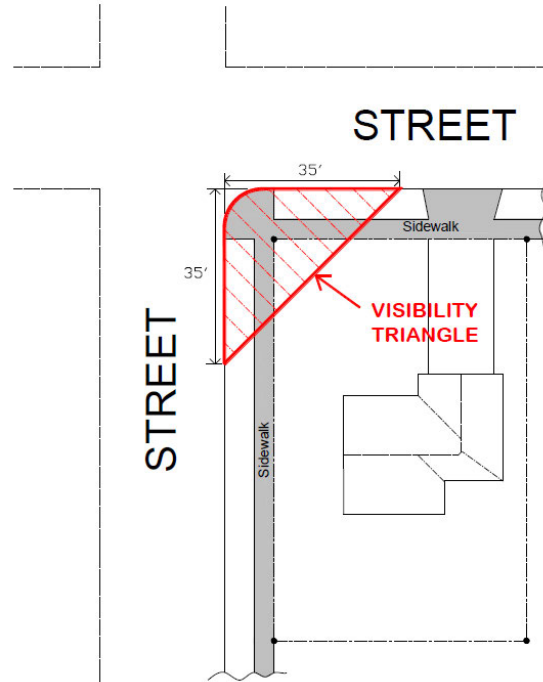
(a) *Findings.* Before the city may provide landscaping services, including tree-trimming, tree disposal, remediation, cleanup and recycling services on private property to protect the public health, safety, or welfare, the city council must make certain findings pursuant to Chapter 756 Subchapter G of the Health and Safety Code. Therefore, the city council makes the following findings:

- (1) That trees and other vegetation on private property, including ~~drive aisles within parking lot~~ drive aisless, and within street rights-of-way, if not properly trimmed, may obstruct the view of traffic-control devices, ~~and the view of~~ approaching traffic, ~~and~~ pedestrians' use of sidewalks, ~~and~~ the light from streetlights, or license plate recognition cameras used by the Police Department;
- (2) That the obstructions constitute a safety concern;
- (3) That the city has taken reasonable action to address this safety concern by adopting 's ordinances requiring property owners to trim ~~requires that~~ trees and other vegetation ~~be kept trimmed to address these safety concerns;~~ and
- (4) That property owners are required to correct the obstruction within 30 days of the date the city notifies the owner of the obstruction.

(b) *Definitions.* In this section:

~~Visibility triangle is an imaginary triangle located on property located at the corner of intersecting streets. The first two sides of a visibility triangle are drawn by measuring a distance of 25 feet from the street corner intersection of the curb line parallel to the curb line. The third side is established by drawing a diagonal line intersecting the two curb points. a triangular sight area, at all intersections, which includes that portion of the public right-of-way and any corner lot within the adjacent curb lines and a diagonal line intersecting such curb lines at points thirty-five (35) feet back from their intersection, such curb lines being extended if necessary to determine the intersection point.~~ Visibility triangle is an imaginary triangle located on property located at the corner of intersecting streets. The first two sides of a visibility triangle are drawn by measuring a distance of 25 feet from the street corner intersection of the curb line parallel to the curb line. The third side is established by drawing a diagonal line intersecting the two curb points. a triangular sight area, at all intersections, which includes that portion of the public right-of-way and any corner lot within the adjacent curb lines and a diagonal line intersecting such curb lines at points thirty-five (35) feet back from their intersection, such curb lines being extended if necessary to determine the intersection point. ~~If there is no curb, the measurements are made along the edge of the street pavement.~~

**Figure 3-164**



Luminaire is the light-emitting fixture affixed to and supported by a streetlight pole.

Non-residential street is any street shown as a freeway, highway, arterial or major collector on the city's thoroughfare plan.

Residential street is any street not classified as a non-residential street.

(c) Objects in the visibility triangle or right-of-way.

(1) It is unlawful for a person to ~~knowingly place, or maintain, or cause to be placed or maintained,~~ in a visibility triangle or right-of-way, any object permanently affixed to the ground and having a height greater than three feet above the pavement surface of the nearest abutting street.

(1)—~~The restriction in subsection (c)(1) does not apply to traffic control signs and signals, street signs, public utility poles, or other public infrastructure placed within such area by or with the approval of the city.~~

(2)

(3) It is an affirmative defense to prosecution under this subsection that the object permanently affixed to the ground:

a. Was lawfully installed and in existence on the effective date of this section; and

Has not been repaired, replaced, expanded, altered, relocated, or structurally modified after that date.

a-b.

(d) ~~Trees, and foliage, branches, and other vegetation~~ in the visibility triangle, right-of-way, or parking-lot drive aisles ~~within parking lots.~~ It is unlawful for a person to ~~knowingly place or maintain~~ allow any tree, or allow branches of a tree foliage, branches, or other vegetation to extend into a visibility triangle, or right-of-way, or parking-lot drive aisles ~~within parking lots,~~ unless the tree, foliage, branches, or other vegetation are pruned so that:

- 
- (1) ~~They do not occupy the space between three feet and eight feet above the adjacent street surface, sidewalk surface, or parking lot driving surface, as applicable. They do not substantially obstruct a motorist's view of traffic control devices or approaching traffic;~~
  - (2) ~~Along any residential street, there is a clear vertical space from the street surface to 12 feet above the street surface on a residential street, (a residential street means any street not shown as a freeway, highway, arterial or major collector on the city's thoroughfare plan);~~
  - (3) ~~Along any nonresidential street, there there is a clear vertical space from the street surface to 14 feet above the street surface on a non-residential street (a non-residential street means any street shown as a freeway, highway, arterial or major collector on the city's thoroughfare plan); and~~
  - (4) ~~Over any public sidewalk surface or parking lot surface, there is a clear vertical space from the sidewalk surface to of eight feet above the sidewalk that surface;~~
  - (5) ~~They do not obstruct license plate recognition cameras utilized by the Police Department; and~~
  - (6) ~~They do not obstruct streetlights by:
 
    - a. ~~being located within three feet of the luminaire;~~
    - b. ~~interfering with or diminishing the illumination of the streetlight; or~~
    - c. ~~impeding access to the streetlight for maintenance.~~~~
  - (e) *Trees and objects near fire hydrants.* It is unlawful for a person to ~~knowingly~~ plant or maintain any tree or maintain any object permanently affixed to the ground within three feet of a fire hydrant.

(f) *Dangerous or substantially dead trees.*

~~It is unlawful for a person to maintain any tree that is dead, substantially dead, or in a condition that poses an imminent threat to life or danger of falling onto public property, public rights of way, or adjacent private property must be removed.~~

(1)

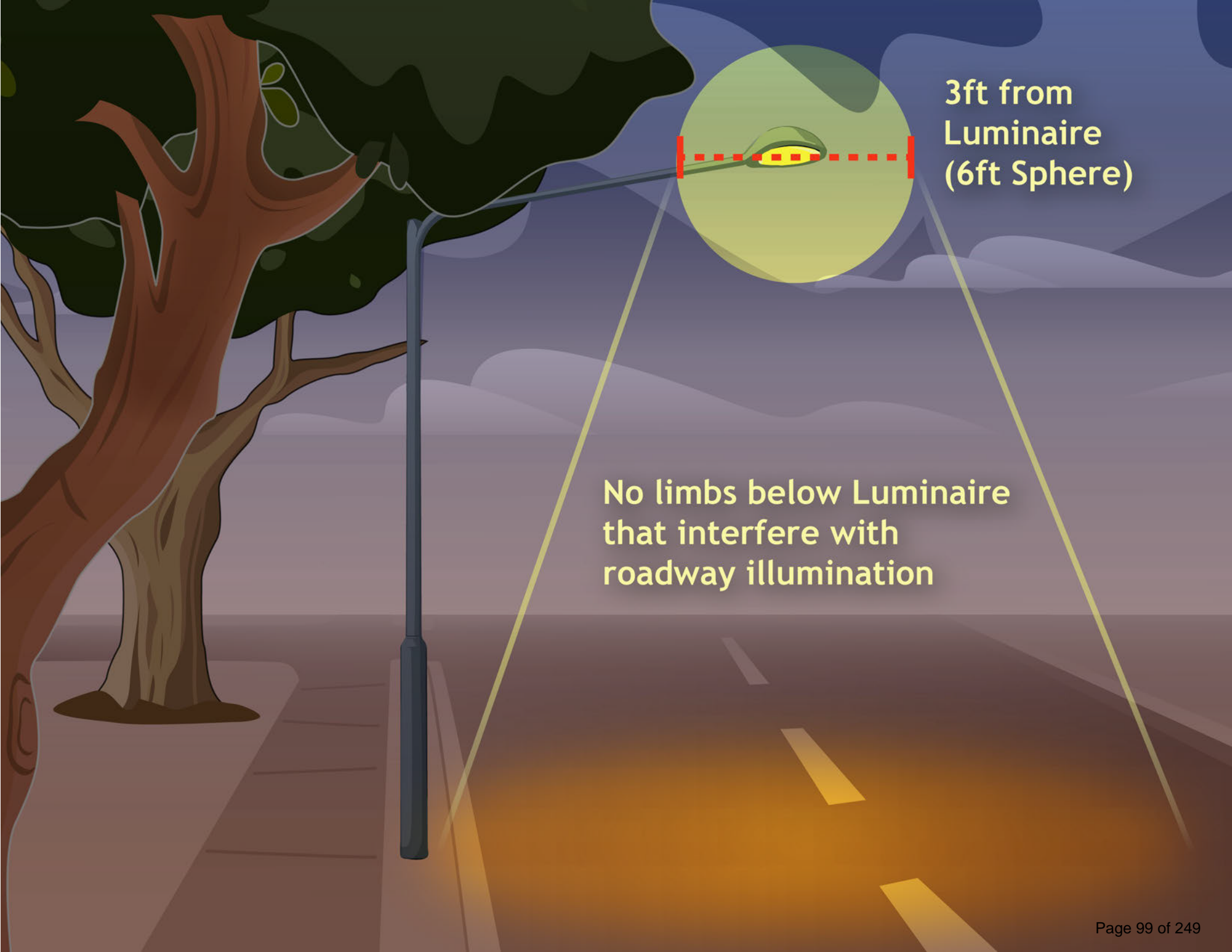
~~(1) ——— (1) It is an affirmative defense to prosecution under this subsection that the tree is not dead, substantially dead, or does not pose an imminent threat to life or property in a condition that poses a danger of falling as determined by a certified arborist.~~

(2)



3ft from  
Luminaire  
(6ft Sphere)

No limbs below Luminaire  
that interfere with  
roadway illumination



3ft from Luminaire (6ft Sphere)

No limbs below Luminaire that interfere with roadway illumination

# One Street, Two Different Views



# One Street, Two Different Views





## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VII.A.

**Agenda of:** City Council Meeting

**Initiated by:** Margo Williams, Water Resources Manager

**Presented by:** Margo Williams, Water Resources Manager

**Responsible Department:** Utilities

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**Agenda Caption:**

**PUBLIC HEARING 5:30 P.M.:** Receive and hear all persons desiring to be heard on the proposed Water Well Drilling Permit Application with Mister Car Wash.

Consideration of and action on authorization of a Water Well Drilling Permit Application with Mister Car Wash.

**Recommended Action:**

Utilities staff recommends that the City Council hold a Public Hearing and authorize the approval of the Water Well Drilling Permit as submitted by Mister Car Wash.

**Executive Summary:**

Mister Car Wash currently owns and operates a groundwater well that serves operations of the car wash. The well will remain in place as the primary water source for operating the car wash while a city water connection exists to serve the restrooms onsite. Mister Car Wash has agreed to join the City's Groundwater Reduction Plan (GRP), pending City Council approval.

City Ordinance Section 3-176 prohibits the drilling of wells of any type within the City's limit; however, it does allow the City Council to approve the drilling of a water well for various reasons, including if an existing well fails or if other sources of water are not feasible. The process requires a Water Well Drilling Permit application for review by Utilities staff. The permit is then brought to City Council to authorize the issuance of the permit.

Utilities staff became aware that the groundwater well had been drilled prior to obtaining the required City authorization. Upon recognizing the oversight, Mister Car Wash contacted City staff to initiate the permitting process and bring the well into compliance with all applicable City and subsidence regulations. Since that time, staff has worked with Mister Car Wash and the Fort Bend Subsidence District to evaluate the well and confirm participation in the City's Groundwater Reduction Plan (GRP).

The City of Sugar Land’s GRP serves as the alternative water source for all entities within the current City Limits and extraterritorial jurisdiction (ETJ). The GRP is comprised of 19 participants, totaling 77 wells. All GRP members have entered into a GRP Participant Agreement with the City; the wells have meters and pay GRP fees based on the metered water used.

Utilities staff have reviewed the Water Well Drilling Permit application submitted by Mister Car Wash. In addition to authorization by the City Council, Mister Car Wash must obtain approval by the FBSD board of directors, which was granted back in April. The well drilling application meets all the criteria such as size, depth, and the location not interfering with current or future city-owned potable water wells.

Utilities staff recommends the City Council authorize the approval of the Water Well Drilling Permit as submitted by Mister Car Wash.

**Budget**

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**Expenditure Required:** N/A

**Current Budget:** N/A

**Additional Funding:** N/A

**Funding Source:** N/A

**Account Number (ORG-OBJ-Project):** N/A

**Attachments**

- 1. City Council Presentation Mister Car Wash Well Approval 06.16.2026
- 2. Mister Car Wash COSL Well Permit App
- 3. Mister Car Wash Public Hearing Notice FINAL

Mister Car Wash #0011 Request to Authorize Approval of  
Well Drilling Permit Application

# Agenda

- **Groundwater regulations**
- **Review process for well approval**
- **Compliance with our GRP**
- **Mister Car Wash Well Permit Request**

# Groundwater Regulations

- **Set by the Fort Bend Subsidence District**
- **Current conversion: 70% groundwater 30% alternative sources (non-groundwater)**
- **Creation of the Groundwater Reduction Plan**
- **Adoption of the Integrated Water Resource Plan**

# Current Compliance Standing

- **Water sources: groundwater well and City water connection**
- **Well is in operation and currently not permitted by the City**
- **Per subsidence district, this well is to be included in our GRP as they are within city limits**
- **Steps to return to compliance:**
  - **Obtain approved permits**
  - **Join the COSL Groundwater Reduction Plan**

# Process for well approval

- **City Ordinance Section 3-176 Prohibits the drilling of wells of any type within City limits; however, City Council can approve drilling of a well when other sources of water are not feasible.**
- **Submit a Water Well Drilling Permit Application**
  - **FBSD permit approval**
  - **Well details for staff to review**

# Mister Car Wash Well Drilling Permit Request

- Request from Mister Car Wash to approve the currently drilled well
- Water Well Drilling Permit Application
  - Estimated usage per year 10 million gals
  - Will not adversely affect GRP

# Recommendation

**Utilities staff recommends the City Council authorize the approval of the Water Well Drilling Permit for existing well No. 3828 as submitted by Mister Car Wash.**

# Continuation & Conclusion of Public Hearing

# Clarifying Questions for Staff

# Council Motion & Discussion



CITY OF SUGAR LAND
WATER WELL DRILLING PERMIT APPLICATION

Project Address: 2530 Highway 6, Sugar Land, TX 77478 Subdivision:

Owner: CWP West, LLC dba Mister Car Wash

Contact Person: Compliance Department Phone: (520) 615-4000



Well Drilling Contractor:

Address: City:

State: Zip: Phone: ( )

Fort Bend Subsidence District Permit #: WP2026-100145

Well Size (Inches in Diameter):

Gallons Per Minute Pump Capacity: gpm

Projected Annual Volume: 10.0 million gallons

Describe Intended Use Water supply for commercial conveyor car wash operations

Describe Any Other Water Supply Available: City of Sugar Land Water

CITY REQUIREMENTS:

- The well must be located outside of the city's wellhead protection area.
The well, if approved, can be drilled no deeper than 400 feet.
Refer to City Code of Ordinances, Section 3-176.
If approved, City staff must be kept informed of the start date of construction so that the necessary inspections can be completed.
Copies of all correspondence, either current or future, relating to the well from drillers, state agencies, homeowners' associations, etc. will be sent to the Utilities Department.

I certify that the information on this form is COMPLETE, TRUE and CORRECT and the undersigned is authorized to make this application and has reviewed City Requirements and Code of Ordinances.

X [Signature] Date: 5/19/26
Applicant Signature

Approved By City Council On (Month/Date/Year):



## CITY OF SUGAR LAND

### WATER WELL DRILLING PERMIT APPLICATION SUBMITTAL INFORMATION

#### Checklist for All Submittals:

- Application and supporting documentation
- Two copies of the construction plans.
- Copy of the Subsidence District Permit Application.
- Copy of the Subsidence District Permit, when received
- A written detailed operations and maintenance manual with provisions for long-term maintenance once the well is complete.
- \_\_\_\_\_

**Submit Applications to:** City of Sugar Land, Public Works Department      Phone: 281-275-2450  
 Attn: Katie Clayton, P.E., Director of Utilities  
*By mail:* P.O. Box 110      *In-person:* 101-A Gillingham  
 Sugar Land, Texas 77487-0110      Sugar Land, Texas 77478

#### City of Sugar Land Code of Ordinances; Sec. 3-176. – Drilling of wells.

(a) *Drilling prohibited generally.*

It is unlawful for any person to drill a water well or any type of well for the purposes of extracting oil, gas or any other mineral from any land within the city.

(b) *Drilling in case of extraordinary and emergency circumstances.*

In a case of extraordinary circumstances representing an emergency or making it necessary for such a well to be drilled, and prior to the commencement of drilling, a person may make application to the city for a drilling permit. The city council will hold a hearing on such application and may, after hearing and upon appropriate findings, authorize the issuance of such a permit. Upon application and hearing, the applicant will be required to show:

- (1) That there exists an urgent necessity for the drilling of such well;
- (2) That it is impracticable or impossible to obtain the necessary water and oil, gas or other minerals from other sources and the reasons that the same is impracticable or impossible;
- (3) That the applicant will establish and institute such safety standards as may be desirable and necessary to prevent injury to the health, safety and well-being of the residents, citizens and inhabitants of the city, and the specific safety standards which the applicant proposes;
- (4) That the proposed well will not constitute a breach or violation of the terms and provisions of any subdivision restrictions or restrictive land covenants that may be in force and effect;
- (5) That the proposed well will not represent a potential hazard to residential subdivisions or properties in residential use, either adjoining or abutting the proposed drilling site, either through the emission of noxious odors, unusual sounds or the erection of large and unsightly derricks or drilling devices.

At the time of hearing, the city council may inquire into such other circumstances and conditions which it may find to exist which either justify the issuance of a permit hereunder or which necessitate the denial of such a permit upon a determination of the likely impact of such drilling on the health, safety and well-being of the residents, citizens and inhabitants of the city.

(c) *Drilling for city services purposes.* Nothing herein prevents the drilling of necessary wells by the city or by contractors authorized by the city to do such drilling for the purposes of providing necessary city services, or by any lawfully created and existing municipal utility district or other body politic which may be created from time to time and be charged with the function of providing city services or services customarily provided by a city.

(Ord. No. 480, § 13-70, 7-2-85; Ord. No. 1577, § 19, 8-1-2006)



## **NOTICE OF FORT BEND MUD NO. 269 WELL DRILLING APPLICATION PUBLIC HEARING**

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Mister Car Wash #0011 has submitted a well drilling application under the City's Code of Ordinances, Chapter 3, Article X, Sec. 3-176. The groundwater well will continue to serve the car wash operations. The City recommends the application to drill the well be approved by council in order to comply with the terms of Chapter 3, Article X – Drilling of Wells.

A public hearing on the **authorization of the Mister Car Wash Well Drilling Permit Application has been scheduled for June 16<sup>th</sup> at 5:30 p.m.** at Sugar Land City Hall, 2700 Town Center Blvd. N., Sugar Land, Texas 77479. The well owner, will be required to drill the well to the specifications outlined on the application form, comply with standards listed in the City's Code of Ordinances, Chapter 3-176(b), and upon completion of the new reclaimed facility the well will become a backup supply with reclaimed being the primary source to fill the amenity lake.

Details regarding the Mister Car Wash #0011 Drilling a Well Application hearing may be obtained by contacting the City of Sugar Land Water Utilities Department at 281-275-2450. The Water Utilities Department is open Monday through Friday from 8:00 a.m. to 5:00 p.m. and is located at Public Works Building, 111 Gillingham Lane, Sugar Land, Texas.



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** VIII.A.

**Agenda of:** City Council Meeting

**Initiated by:** Margo Williams, Water Resources Manager

**Presented by:** Margo Williams, Water Resources Manager

**Responsible Department:** Utilities

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**Agenda Caption:**

**THE GROUNDWATER REDUCTION PLAN PARTICIPATION AGREEMENT**

Consideration of and action on the approval of the Groundwater Reduction Plan Participation Agreement between the City of Sugar Land and Mister Car Wash to join the City of Sugar Land Groundwater Reduction Plan (GRP).

**Recommended Action:**

The Utilities Department recommends approval of the Groundwater Reduction Plan Participation Agreement between the City of Sugar Land and Mister Car Wash

**Executive Summary:**

Mister Car Wash has requested to join the City of Sugar Land Groundwater Reduction Plan (GRP). In accordance with the Fort Bend Subsidence District (FBSD) Rules, two or more permittees may enter into a contractual agreement to share costs in order to achieve required reductions in total groundwater use and facilitate conversion to alternative water supplies. Mister Car Wash, located at 2530 Highway 6 Sugar Land TX, has a groundwater well that supports operation of the car wash and a city water connection to support restroom.

The FBSD Regulatory Plan requires Groundwater permit holders to limit groundwater withdrawals to seventy percent of their total water demand by 2014 and forty percent by 2030. Each permit holder must submit a GRP to FBSD demonstrating how groundwater conversion requirements will be achieved. The City developed and implemented its GRP in 2008 in compliance with these regulations. The City's GRP currently includes 19 participants representing 77 wells. All participants have executed a GRP Participant Agreement with the City, which is substantively consistent across all members.

The City's GRP contract terms are summarized below.

Groundwater Reduction Plan Participation Agreement Summary

- The City will include the Participant and their pumpage in the City's GRP

- The Participant will provide the GRP with estimated water demands through 2040
- The Participant will adopt and follow the City's Water Conservation and Drought Contingency Plan
- The Participant must comply with the City's ordinance for additional or replacement wells

#### Mandatory Conversion:

- The City, as the GRP Administrator, retains sole decision-making ability for all conversion decisions but will notify the participant 6 months prior to any conversion
- The GRP will receive all conversion credits for the benefit of all participants
- The Surface Water Fund will pay for all conversion infrastructures
- If converted, the GRP will pay all costs associated with conversion and operations of the system
- The GRP will use its best efforts to supply a volume of non-groundwater to maintain lake levels to an acceptable level.

#### Voluntary Conversion:

- The participant may complete a voluntary conversion project at its expense, but the GRP will receive all conversion credits for the benefit of all Participants
- Upon request of the Participant, the GRP administrator may purchase the voluntary conversion project

#### Pumpage Fee:

- Beginning on the Effective Date from this agreement, the Participant will pay the GRP Administrator the Pumpage Fee for all Water, except Water received by the Participant from another GRP Participant or the City
- The Pumpage Fee is established by ordinance and is currently \$3.55 per 1,000 gallons
- Fees collected will be deposited into the City-owned and managed System Utility Fund

#### Metering and Billing:

- The City will read GRP related meters each month and prepare a report of the Participant's total water use for the previous month. The GRP Administrator will send a statement of charges to the Participant showing the calculation of monthly charges which will be calculated per the City's ordinance
- The Participants will test the meters at least once every 12 months and will notify the other party at least 48 hours in advance. The other party may be present and witness

any test performed

- If a test shows that the meter is inaccurate, according to the AWWA standards, billing adjustments may be made for a period of time extending back to the time when the inaccuracy began, if ascertainable; and if not ascertainable, for a period extending back to the last test date of the Measuring Equipment or 60 days, whichever is shorter

Term:

- The agreement is in effect for as long as the FBSD Regulatory Plan is in effect
- The agreement may be terminated by written mutual agreement

The Utilities Department recommends approval of the Groundwater Reduction Plan Participation Agreement between the City of Sugar Land and Mister Car Wash.

## **Budget**

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**Expenditure Required:** N/A

**Current Budget:** N/A

**Additional Funding:** N/A

**Funding Source:** N/A

**Account Number (ORG-OBJ-Project):** N/A

## **Attachments**

1. City Council Presentation Mister Car Wash GRP Agreement
2. Mister Car Wash GRP Agreement Not City Signed 05.26.26

Approval of Mister Car Wash #0011 to join the City of  
Sugar Land Groundwater Reduction Plan (GRP)

**Margo Williams**  
**Water Resources Manager**

# Agenda

- **Groundwater Regulations**
- **Overview of GRP**
- **Request to join our GRP**

# Groundwater Regulations

- **Set by the Fort Bend Subsidence District (FBSD)**
- **Current conversion: 70% groundwater 30% alternative sources (non-groundwater)**
- **Future conversion: 40% groundwater 60% alternative sources (2030)**
- **Creation of the Groundwater Reduction Plan (2008)**
- **Adoption of the Integrated Water Resource Plan (2019)**

# Sugar Land Groundwater Reduction Plan

- Outlines planned strategies for meeting regulation conversion timelines
- City is GRP Administrator
- 19 Participants totaling 77 wells
- Total GRP groundwater pumpage 5.7 billion gallons
- All participants subject to pumpage fees into the System Utility Fund which is used to pay costs associated with the GRP

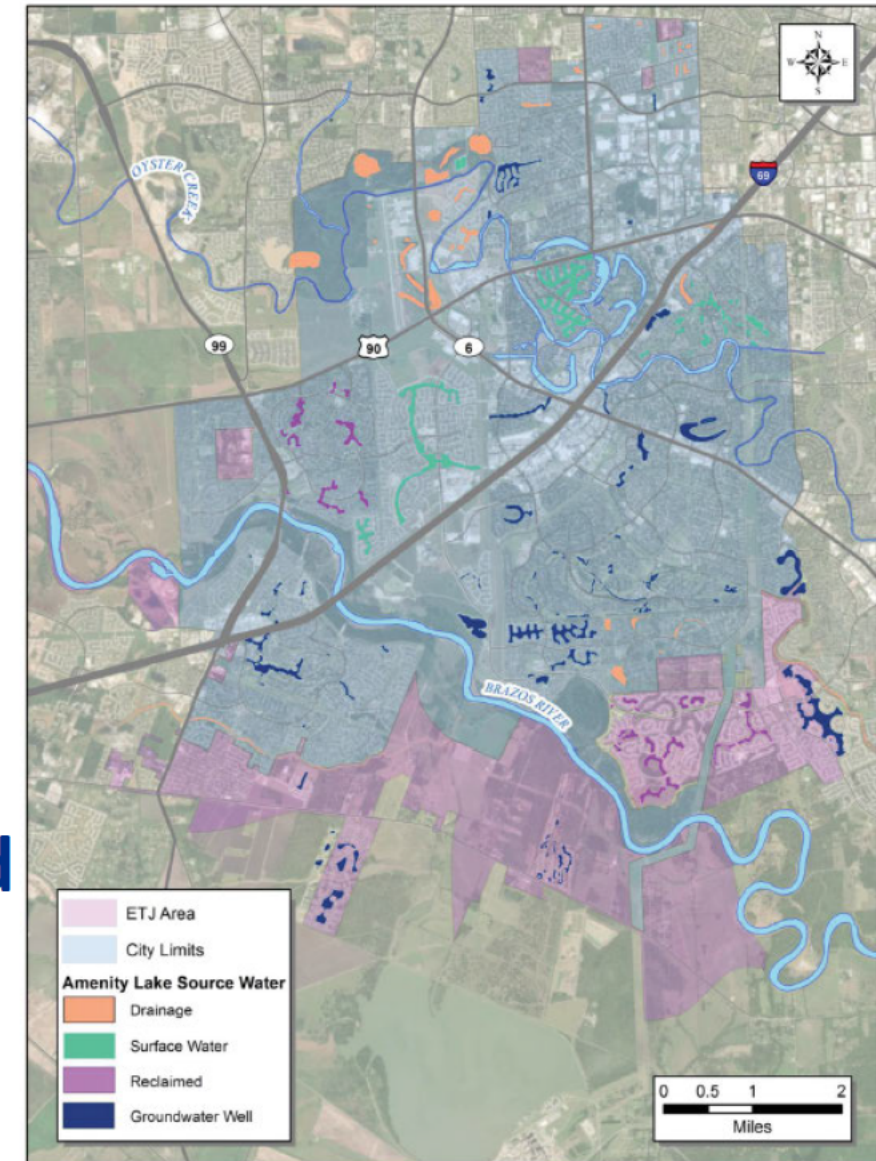


Figure 3-7. Map of Water Supplies for Amenity Lakes

# Mister Car Wash #0011 Request to Join our GRP

- **Standardized agreement with all participants**
- **Agreement signed May 18, 2026**
- **Groundwater used for car wash operation**
- **City water connection for restroom operation**

# Clarifying Questions for Staff

# Council Motion & Discussion

**CITY OF SUGAR LAND GROUNDWATER REDUCTION PLAN**

**PARTICIPATION AGREEMENT**

**MISTER CAR WASH #0011**

This Groundwater Reduction Plan Participation Agreement (“Agreement”) is entered into effective as of the latest of the dates signed by the parties hereto (“Effective Date”), between the **City of Sugar Land, Texas** (“City”), and CWP Asset Corp. d/b/a **Mister Car Wash** (“Participant”).

**RECITALS**

The Fort Bend Subsidence District (“Subsidence District”) was created by the Texas Legislature in 1989. In 2003, the Subsidence District adopted its District Regulatory Plan and in 2013 the District adopted its 2013 Regulatory Plan (“Regulatory Plan”) to reduce subsidence by regulating the withdrawal of Groundwater within Fort Bend County.

The Regulatory Plan requires Groundwater permit holders to limit their Groundwater withdrawals to seventy percent of their water consumption by 2014 and forty percent by 2030. A groundwater reduction plan showing how water conservation goals will be accomplished must be submitted by each Groundwater permit holder to the Subsidence District. The City has developed a regional Groundwater Reduction Plan (“GRP”) to meet the Regulatory Plan requirements which include participants such as municipal utility districts and communities in the City’s extra-territorial jurisdiction (“ETJ”) and certain private well owners in the City and the ETJ.

**AGREEMENT**

The Participant and the City agree as follows:

**ARTICLE I.  
Definitions**

In this Agreement:

“*City*” as defined in the introductory paragraph of this Agreement.

“*Effective Date*” as defined in the introductory paragraph of this Agreement.

“*Emergency*” means a mechanical or electrical, or other failure causing a loss of production or distribution capacity or water quality of Participant’s System.

“*Groundwater*” means water obtained from below the surface of the earth.

“*GRP*” means the Groundwater Reduction Plan approved by the Subsidence District and submitted by the City on behalf of the City and the GRP Participants.

“*GRP Administrator*” means the City acting in its role of implementing the GRP and managing the Surface Water Fund.

“*GRP Participant*” means an entity (including the City and the Participant) operating or owning a Permitted Well or other non-groundwater water supply, which is part of the GRP.

“*Mandatory Conversion Project*” means any Water conversion mandated by the GRP Administrator pursuant to this Agreement.

“*Measuring Equipment*” means equipment, including meters, totalizers and recording devices of a type approved by the GRP Administrator, for measuring and recording the amount of Water produced by, or supplied to, the Participant.

“*Non-Groundwater*” means any source of Water other than Groundwater produced from Permitted Wells in Fort Bend County.

“*Non-GRP Participant*” means an entity operating or owning a Permitted Well that is not part of the GRP.

“*Non-Potable Water*” means any Water source other than Potable Water, including Reuse Water, treated or untreated Surface Water, partially treated Surface Water, untreated or partially treated Groundwater, or untreated or partially treated captured rainwater.

“*Non-Potable Water Fee*” means a fee established by City ordinance that is charged by the City per 1,000 gallons of Non-Potable Water supplied to the Participant by the City.

“*Out-of-City Service Charge*” means a surcharge established by City ordinance and charged uniformly to participants located outside the City’s limits. As of the Effective Date, the Out-of-City Service Charge is twenty percent of Pumpage Fees.

*Participant* means CWP Asset Corp. d/b/a Mister Car Wash.

*Participant’s System* means all Groundwater wells, pipelines, storage facilities and other facilities comprising the Participant’s treated or untreated Water supply and distribution system.

*Permitted Well* means a Groundwater well that is operating under a permit issued by the Subsidence District.

“*Point(s) of Delivery*” means the point or points on the Participant’s System where the City delivers Water to the Participant.

“*Potable Water*” means treated drinking water that meets the requirements of all governmental agencies with jurisdiction and all applicable laws, regardless of its source of origin.

“*Pumpage Fee*” means the fee established by City ordinance that is charged by the GRP Administrator per 1,000 gallons of:

- (i) Groundwater pumped by each GRP Participant from a Permitted Well or;
- (ii) Water supplied to each GRP Participant by the GRP Administrator.

The Pumpage Fee is charged uniformly to all GRP Participants, with all paying the same per unit amount. As of the Effective Date, the Pumpage Fee is \$3.55 per 1,000 gallons of:

- (i) Groundwater pumped by each GRP Participant from a Permitted Well, or;
- (ii) Water supplied to each GRP Participant by the GRP Administrator.

Out-of-City Participants are charged an Out-of-City Service Charge as provided by City ordinance. The GRP Administrator shall collect and hold Pumpage Fee payments in a segregated account. The Pumpage Fee is expected to increase from time to time after the Effective Date at the City’s sole discretion.

“*Regulatory Plan*” means the plan developed by the Subsidence District to reduce subsidence by regulating the withdrawal of Groundwater. In 2003, the Subsidence District adopted its District Regulatory Plan, and in 2013 the District adopted its 2013 Regulatory Plan.

“*Reclaimed Water*” means treated wastewater effluent provided for Non-Potable Water needs.

“*Subsidence District*” means the Fort Bend Subsidence District.

“*Surface Water*” means Water obtained from the surface of the earth and treated to Potable Water.

“*Surface Water Fee*” means the fee charged to City Potable Utility System customers as defined in the City’s Code of Ordinances.

“*Surface Water Fund*” means the enterprise fund created by the City and managed by the GRP Administrator to receive revenues and credits generated under the GRP, and to be used to pay costs associated with the GRP and its implementation.

“*Voluntary Conversion Project*” means any Non-Potable Water supply conversion project initiated and funded by a Participant that is not mandated by the GRP Administrator.

“*Water*” includes Potable Water, untreated Groundwater, untreated Surface Water, and Reuse Water.

“*Water Conservation and Drought Contingency Plan*” means the Water Conservation and Drought Contingency Plan adopted by the City’s City Council.

**ARTICLE II.**  
**Participant's Permits and Water Demands**

2.1 Subsidence District Permits and Applications. All of the Participant's current permits and pending applications with the Subsidence District are attached as **Exhibit A**. The Subsidence District will require the Participant's permits from the Subsidence District to be managed and paid by the GRP.

2.2 Historical Use and Demand Projections.

(a) The amounts of Groundwater that have been pumped annually in past years from the Participant's Permitted Wells, including years or portions thereof in which the Permitted Well was not permitted by the Subsidence District, as required by the Subsidence District are listed in the table attached as **Exhibit B**. The City acknowledges that, although Participant's well has been in operation without a permit for nineteen (19) years prior to this Agreement, the Participant's available data only goes back to September 2025 and cannot be recreated past that time frame. Accordingly, the information on **Exhibit B** does not include, and is not required to include, data earlier than September 2025.

(b) The Participant's current estimated projections of the total amount of Water needed annually to meet its Water demands through the year 2040 are listed in the table attached as **Exhibit C**. By January 1 of each year, the Participant will provide the GRP Administrator updated estimated projections of total Water demands for the next year.

2.3. Water Conservation and Drought Contingency Plan. The Participant will adopt and follow the City's Water Conservation and Drought Contingency Plan.

**ARTICLE III.**  
**City Groundwater Reduction Plan**

3.1. GRP. The City has a GRP filed and approved by the Fort Bend Subsidence District. The GRP includes details of all steps necessary for achieving the Groundwater reduction requirements outlined in the Regulatory Plan.

3.2. Participant Inclusion. The City will include the Participant in the GRP and will include the pumpage from Permitted Well(s) owned by the Participant in the City's GRP. The GRP Administrator and Participant will work together on any matters with the Subsidence District relating to a permit for a currently Permitted Well or a future Permitted Well.

3.3 Water Supply. The Participant must use Water obtained from the City except that the Participant may use Water from Participant's Permitted Well. The Participant may not use an alternate Water source unless it is approved in advance by the GRP Administrator. The participant may not supply or resell Water to anyone without the prior written consent of the City.

3.4. New or Replacement Wells. Any new or replacement well must comply with the Chapter 3 of the City's Code of Ordinances.

**ARTICLE IV.**  
**Non-Groundwater Conversion**

4.1. Mandatory Conversion.

(a) To effectuate the GRP and to ensure compliance with the Regulatory Plan, the GRP Administrator will determine if and when Participant must convert to the use of a Non-Groundwater supply.

(b) If the GRP Administrator requires the Participant to convert to a Non-Groundwater supply, the City will:

- (i) Contract for or acquire the Non-Groundwater supply to meet the Participant's conversion amount mandated by the GRP Administrator and pay all costs related to same;
- (ii) Pay all costs required to secure any necessary real property interests, and to acquire, design, and construct all facilities and improvements necessary to bring a Non-Groundwater supply line source to each Participant's Point(s) of Delivery;
- (iii) Pay all costs associated with the design, construction and modification of Participant's system, and all costs required for the installation of Measuring Equipment and infrastructure at locations determined by the GRP Administrator, so that the Participant can receive Non-Groundwater from the City;
- (iv) Own, operate, and maintain the Non-Groundwater infrastructure and Measuring Equipment;
- (v) Provide Participant with no less than six month's advance written notice of the conversion date; and
- (vi) Use its best efforts to supply a sufficient volume of Non-Groundwater to maintain lake levels to an acceptable level.

(c) The GRP Administrator will use the Surface Water Fund to pay the costs of a Mandatory Conversion Project.

(d) The GRP will receive any Subsidence District credits generated by a Mandatory Conversion Project and will apply the credits for the benefit of all GRP Participants.

4.2. Voluntary Conversion.

(a) The Participant may voluntarily convert to a Non-Potable Water supply or expand existing reclaimed facilities at any time.

(b) The Participant will construct and maintain all facilities and pay all costs incurred in a Voluntary Conversion Project. These costs include any necessary infrastructure, Measuring Equipment, and other costs specific to the Voluntary Conversion Project. When undertaking any Voluntary Conversion Project, a Participant will:

(i) Request Voluntary Conversion Project approval from the GRP Administrator at least 60 days prior to initiating the Voluntary Conversion Project;

(ii) Submit projected changes in Water demand to the GRP Administrator; and

(iii) Install, maintain, and operate the appropriate Measuring Equipment needed to properly report volumes of Water used under the Voluntary Conversion Project.

(c) The GRP will receive any Subsidence District credits generated by a Voluntary Conversion Project and will apply the credits for the benefit of all GRP Participants.

(d) Upon request of the Participant and at the time the GRP Administrator deems the Voluntary Conversion Project economically beneficial relative to other potential projects, and in accordance with the projected GRP implementation strategy, the City may reimburse the Participant for the design, construction and acquisition costs of the facilities and real property interests comprising the Voluntary Conversion Project. Upon reimbursement, the Participant will convey the facilities and associated real property interests to the City. Thereafter, the City will own, maintain and operate the facilities. The GRP Administrator will use the Surface Water Fund to reimburse the Participant for the costs incurred with a Voluntary Conversion Project.

## **ARTICLE V. Fees and Payment**

### 5.1. Pumpage Fee.

(a) Beginning on the Effective Date, the Participant will pay the GRP Administrator the Pumpage Fee for all Water, except for Water received by the Participant from another GRP Participant.

(b) The GRP Administrator will deposit all Pumpage Fee payments into the Surface Water Fund.

5.2. Out-of-City Service Charge. Participants outside the City limits will pay the Out-of-City Service Charge until the City annexes the area containing the Participant's Groundwater wells.

### 5.4. Billing and Payment.

(a) Each month, the GRP Administrator will read the Participant's meter(s) and prepare a report of the Participant's total Water use for the previous month, as metered from either Permitted Wells or Non-Groundwater sources. The GRP Administrator will send a statement of charges to the Participant showing the calculation of monthly charges which will be calculated per City's ordinance.

(b) Payment must be delivered by the due date to the City's Treasury Department, P.O. Box 5029, Sugar Land, Texas 77487-5029, or the department and address as specified by the City in writing from time-to-time.

5.5. Past Due Payments. Interest will accrue as per the terms set forth in Chapter 5 of the City's Code of Ordinances, as amended from time to time.

## **ARTICLE VI. Performance by the Parties**

6.1. Delivery Limitations of Water supplied by the City. The Participant is not guaranteed any specific quantity or pressure of Water whenever the City's Water supply is limited in accordance with its Drought Contingency Plan, or when the City's equipment may become inoperative because of unforeseen breakdown or scheduled maintenance and repairs. The City will not be liable for failure to furnish any specific amount of pressure or treated Water.

6.2. Operation of the Participant's System. Upon execution of this Agreement, the Participant agrees to correct any practices or operating conditions of the Participant's System that may damage the City's system. If Participant fails to repair or otherwise remedy any such practice or condition within 30 days of receiving written notice thereof, or if the City is required to make such repairs in an emergency situation, or if damage has occurred, the Participant will promptly reimburse the City for the actual cost of repairs or replacements necessary to repair the damage upon submission of evidence of same. As of the date of this Agreement, the City is not aware of any existing practices or operating conditions of the Participant System that would need to be corrected, but in no way shall this statement be construed as any kind of acknowledgment or agreement that such issues do not exist.

6.3 Operation of City's System. After the City commences supply of Water to the Participant, the City agrees to correct any practices or operating conditions of the City's system that may damage the Participant's System. If the City fails to repair or otherwise remedy any such practice or condition within 30 days of receiving written notice thereof, or if Participant is required to make the repairs in an emergency situation, or if damage has occurred, the City will reimburse Participant for the actual cost of repairs or replacements necessary to repair the damage upon submission of evidence of same.

## **ARTICLE VII. Measuring Equipment**

7.1. Installation of Measuring Equipment. The Participant will furnish, install, own and maintain Measuring Equipment at all of its Permitted wells and Voluntary Conversion projects.

Participant must purchase any and all meters from a City-approved product list to ensure that all installed measuring devices have AMI compatibility. The GRP Administrator will furnish, install, own and maintain Measuring Equipment for all other Water sources provided under the GRP. The GRP Administrator and Participant will approve the locations for all Measuring Equipment located on Participant's property.

7.2. Modification of Measuring Equipment. The GRP Administrator will be responsible for the cost of any modification or replacement to hardware or software previously installed by the Participant in accordance with this Agreement if the GRP Administrator requests different type(s) of hardware or software be installed. The Participant may not alter, modify, or tamper with the Measuring Equipment unless such actions are required for maintenance, repair, or to comply with the obligations of this Agreement, or in the case of an Emergency.

7.3. Access. Upon request, the GRP Administrator will provide the Participant access to all records pertinent to determining the measurement and quantity of Water withdrawn or otherwise provided to the Participant under this Agreement.

7.4. Testing. The meter owner will test the Measuring Equipment at least once every 12 months and will notify the other party at least 48 hours in advance of the time and location of the tests. The other party may be present and witness any test performed. If a test shows that the Measuring Equipment is inaccurate according to the AWWA standards the meter owner will calibrate the Measuring Equipment to the AWWA specifications, or replace the Measuring Equipment with accurate Measuring Equipment that is tested by the meter owner before it is placed in service. Copies of all testing reports shall be sent to the GRP Administrator.

7.5. Additional Tests. If a party requests an additional test of the other party's Measuring Equipment within 12 months following any prior test of the Measuring Equipment, the meter owner will conduct the test and the requesting party will be responsible for the cost of the additional test, unless the test reveals that the Measuring Equipment fails to meet the AWWA standards, in which case the meter owner will be responsible for the cost of the test. Notice of the time and date of the additional test will be provided to the requesting party who will have the right to witness the additional test.

7.6. Billing Adjustments for Inaccurate Meters.

(a) If a test shows that the Measuring Equipment is inaccurate according to the AWWA standards, the total quantity of Water withdrawn or delivered through the Measuring Equipment will be deemed to be the average daily amount as measured by the Measuring Equipment when in working order, and the meter owner will calibrate the meter to the AWWA specifications, or replace the Measuring Equipment with accurate Measuring Equipment that is tested by the meter owner before it is placed in service.

(b) Any billing adjustment made under this section will be for a period extending back to the time when the inaccuracy began, if ascertainable; and if not ascertainable, for a period extending back to the last test date of the Measuring Equipment or 60 days, whichever is shorter.

7.7. Disputes as to Testing.

(a) If a dispute occurs between the parties as to the accuracy of the testing equipment used to conduct the accuracy test of the Measuring Equipment, an independent check may be conducted by an independent measuring equipment company acceptable to both parties. The party disputing the accuracy of the testing equipment will be solely responsible for all costs relative to the independent accuracy test.

(b) The GRP Administrator and Participant are required to accept the test results of the independent company.

7.8. Check Meters. The Participant may install, at its own cost and expense, check meters in the Participant's System. The City has the right of reasonable ingress and egress to read and examine the check meters during all reasonable hours so long as the City provides Participant at least 24 hours' prior notice. Notwithstanding the foregoing, City shall not have the right to enter "employee only" or locked premises without the express consent of Participant.

#### **ARTICLE VIII.**

##### **Term, Termination and Default**

8.1. This Agreement will be in force and effect from and after the Effective Date for so long as the Regulatory Plan is in effect, unless terminated earlier pursuant to the terms of this Agreement.

8.2. Termination.

(a) Either party may terminate this Agreement in case of default if the other party fails to comply with its terms. The party alleging the default will give the other party notice of the default in writing citing the terms of the Agreement that have been breached and what action the defaulting party must take to cure the default. If the party in default fails to cure the default in a reasonable, normal and customary time period and as specified in the notice, the party giving the notice of default may terminate this Agreement by written notice to the other party, specifying the date of termination. Termination of this Agreement under this paragraph does not affect the right of either party to seek remedies for breach of the Agreement as allowed by law, including any damages or costs suffered by either party.

(b) This Agreement may be terminated by written mutual agreement between the GRP Administrator and the Participant.

#### **ARTICLE IX.**

##### **GRP Administrator Right of Access**

9.1. Ingress and Egress. During the term of this Agreement, and with at least 24 hours' notice to the Participant, the GRP Administrator has the right of ingress and egress in, upon, under and over any land, easements, and rights-of-way of the Participant for the purpose of the GRP Administrator performing any of its functions or responsibilities under this Agreement

9.2. Easements. Upon request by the GRP Administrator, the Participant will convey to the City a non-exclusive easement, the form of which is reasonably acceptable to the GRP Administrator and the Participant, over any land owned by the Participant that is necessary for the installation, maintenance, and repair of the water line, facilities, or the Meter. If the Participant does not own the land needed for easement purposes, the Participant will use reasonable efforts to secure the necessary easements from the applicable landowner(s).

**ARTICLE X.**  
**Miscellaneous Provisions**

10.1. Force Majeure. If either party is rendered unable, by Force Majeure, to carry out any of its obligations under this Agreement, it is agreed that upon that party's giving written notice of the Force Majeure to the other party as soon as possible after the occurrence of the Force Majeure, the obligations of the party giving the notice, to the extent it is affected by Force Majeure and to the extent that due diligence is being used to resume performance, will be suspended for the duration of the Force Majeure.

10.2. Force Majeure defined. The term "Force Majeure" as used in this Agreement includes, but is not limited to, acts of God, acts of the public enemy, epidemics, explosions, breakage or damage to machinery, pipelines, and any other incapacities of either party not within the control of the party claiming the inability, which by exercise of due diligence and care the party could not have avoided.

10.3. Assignability. Neither party may assign this Agreement without the prior written consent of the other Party.

10.4. Notice. All notices required under this Agreement must be in writing and sent by United States mail, private mail or courier service, by facsimile or be delivered in person. All notices must be sent or delivered to the following addresses or as the City or the Participant may hereafter designate by written notice:

If to the City or GRP Administrator:  
City Manager  
City of Sugar Land  
P.O. Box 110  
Sugar Land, Texas 77487-0110

With a copy to:  
Water Resources Division  
City of Sugar Land  
P.O. Box 110  
Sugar Land, Texas 77487-0110

If to the Participant:  
CWP Asset Corp  
222 E. 5<sup>th</sup> St.  
Tucson, Arizona 85705

Attn: Compliance  
Email: Compliance@mistercarwash.com

10.5. Waiver. The failure of a party to insist upon strict performance of any provision of this Agreement will not constitute a waiver of or estoppel against the party asserting the right to require that performance in the future, nor will a waiver or estoppel in any one instance constitute a waiver or estoppel with respect to a future breach.

10.6. Parties in Interest. This Agreement is for the sole and exclusive benefit of the City and the Participant and will not be construed to confer any benefit or right upon any other person.

10.7. Severability. If a court finds or rules that any part of this Agreement is invalid or unlawful, the remainder of the Agreement continues to be binding on the parties.

**10.8. Law Governing and Venue. Texas law governs this Agreement and any lawsuit on this Agreement must be filed in a court that has jurisdiction in Fort Bend County, Texas.**

10.9. Mandatory Mediation. Prior to either party filing suit, the parties will submit to non-binding mediation in Fort Bend County, Texas. The complaining party will notify the non-complaining party of its demand hereunder and notice will be delivered by certified mail, return receipt requested, or receipted delivery to the address set forth above. If the mediation is not conducted and completed within 30 business days of the non-complaining party's actual receipt of such notice, this Section is deemed void and is of no force or effect. The parties agree (1) to work in good faith to select a mutually agreeable mediator, date, time and place and (2) to conduct the mediation negotiations in good faith. Unless agreed to the contrary in a writing signed by both, the parties agree to share equally in the cost of any mediation or mediator's fees, but otherwise bear their own respective mediation expenses, including legal fees. Notwithstanding the foregoing, if it is necessary for a party to seek emergency relief of an extraordinary nature, pre-suit mediation need not be conducted.

10.10. Entire Agreement. This Agreement represents the entire agreement between the City and the Participant and supersedes all prior negotiations, representations, or contracts, either written or oral. This Agreement may be amended only by written instrument signed by both parties.

**CITY OF SUGAR LAND, TEXAS**

**CWP ASSET CORP. d/b/a Mister Car Wash**

\_\_\_\_\_  
City Manager

  
\_\_\_\_\_  
Michelle Krall, General Counsel

\_\_\_\_\_  
Date

5/18/26  
\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Linda Mendenhall, City Secretary

ATTEST:

  
\_\_\_\_\_  
Dillon Dunn, Assistant Secretary

Attachments:

- Exhibit A: Participant's current permits and pending applications with the Subsidence District
- Exhibit B: Participant's annual ground water pumped from well(s) for previous years
- Exhibit C: Participant's estimate of annual ground water pumped from well(s) through 2040

EXHIBIT A

Participant’s current groundwater well permits and pending applications with the Subsidence District



**Original Application of an Existing Well**

Fort Bend Subsidence District  
 301 Jackson St. Suite 639 Richmond, Texas 77469  
 (281) 342-3273

Mister Car Wash  
 ATTN: Compliance Department  
 2530 Highway 6  
 Sugar Land, TX 77478  
 Email: compliance@mistercarwash.com

Ref #: WP2026-100145  
 Lead Well: 3828

**Contact Information Review:**

- My contact information shown to the left is CORRECT.
- If the contact information shown to the left is NOT CORRECT please update in SECTION 10.

**Application Submitted on:**  
 10/21/2025

This is the application to renew your water well permit. To complete the application online, visit [www.fbsubsidence.org/portal](http://www.fbsubsidence.org/portal). If you choose to submit this application along with the application fee by mail, please fill in ALL blanks or mark N/A (not-applicable) as needed and review the checklist prior to submittal. Questions can be emailed to [fbinfo@subsidence.org](mailto:fbinfo@subsidence.org).

**SECTION 1. EXISTING PERMIT DETAILS**

Lead Well #: 3828	Regulatory Area: Area A
Current Permit Term:	Provision: F
Current Authorized Withdrawal (MG):	Latitude: 29.594719
Use of Well: D	Longitude: -95.81548
Well Location: 2530 Highway 6, Sugar Land, TX 77478	

**SECTION 2. WELLS IN AGGREGATE WITH THE LEAD WELL NUMBER**

Below are wells that are in aggregate with your lead well. Update this list by adding missing wells or marking through wells that should no longer be on your permit along with a brief explanation for adding or removing the well.

3828

**SECTION 3. PREVIOUS WATER USAGE - REQUIRED**

- A. Enter the amount of groundwater withdrawn from your water well for the previous 12 months: 0.00 MG
- B. Enter the amount of city/alternative water used in the previous 12 months if applicable: 0.00 MG
- C. If your permit requires you to have a meter, enter your current meter reading and attach a photo of the well meter dial displaying the meter reading(s) for all wells/meters. **REQUIRED**

Well Number	Meter Reading
3828	

Well Number	Meter Reading

**SECTION 4. AMOUNT OF GROUNDWATER REQUESTED - REQUIRED**

I request the same amount as my Current Authorized Withdrawal found in Section 1;

**OR**

I request 10.00 million gallons (MG) of withdrawal from my water well and expect to purchase/use 0.00 MG of alternative water (if applicable) for the 12-month permit term beginning 02/25/2026 .

\*If using alternative water sources, submit 12-months of water bills with your application.





EXHIBIT B

The amounts of Groundwater that have been pumped annually in past years from the Participant's Permitted Wells.

<b>Month</b>	<b>Year</b>	<b>Cars</b>	<b>Gallons</b>
Sep	2025	25,497	341,400
Oct	2025	27,735	737,800
Nov	2025	23,804	957,800
Dec	2025	22,150	1,104,000
<u>Jan</u>	<u>2026</u>	<u>21,507</u>	<u>939,760</u>
<u>Feb</u>	<u>2026</u>	<u>22,450</u>	<u>746,740</u>
<u>Mar</u>	<u>2026</u>	<u>30,012</u>	<u>852,400</u>

Data prior to August 2025 is unavailable.

EXHIBIT C

Participant's estimate of annual ground water pumped from well(s) through 2040

<b>Year</b>	<b>Annual Water Demand (Gallons)</b>
2026	11,923,413
2027	12,519,583
2028	13,145,563
2029	13,802,841
2030	14,493,233
2031	15,217,895
2032	15,978,790
2033	16,777,729
2034	17,616,616
2035	18,497,447
2036	19,422,319
2037	20,393,435
2038	21,413,107
2039	22,483,762
2040	23,607,950



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** IX.A.

**Agenda of:** City Council Meeting

**Initiated by:** Christian Eubanks, Environmental Manager

**Presented by:** Christian Eubanks, Environmental Manager

**Responsible Department:** Utilities

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**Agenda Caption:**

**FIRST CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2402**: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY RENAMING ARTICLE VIII (WATER AND WASTEWATER) OF CHAPTER 5 (PUBLIC PROPERTY AND SERVICES) TO WATER, WASTEWATER AND STORMWATER; ADDING A NEW DIVISION 13 (STORMWATER COALITION) TO THE RENAMED ARTICLE, ESTABLISHING STORMWATER COALITION FEES, AND SETTING FORTH OTHER PROVISIONS RELATED THERETO.

**Recommended Action:**

Approve on first reading Ordinance No. 2402, which amends the Code of Ordinances by renaming Article VIII (Water and Wastewater) of Chapter 5 (Public Property and Services) to Water, Wastewater, and Stormwater; Adding a new Division 13 (Stormwater Coalition) to the renamed Article and establishing Stormwater Coalition Fees.

**Executive Summary:**

The City of Sugar Land is required to maintain a Stormwater Management Program (SWMP) as a condition of its Texas Pollutant Discharge Elimination System (TPDES) permit for municipal separate storm sewer systems (MS4s). The SWMP outlines the City's strategy for reducing pollutants in stormwater runoff and protecting local water quality through public education, regulatory programs, inspections, and municipal best management practices. The City's SWMP was approved by City Council in February 2025 for the 2025- 2030 permit cycle.

In addition to cities, other entities such as Municipal Utility Districts (MUDs) and Levee Improvement Districts (LIDs) are also required to maintain stormwater management programs and comply with state and federal MS4 permitting requirements. To streamline compliance efforts, reduce administrative duplication, and promote consistency across interconnected drainage systems, it is common for these entities to form regional stormwater coalitions under a single parent operator. After evaluating this approach, the City determined that establishing a

Stormwater Coalition would provide operational and regulatory efficiencies while supporting regional coordination with in-City MUDs.

The Stormwater Coalition will be a cooperative partnership in which the City will serve as the parent Municipal Separate Storm Sewer System (MS4) operator and administer a shared Stormwater Management Program (SWMP) on behalf of its Member districts. To do this, the City must amend the City's Ordinances as well as enter into Interlocal Agreements with participants. Under this structure, Member districts will fulfill their State and Federal stormwater compliance obligations through the City's established program.

To offset the costs associated with forming and operating the Coalition, Ordinance No. 2402 amends the City's Fee Ordinance to establish the Stormwater Coalition Fee. The City's existing Stormwater Compliance Fee funds the City's stormwater program as a whole; however, administering the SWMP on behalf of Member districts represents additional work and coordination that falls outside the scope of that fee. The Stormwater Coalition Fee ensures that the costs of Coalition setup, ongoing program administration, permitting coordination, and any services provided by the City on behalf of its Member districts are appropriately recovered, rather than subsidized by the City. This fee will be assessed directly to the Member MUDs.

This program was reviewed by the Intergovernmental Committee in January 2026.

The Utilities Department recommends that the City Council approve the first reading of Ordinance No. 2402.

**Budget**

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**Expenditure Required:** N/A

**Current Budget:** N/A

**Additional Funding:** N/A

**Funding Source:** N/A

**Account Number (ORG-OBJ-Project):** N/A

**Attachments**

- 1. Stormwater Coalition Ordinance 3-20-2026

**ORDINANCE NO. 2402**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY RENAMING ARTICLE VIII (WATER AND WASTEWATER) OF CHAPTER 5 (PUBLIC PROPERTY AND SERVICES) TO WATER, WASTEWATER AND STORMWATER; ADDING A NEW DIVISION 13 (STORMWATER COALITION) TO THE RENAMED ARTICLE, ESTABLISHING STORMWATER COALITION FEES, AND SETTING FORTH OTHER PROVISIONS RELATED THERETO.**

WHEREAS, the City of Sugar Land operates under a Texas Pollutant Discharge Elimination System (“TPDES”) General Permit TXR04 in accordance with the Texas Commission on Environmental Quality (“TCEQ”) (the “MS4 Permit”); and

WHEREAS, Municipal Utility Districts located within the City own stormwater assets that require a MS4 Permit from the TCEQ; and

WHEREAS, Conservation and Reclamation Districts located within the City own stormwater assets that require a MS4 Permit; and

WHEREAS, MS4 Permits require the development of a Stormwater Management Plan to protect water quality; and

WHEREAS, TCEQ rules and regulations allow multiple small MS4s to combine or share efforts as a coalition if they are: (1) physically interconnected; (2) located in the same urban area with a population of at least 50,000 people; or (3) located in the same watershed; and

WHEREAS, the City, the Municipal Utility Districts, and the Conservation and Reclamation Districts are considered small MS4s and meet the criteria to form a coalition; and

WHEREAS, the City desires to establish a coalition to allow for the joint submission and management of obligations required pursuant to a MS4 Permit; NOW, THEREFORE:

**BE IT ORDAINED BY THE CITY COUNCIL  
OF THE CITY OF SUGAR LAND, TEXAS:**

**Section 1.** That the City Council adopts the findings and recitals set forth in the preamble of this Ordinance.

**Section 2.** That Chapter 5, Article VIII, Water and Wastewater, is renamed:

**Article VIII, Water, Wastewater, and Stormwater**

**Section 3.** That Chapter 5, Article VIII, Water, Wastewater, and Stormwater is amended to add a new Division 13, to read as follows:

**DIVISION 13. STORMWATER COALITION**

**Sec. 5-418. Stormwater Coalition Established.**

A Stormwater Coalition comprised of qualifying small MS4s located within the City limits is established. The purpose of the Coalition is to share information, coordinate projects, and use best practices to create a unified Stormwater Management Plan and meet TCEQ MS4 requirements. Membership and operational duties will be established by Interlocal Agreements between the members.

**Sec. 5-419. Member Participation Fees.**

(a) Application Fee. Each Coalition applicant must pay the City a one-time application fee of \$5,000.00. Payment is due within fifteen days of execution of the Interlocal Agreement adding the Municipal Utility District or Conservation and Reclamation District to the Coalition. The City is not required to update the SWMP or MS4 Permit until the applicant has paid this fee in full.

(b) Annual Fee. Each member shall pay an annual fee of \$2,500.00. The fee shall be due on October 1 of each year. The fee for the first year shall be prorated on a monthly basis based on the number of full and partial months from the Effective Date of the Interlocal Agreement through September 30 of that year, with any partial month counted as a full month.

**Section 4.** That the provisions of this ordinance are severable and the invalidity of any part of this ordinance will not affect the validity of the remainder of this ordinance.

APPROVED on first consideration on \_\_\_\_\_, 2026.

ADOPTED on first consideration on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Carol K. McCutcheon, Mayor

ATTEST:

\_\_\_\_\_  
Linda Mendenhall, City Clerk

APPROVED AS TO FORM:



**City Council Agenda Request**  
**June 16, 2026**

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**Agenda Request No:** IX.B.

**Agenda of:** City Council Meeting

**Initiated by:** Betty Jurado, Administrative Coordinator

**Presented by:** Michelle McCrimmon, Assistant City Manager

**Responsible Department:** Finance

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**Agenda Caption:**

**FIRST AND FINAL CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2407**; AN ORDINANCE AUTHORIZING THE ISSUANCE OF COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATIONS, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE CERTIFICATES; AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.

**Recommended Action:**

Approval of Ordinance No. 2407, Authorizing the Issuance of City of Sugar Land, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2026; Setting Certain Parameters for the Certificates, Authorizing any Pricing Officer to Approve the Amount, Interest Rate, Price, and Terms Thereof; and Certain other Procedures and Provisions Relating Thereto.

**Executive Summary:**

**Background**

The City of Sugar Land prepares a five-year capital improvement program annually as part of the budget process, incorporating the first year of the plan into the adopted budget. The City may issue Certificates of Obligation (CO’s) for certain capital projects to finance those projects. CO’s are issued and are backed by property taxes.

The FY26 CIP includes the following Airport projects funded from this issuance of CO’s:

<b>Project</b>	<b>Amount</b>
New Fuel Farm	\$3,000,000
Runway Rehabilitation	10,000,000
Rental Car and Vertiport Parking	2,500,000
Reimbursement for Park at Eldridge PID	1,800,000

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**Total Airport Projects – CO Bonds**

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**\$15,500,000**

Additionally, the CO will fund \$1,800,000 to purchase infrastructure costs at the Park at Eldridge Public Improvement District.

Proceeds of the CO will include the above projects and costs of issuance associated with the sale.

**Notice Requirements**

State law requires adoption of a resolution authorizing publication of a notice stating the City's intent to issue the certificates of obligation. The notice must be published once a week, for two consecutive weeks in a newspaper of general circulation in the City. The date of the first publication must be at least forty-six (46) days before the date tentatively set in said notice for the passage of the ordinance authorizing the issuance of such Certificates of Obligation. The Notice shall be continuously posted on the City's Internet website, for at least forty-five (45) days before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates.

On April 21, 2026 City Council approved Resolution No. 26-18 authorizing the Notice of Intent to issue the CO's. The notice was published in the April 29, 2026 and May 6, 2026 newspapers.

**Bond Ratings**

As part of the issuance process, the City engaged Standard & Poor's (S&P) and Fitch Investors Service (Fitch) to provide a rating on the proposed bond issue. Both Fitch and S&P affirmed the City's AAA rating, which is the highest rating possible and reflects the City's strong financial management practices, healthy reserves, and economic stability.

**Parameter Sale**

Due to recent uncertainty with the market, staff and the City's Financial Advisor are recommending a parameter sale to allow the City to price and sell the bonds at the most competitive rates possible. Ordinance 2407 will set the following parameters for the sale of CO bonds:

- The maximum principal amount shall not exceed \$17,275,000
- The maximum true interest rate shall not exceed 4.25%
- The maximum maturity may not exceed 21 years

Ordinance 2407 also authorizes the Mayor, City Manager, or Assistant City Manager / Chief Financial Officer, as the Pricing Officer, to act on behalf of the City in selling and delivering the Certificates and carrying out the other procedures specified in this ordinance. The sale will occur on or after June 16th 2026 and no later than December 16, 2026. The issuance amount is approximately \$16,445,000 and the actual par amount will be determined on the day of the sale based on market conditions.

The Finance/Audit Committee was briefed on the issuance on April 2, 2026.

Funds will be deposited to the City’s account upon closing. Principal and interest payments will be due beginning in FY2027 and the respective payments will be funded from Airport Revenues and PID assessments.

**Budget**

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**Expenditure Required:** NA

**Current Budget:** NA

**Additional Funding:** NA

**Funding Source:** NA

**Account Number (ORG-OBJ-Project):** NA

**Attachments**

- 1. Ordinance No. 2407 - City of Sugar Land - Parameter Ordinance (2026 COs) - 356178095-v4-c

**ORDINANCE NO. 2407**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS AUTHORIZING THE ISSUANCE OF CITY OF SUGAR LAND, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE CERTIFICATES; AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.**

**WHEREAS**, the City Council of the City of Sugar Land, Texas (the “City”), authorized the publication of a notice of intention to issue certificates of obligation to the effect that the City Council would meet on June 16, 2026, to adopt an ordinance and take such other actions as may be deemed necessary to authorize the issuance of certificates of obligation (the “Certificates”) payable from ad valorem taxation and from net revenues of the City’s waterworks and sanitary sewer system (the “Net Revenues”), for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with (i) improvements to the City Airport, including rehabilitation of runways and the construction of a new fuel farm and additional parking, (ii) the construction or acquisition of and/or improvements to the City’s utility system, (iii) the construction or acquisition of and/or improvements to the City’s streets and sidewalks, and (iv) the cost of professional services incurred in connection therewith; and

**WHEREAS**, such notice was published at the times and in the manner required by the Constitution and laws of the State of Texas and of the United States of America, respectively, particularly Subchapter C of Chapter 271, Texas Local Government Code; and

**WHEREAS**, Section 271.047(d), Texas Local Government Code, provides that the City may not authorize the issuance of the Certificates if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding three years and failed to be approved; and

**WHEREAS**, the City Council hereby finds that no such bond proposition was submitted to the voters of the City during the preceding three years; and

**WHEREAS**, no petition or other request has been filed with or presented to any official of the City requesting that any of the proceedings authorizing the Certificates be submitted to a referendum or other election; and

**WHEREAS**, the City has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation, and therefore, the City qualifies as an “Issuer” under Chapter 1371, Texas Government Code; and

**WHEREAS**, pursuant to Section 1371.053, Texas Government Code, the City desires to delegate the authority to the City Manager, the Assistant City Manager/Chief Financial Officer, and the Mayor to effect the sale of the Certificates, from time to time and in one or more installments; NOW, THEREFORE:

**BE IT ORDAINED BY THE CITY COUNCIL  
OF THE CITY OF SUGAR LAND:**

1. Recitals. It is hereby found and determined that the matters and facts set out in the preamble to this Ordinance are true and correct.

2. Definitions. Throughout this Ordinance the following terms and expressions as used herein shall have the meanings set forth below:

“Act” means Subchapter C of Chapter 271, Texas Local Government Code.

“Assistant City Manager/Chief Financial Officer” means Michelle McCrimmon or any successor serving in such office.

“Blanket Letter of Representations” means the Blanket Letter of Representations between the City, the Registrar, and DTC.

“Business Day” means any day that is not a Saturday, Sunday, a day on which Registrar is authorized by law or executive order to close, or a legal holiday.

“Certificate” or “Certificates” means the City of Sugar Land, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2026 authorized in this Ordinance, unless the context clearly indicates otherwise.

“City” means the City of Sugar Land, Texas.

“City Clerk” means Linda Mendenhall or any successor serving in such office.

“City Manager” means Michael Goodrum or any successor serving in such office.

“Closing Date” means the date of the initial delivery of and payment for the Certificates.

“Code” means the Internal Revenue Code of 1986.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Initial Certificate” means the Initial Certificate authorized by Section 5(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund for payment of the Certificates established by the City in Section 19 of this Ordinance.

“Interest Payment Date,” when used in connection with any Certificate, means   1  , and each   2   and   3   thereafter until maturity or earlier redemption.

“Mayor” means Carol K. McCutcheon or any successor serving in such office. In the event of the Mayor’s absence, this term shall include the Mayor Pro Tem.

“Officer’s Pricing Certificate” means the certificate signed by any Pricing Officer and containing the information regarding each issuance of the Certificates specified herein.

“Ordinance” as used herein and in the Certificates means this ordinance authorizing the Certificates.

“Owner” means any person who shall be the registered owner of any outstanding Certificate.

“Pricing Officer” means the City Manager, Assistant City Manager/Chief Financial Officer, or the Mayor, or any successors in those offices.

“Purchase Agreement” means the agreement or bid form between the City and the Underwriter, as described in Section 4 of this Ordinance.

“Record Date” means, for any Interest Payment Date, the close of business on the last Business Day of the month next preceding such Interest Payment Date.

“Register” means the books of registration kept by the Registrar that the names and addresses of and the principal amounts registered to each Owner are maintained.

“Registrar” means The Bank of New York Mellon Trust Company, National Association, Pittsburgh, Pennsylvania, and its successors in that capacity.

“Underwriter” means the individual underwriter or underwriting syndicate identified in the Officer’s Pricing Certificate.

3. Authorization. The Certificates shall be issued pursuant to the Act in fully registered form, without coupons, in the total authorized principal amount not to exceed \$17,275,000 for the purpose of evidencing the indebtedness of the City for all or any part of the

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<sup>1</sup> Insert from Officer’s Pricing Certificate.

<sup>2</sup> Insert from Officer’s Pricing Certificate.

<sup>3</sup> Insert from Officer’s Pricing Certificate.

costs associated with (i) improvements to the City Airport, including rehabilitation of runways and the construction of a new fuel farm and additional parking, (ii) the construction or acquisition of and/or improvements to the City's utility system, (iii) the construction or acquisition of and/or improvements to the City's streets and sidewalks, and (iv) the cost of professional services incurred in connection therewith.

4. Delegation of Authority. As authorized by Section 1371.053, Texas Government Code, the Pricing Officer is hereby authorized to act on behalf of the City through a date six months from the date of this Ordinance, from time to time, in selling and delivering one or more series of Certificates, on a taxable or a tax-exempt basis, subject to the conditions and carrying out the other procedures as set forth below. Certificates sold pursuant to a Purchase Agreement executed on or before the expiration date above may be delivered after such date, provided that such delivery date shall occur within ninety (90) days of the sale of the Certificates.

(a) Designation, Date, and Interest Payment Dates. The Certificates shall be designated as the "CITY OF SUGAR LAND, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 4" and more fully described in the Officer's Pricing Certificate.

(b) Initial Certificate. Each Initial Certificate shall be numbered I-1 and all other Certificates shall be numbered in sequence beginning with R-1. Certificates delivered on transfer of or in exchange for other Certificates shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Certificate or Certificates in lieu of which they are delivered.

(c) Date, Denomination, Interest Rates, and Maturities. The Certificates shall be dated, shall mature on the dates in each of the years and in the amounts set out in any Officer's Pricing Certificate, shall be subject to prior optional and mandatory redemption on the dates, for the redemption prices and in the amounts, set out in the Officer's Pricing Certificate and shall bear interest at rates and from their issue date as set out in the Officer's Pricing Certificate payable on each Interest Payment Date.

(d) Selling and Delivering Certificates. The Pricing Officer shall determine the method and manner of sale, any optional or mandatory redemption provisions for the Certificates, defeasance provisions, whether to issue the Certificates in combined series or separate series, and all other matters not expressly provided in this Ordinance, relating to the issuance, sale and delivery of the Certificates, all of which shall be specified in the Officer's Pricing Certificate; provided that; provided that:

- (i) the aggregate par amount of the Certificates issued hereunder shall never exceed the aggregate maximum principal amount authorized in Section 3 of this Ordinance;
- (ii) the true interest rate on the Certificates shall not exceed 4.25%; and

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<sup>4</sup> Insert from Officer's Pricing Certificate.

(iii) the maximum maturity of the Certificates may not exceed 21 years.

(e) Multiple Series. Pursuant to Chapter 1371, Texas Government Code, the Certificates may be issued from time to time in one or more series. Each Officer's Pricing Certificate shall specify the amount of authorization remaining pursuant to this Ordinance after the issuance of the applicable series of the Certificates.

(f) Sale; Purchase Agreement. The Certificates shall be sold and delivered to the Underwriter at a price to be set forth in the Officer's Pricing Certificate in accordance with the terms of one or more Purchase Agreements to be approved by the Pricing Officer. The Pricing Officer is hereby authorized and directed to execute one or more Purchase Agreements on behalf of the City, and the Mayor, the City Clerk, and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Certificates.

(g) Use of Proceeds. Except as otherwise set forth in the Officer's Pricing Certificate, proceeds from the sale of the Certificates shall, promptly upon receipt by the City, be applied as follows:

- (i) Net premium on the Certificates in the amount of \$\_\_\_\_\_ <sup>5</sup> shall be used to pay the costs of issuance.
- (ii) Net premium on the Certificates in the amount of \$\_\_\_\_\_ <sup>6</sup>, shall be deposited into the Interest and Sinking Fund.
- (iii) Net premium on the Certificates in the amount of \$\_\_\_\_\_ <sup>7</sup> shall be used to pay the Underwriter's discount.
- (iv) Certificate proceeds in the amount of \$\_\_\_\_\_ <sup>8</sup>, including net premium in the amount of \$\_\_\_\_\_ <sup>9</sup>, shall be used to accomplish the purposes set out in Section 3 of this Ordinance.
- (v) Any Certificate proceeds remaining after accomplishing the purposes set out in Section 3 of this Ordinance, including earnings on investments of such proceeds, shall be transferred to the Interest and Sinking Fund.

5. Execution of Certificates; Seal. (a) The Certificates shall be signed on behalf of the City by the Mayor and countersigned by the City Clerk, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile

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<sup>5</sup> Insert from Officer's Pricing Certificate.

<sup>6</sup> Insert from Officer's Pricing Certificate.

<sup>7</sup> Insert from Officer's Pricing Certificate.

<sup>8</sup> Insert from Officer's Pricing Certificate.

<sup>9</sup> Insert from Officer's Pricing Certificate.

seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of such Certificates or before the delivery of such Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Certificate delivered at the Closing Date shall have attached hereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the Initial Certificate, being a single certificate representing the entire principal amount of the Certificates, payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and City Clerk of the City, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriter or its designee. Upon payment for the Initial Certificate, the Registrar shall cancel the Initial Certificate and deliver definitive Certificates to DTC.

6. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Certificates. The principal of the Certificates shall be payable, without exchange or collection charges, in any coin or currency of the United States of America that, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they become due and payable at the principal payment office of the Registrar in Pittsburgh, Pennsylvania. The interest on each Certificate shall be payable by check payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register.

If the date for payment of the principal of or interest on any Certificate is not a Business Day, then the date for such payment shall be the next succeeding Business Day, with the same force and effect as if made on the original date payment was due.

7. Successor Registrars. The City covenants that at all times while any Certificates are outstanding it will provide a commercial bank or trust company organized under the laws of the United States or any state and duly qualified and legally authorized to serve as Registrar for the Certificates. The City reserves the right to change the Registrar on not less than sixty (60) days written notice to the Registrar, so long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Certificates. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or

copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

8. Special Record Date. If interest on any Certificate is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

9. Ownership; Unclaimed Principal and Interest. The City, the Registrar, and any other person may treat the person in whose name any Certificate is registered as the absolute Owner of such Certificate for the purpose of making payment of principal or interest on such Certificate, and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Certificate in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Certificate to the extent of the sums paid.

Amounts held by the Registrar that represent principal of and interest on the Certificates remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code.

10. Registration, Transfer, and Exchange. So long as any Certificates remain outstanding, the Registrar shall keep the Register at its principal payment office in Pittsburgh, Pennsylvania, and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Certificates in accordance with the terms of this Ordinance.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Certificate in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Certificate or Certificates so presented.

All Certificates shall be exchangeable upon presentation and surrender at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, for a Certificate or Certificates of like maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Certificate or Certificates presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Certificates in accordance with the provisions of this Section. Each Certificate delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such Certificate is delivered.

The City or the Registrar may require the Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Certificate. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the City.

11. Mutilated, Lost, or Stolen Certificates. Upon the presentation and surrender to the Registrar of a mutilated Certificate, the Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Certificate is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authorize and the Registrar shall authenticate and deliver a replacement Certificate of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding.

The City or the Registrar may require the Owner of a mutilated Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The City or the Registrar may require the Owner of a lost, apparently destroyed, or wrongfully taken Certificate, before any replacement Certificate is issued, to:

- (1) furnish to the City and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Certificate;
- (2) furnish such security or indemnity as may be required by the Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Registrar.

If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided

therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed, or wrongfully taken Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Certificate, authorize the Registrar to pay such Certificate.

Each replacement Certificate delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

12. Cancellation of Certificates. All Certificates paid in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the City with appropriate certificates of destruction of such Certificates.

13. Book-Entry System. (a) The Initial Certificate shall be registered in the name designated in the Officer's Pricing Certificate. Except as provided in Section 14 hereof, all other Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Certificates, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute Owner of such Certificate for the purpose of payment of principal of and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payments of principal, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Ordinance with respect to interest checks

being mailed to the Owner of record as of the Record Date, the phrase “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

14. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City in its sole discretion, determines that the beneficial owners of the Certificates shall be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts, as identified by DTC. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

15. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificates, and all notices with respect to such Certificates, shall be made and given, respectively, in the manner provided in the City’s Blanket Letter of Representations with DTC.

16. Optional and/or Mandatory Redemption; Defeasance. The Certificates are subject to optional redemption and/or mandatory redemption as set forth in the Form of Certificate in this Ordinance and in the Officer’s Pricing Certificate.

Principal amounts may be redeemed only in integral multiples of \$5,000. If a Certificate subject to redemption is in a denomination larger than \$5,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Certificate for redemption in part, the Registrar, in accordance with Section 10 hereof, shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity, Closing Date, and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

Notice of any redemption identifying the Certificates to be redeemed in whole or in part shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail, postage prepaid, to the Owner of each Certificate to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Certificates are to be surrendered for payment, and, if less than all Certificates outstanding of a particular maturity are to be redeemed, the numbers of the Certificates or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Certificates or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Certificates have

been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Certificates or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Certificate or portion thereof called for redemption shall terminate on the date fixed for redemption.

The Certificates may be discharged, defeased, redeemed, or refunded in any manner now or hereafter permitted by law.

17. Forms. The form of the Certificates, including the form of Registration Certificate of the Comptroller, which shall be attached or affixed to the Initial Certificate, the form of the Registrar's Authentication Certificate, and the form of Assignment, shall be, respectively, substantially as follows, with such additions, deletions, and variations as may be necessary to conform to the terms specified or desirable and not prohibited by this Ordinance, including any legend regarding bond insurance if such insurance is obtained by the Underwriter.

(a) Form of Certificate.

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF FORT BEND

REGISTERED  
NUMBER

\_\_\_\_\_

REGISTERED  
DENOMINATION  
\$ \_\_\_\_\_

CITY OF SUGAR LAND, TEXAS  
COMBINATION TAX AND REVENUE  
CERTIFICATE OF OBLIGATION  
SERIES <sup>10</sup>\_\_\_\_\_

INTEREST RATE:

MATURITY DATE:

February 15, 20\_\_

DATED DATE:

<sup>11</sup>\_\_\_\_\_

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Sugar Land, Texas (the "City") promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and

<sup>10</sup> Insert from Officer's Pricing Certificate.

<sup>11</sup> Insert from Officer's Pricing Certificate.

surrender of this Certificate at The Bank of New York Mellon Trust Company, National Association (the “Registrar”) at its principal payment office in Pittsburgh, Pennsylvania, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of   12   or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Certificate is payable by check on   13   and   14  , beginning on   15  , mailed to the registered owner of record as of the close of business on the last business day of the month next preceding each interest payment date.

THIS CERTIFICATE is one of a duly authorized issue of certificates of obligation, aggregating \$          16           (the “Certificates”), issued for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with (i) improvements to the City Airport, including rehabilitation of runways and the construction of a new fuel farm and additional parking, (ii) the construction or acquisition of and/or improvements to the City’s utility system, (iii) the construction or acquisition of and/or improvements to the City’s streets and sidewalks, and (iv) the cost of professional services incurred in connection therewith; and issued in accordance with the Constitution and laws of the State of Texas, particularly Subchapter C of Chapter 271, Texas Local Government Code, and pursuant to an ordinance duly adopted by the City Council of the City (the “Ordinance”), which Ordinance is of record in the official minutes of the City Council.

THE CITY RESERVES THE RIGHT to redeem Certificates maturing on and after   17  , prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on   18   or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Certificates.

[If applicable, mandatory redemption language]<sup>19</sup>

NOTICE OF ANY REDEMPTION shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owners of each Certificate to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Certificates or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

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<sup>12</sup> Insert from Officer’s Pricing Certificate.

<sup>13</sup> Insert from Officer’s Pricing Certificate.

<sup>14</sup> Insert from Officer’s Pricing Certificate.

<sup>15</sup> Insert from Officer’s Pricing Certificate.

<sup>16</sup> Insert from Officer’s Pricing Certificate.

<sup>17</sup> Insert from Officer’s Pricing Certificate.

<sup>18</sup> Insert from Officer’s Pricing Certificate.

<sup>19</sup> Insert from Officer’s Pricing Certificate.

THIS CERTIFICATE is transferable only upon presentation and surrender at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE CERTIFICATES are exchangeable at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, for Certificates in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Certificate, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified registrar for the Certificates and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City.

IT IS FURTHER certified, recited and represented that the revenues, in an amount not to exceed \$10,000, to be derived from the operation of the City's waterworks and sanitary sewer system, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), are pledged to the payment of the principal of and interest on the Certificates; provided, however, that such pledge is and shall be junior and subordinate in all respects to the pledge of the Net Revenues to the payment of all outstanding obligations of the City and any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Net Revenues, secured by a pledge of the Net Revenues that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of the Net Revenues securing the Certificates.

IN WITNESS WHEREOF, this Certificate has been signed with the manual or facsimile signature of the Mayor and countersigned with the manual or facsimile signature of the City Clerk, and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate.

CITY OF SUGAR LAND, TEXAS

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Carol K. McCutcheon, Mayor

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Linda Mendenhall, City Clerk

(SEAL)

(b) Form of Registration Certificate.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

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

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

(c) Form of Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate has been delivered pursuant to the Ordinance described in the text of this Certificate.

The Bank Of New York Trust Company, National Association  
As Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Signature  
Date of Authentication \_\_\_\_\_

(d) Form of Assignment.

ASSIGNMENT

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

\_\_\_\_\_

(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_

(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

\_\_\_\_\_

attorney to transfer said Certificate on the books kept for registration thereof, with full power of

substitution in the premises.

DATED: \_\_\_\_\_

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

Registered Owner

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NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Certificate in every particular, without any alteration, enlargement or change whatsoever.

(e) The Initial Certificate shall be in the form set forth in paragraphs (a), (b), and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Certificate, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and the word “CUSIP” deleted;

(ii) in the first paragraph of the Certificate, the words “on the maturity date specified above,” and “at the rate shown above” shall be deleted and the following shall be inserted at the end of the first sentence “..., with such principal to be paid in installments on <sup>20</sup> in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:”

[Information to be inserted from schedule in the Officer’s Pricing Certificate]

(iii) the Initial Certificate shall be numbered I-1.

18. CUSIP Numbers. CUSIP Numbers may be printed on the Certificates, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Certificates.

19. Interest and Sinking Fund; Tax Levy. There is hereby established a separate fund of the City to be known as the “City of Sugar Land, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2026 Interest and Sinking Fund” (the “Interest and Sinking Fund”), which shall be kept separate and apart from all other funds of the City. The proceeds from all taxes levied, assessed, and collected for and on account of the Certificates authorized by this Ordinance shall be deposited, as collected, in the Interest and Sinking Fund. While the Certificates or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other City taxes are assessed, levied, and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City, sufficient to pay the current interest on the Certificates as the same becomes due and to provide and maintain a sinking fund of not less than two percent of the principal amount of the Certificates or the amount required to pay each installment of principal of the Certificates as the same matures, whichever is greater, full allowance being made for delinquencies and costs

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<sup>20</sup> Insert from Officer’s Pricing Certificate.

of collection, and said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the Certificates.

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

20. Pledge of Revenues. Pursuant to Chapter 1502, Texas Government Code, the revenues, in an amount not to exceed \$10,000, to be derived from the operation of the City's waterworks and sanitary sewer system, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), are hereby pledged to the payment of the principal of and interest on the Certificates as the same come due; provided, however, that such pledge is and shall be junior and subordinate in all respects to the pledge of the Net Revenues to the payment of all outstanding obligations of the City and any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The City reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Net Revenues, secured by a pledge of the Net Revenues that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates.

21. Application of Chapter 1208, Texas Government Code. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the taxes and revenues granted by the City under Sections 19 and 20 hereof, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are outstanding an unpaid such that the pledge of the taxes and revenues granted by the City under Sections 19 and 20 hereof is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

22. Further Proceedings. After the Initial Certificate has been executed, it shall be the duty of the Mayor and other appropriate officials and agents of the City to deliver the Initial Certificate and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Initial Certificate has been approved by the Attorney General, it shall be delivered to the Comptroller for registration. Upon registration of the Initial Certificate, the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

23. Covenants to Maintain Tax Exempt Status. If all or any portion of the Certificates are issued in such a manner that the interest on the Certificates is exempt from taxation under the Code (as defined herein), then the provisions of this Section 23 shall apply to such Certificates.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Issue Date” for each series or sub-series of the Certificates or other obligations of the City is the respective date on which such series or sub-series of the Certificates or other obligations of the City is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in Section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Certificates issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Certificates.

“Yield of”

(1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

(2) the Certificates shall be computed in accordance with Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of

or omit to use Gross Proceeds of the Certificates or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times after the Issue Date of any Certificate and prior to the last stated maturity of the Certificates,

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Certificates and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public; or

(2) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the regulations and rulings relating to section 141 of the Code, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take or pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Certificates, directly or indirectly invest Gross Proceeds of the Certificates in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Certificates.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The City shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Certificates on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the City shall:

(1) account for all Gross Proceeds of the Certificates (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and shall retain all records of such accounting for at least nine years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;

(2) calculate the Rebate Amount with respect to the Certificates not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least three years after the final Computation Date;

(3) as additional consideration for the purchase of the Certificates by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder; and

(4) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time after the Issue Date of the Certificates and prior to the earlier of the final stated maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United

States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

(j) Not Hedge Bonds. The City will not invest more than fifty (50) percent of the Proceeds of the Certificates in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date, the City will reasonably expect that at least eighty-five (85) percent of the Net Sale Proceeds of the Certificates will be used to carry out the governmental purpose of such series within three (3) years after the Issue Date.

24. Investment and Security of Funds. Money in the Interest and Sinking Fund and the Construction Fund may, at the option of the City, be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, or obligations the principal of which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by state law, including the Public Funds Investment Act; provided 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. If necessary, such investments shall be promptly sold to prevent any default. Any of such moneys which are not invested shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257.

25. Official Statement. The City hereby approves the form and content and distribution of the Preliminary Official Statement prepared in the initial offering and sale of the Certificates and hereby authorizes the preparation of a final Official Statement reflecting the terms of the Purchase Agreement and other relevant information. The use of such final Official Statement by the Underwriter is hereby approved and authorized and the proper officials of the City are authorized to sign such Official Statement.

26. Continuing Disclosure Undertaking. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

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

“SEC” means the United States Securities and Exchange Commission.

(a) The City will provide certain updated financial information and operating data to the MSRB annually in an electronic format as prescribed by the MSRB and available via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under the headings "TAX DATA" (except for the information under the subcaption "ESTIMATED OVERLAPPING BOND DEBT PAYABLE FROM AD VALOREM TAXES"), "FINANCIAL INFORMATION," "DEBT INFORMATION," "THE MUNICIPAL AIRPORT SYSTEM," "WATERWORKS AND SEWER

SYSTEM," "OTHER OBLIGATIONS" and in APPENDIX B. The City shall update such information within six (6) months after the end of each fiscal year ending on and after September 30, 2026. Any financial statements to be so provided shall be (1) prepared in accordance with Appendix B of the Official Statement or the accounting principles the City may be required to employ from time to time pursuant to State law or regulation and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, then the City shall provide those portions of the unaudited financial statements of the City referenced in the City's application for financial assistance but for the most recently concluded fiscal year by the required time, and audited financial statements when and if audited financial statements become available.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to documents (i) available to the public on the MSRB's internet web site or (ii) filed with the SEC. All filings shall be made electronically, in the format specified by the MSRB.

(b) The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) business days after the occurrence of the event), of any of the following events with respect to the Certificates:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;

- (vii) Modifications to rights of holders of the Certificates, if material;
- (viii) Certificate calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Section by the time required by this Section.

For these purposes, (a) any event described in (xii) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the (xv) and (xvi) of the immediately preceding

paragraph to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information, operating data, or financial statements in accordance with this Section by the time required by such Section.

All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

(c) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by this Section of any Certificate calls and defeasance that cause the City to be no longer such an “obligated person.”

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

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under the Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended to or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(d) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted a purchaser to purchase or sell the Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as

such changed circumstances, and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in any case only if and to the extent that the provisions of this sentence would not have prevented a purchaser from lawfully purchasing or selling Certificates in the primary offering of the Certificates, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the agreement, it will include with the next financial information and operating data provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

27. Related Matters. The Mayor, the City Manager, the Assistant City Manager/Chief Financial Officer, the City Clerk, and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance.

28. Severability. If any Section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

29. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

30. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Certificates or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Certificates.

31. Parties Interested. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Registrar, and the Owners of the Certificates, any right, remedy, or claim under or by reason of this Ordinance or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements in this Ordinance shall be for the sole and exclusive benefit of the City, the Registrar, and the Owners of the Certificates.

32. Repealer. All orders, resolutions, and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

33. Power to Revise Form of Documents. Notwithstanding any other provision of this Ordinance, the Mayor, City Clerk, and other appropriate officials of the City are each hereby authorized to make or approve such revisions, additions, deletions, and variations to this Ordinance, in the judgment of the Mayor, the City Council, the City Clerk, the City Manager, the Assistant City Manager/Chief Financial Officer, and other appropriate officials of the City, and in the opinion of Bond Counsel to the City, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Preliminary Official Statement, and the final Official Statement; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Certificates or such documents shall be subject to the prior approval of the City Council.

34. Open Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

PASSED AND APPROVED on the \_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Carol K. McCutcheon, Mayor  
City of Sugar Land, Texas

ATTEST:

\_\_\_\_\_  
Linda Mendenhall, City Clerk  
City of Sugar Land, Texas

(SEAL)

APPROVED AS TO LEGALITY:

*/s/ Tom Sage*  
\_\_\_\_\_  
Bond Attorney  
HUNTON ANDREWS KURTH LLP



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** IX.C.

**Agenda of:** City Council Meeting

**Initiated by:** Betty Jurado, Administrative Coordinator

**Presented by:** Michelle McCrimmon, Assistant City Manager

**Responsible Department:** Finance

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**Agenda Caption:**

**FIRST AND FINAL CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2408:** AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION AND/OR REFUNDING BONDS, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE BONDS; AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.

**Recommended Action:**

Approval of Ordinance No. 2408, Authorizing the Issuance of the City of Sugar Land, Texas, General Obligation and/or Refunding Bonds, Series 2026; Setting Certain Parameters for the Bonds; Authorizing any Pricing Officer to Approve the Amount, Interest Rate, Price, and Terms Thereof; and Certain Other Procedures and Provisions and Provisions Relating Thereto.

**Executive Summary:**

**Voter Approved General Obligation (GO) Bonds**

On November 5, 2024, the City of Sugar Land voters approved five GO bond propositions totaling \$350 million. Projects were identified through years of public feedback including a citizen satisfaction survey, sentiment surveys, and community meetings, as well as various master plans and City Council input. In fiscal year 2025, the City issued \$25,650,000 and this 2026 issuance includes \$69,825,000 of the \$350 million voter-approved GO bond. There is \$254,525,000 in remaining authorization for future GO bond issuance.

Additionally, on November 5, 2019, voters approved four general obligation bond propositions totaling \$90.76 million. Bonds were issued in previous years with the only remaining authorization of \$4,550,000 related to the funding of a new animal shelter.

This 2026 issuance totals \$74,375,000 for the 2024 and remaining 2019 bond propositions. The 2026 GO Bond issuance will fund the following projects and included in the FY26 adopted budget:

<b>PROJECT NAME</b>	<b>2026 BUDGET</b>
Burney/Main Sidewalk Widening	\$300,000
Austin Parkway Reconstruction – Phase 1	262,500
Austin Parkway Reconstruction – Phase 2	462,500
Public Safety Facility Rehabilitations	3,250,000
Fire Apparatus Replacement	2,175,000
Public Safety Training Facility Phase 3	29,225,000
Major Street Rehabilitation	550,000
Chatham at McAllister Drainage	500,000
SH 6 at Brooks St Drainage Modification	625,000
Windmill Drainage Modification	5,350,000
Strategic Traffic Flow Projects	450,000
Public Services Building Rehabilitation	4,075,000
Hillstone Drainage Modification	7,100,000
Sidewalk Program Rehabilitation	2,175,000
Residential Street Reconstruction	550,000
Traffic Signal Rehabilitation	775,000
Animal Shelter	16,550,000
<b>Total Projects - GO Bonds</b>	<b>\$74,375,000</b>

Proceeds of the bond issuance include the above projects and the costs of issuance associated with the sale of the bonds.

### **Bond Ratings**

As part of the issuance process, the City engaged Standard & Poor's (S&P) and Fitch Investors Service (Fitch) to provide rating on the proposed bond issue. Both Fitch and S&P affirmed the City's AAA rating, which is the highest rating possible and reflects the City's strong financial management practices, healthy reserves, and economic stability.

### **Parameter Sale**

Due to recent uncertainty with the market, staff and the City's Financial Advisor are recommending a parameter sale to allow the City to price and sell the bonds at the most competitive rates possible. Additionally, the ordinance includes authority to refund eligible bond issues depending on whether it provides at least 3% in net present value savings.

Ordinance 2408 will set the following parameters for the sale of GO bonds:

New Money Bonds

- The maximum principal amount will not exceed \$74,375,000
- The maximum true interest rate shall not exceed 4.20%
- The maximum maturity may not exceed 21 years

Refunding Bonds

- The maximum principal amount will not exceed \$22,020,000
- The maximum true interest rate shall not exceed 3.77%
- The net present value savings in debt service shall be at least 3%
- The maturity date shall not be later than the bonds being refunded

Ordinance 2408 also authorizes the Mayor, City Manager, or Assistant City Manager / Chief Financial Officer, as the Pricing Officer, to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this ordinance. The sale will occur on or after on or after June 16th 2026 and no later than December 16, 2026. The issuance amount is approximately \$70,015,000 plus refunding bonds and the actual par amount will be determined on the day of the sale based on market conditions.

The Finance Audit Committee was briefed on the issuance on April 2, 2026.

Funds will be deposited to the City’s account upon closing. Principal and interest payments will be due beginning in FY2027.

**Budget**

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**Expenditure Required:** NA

**Current Budget:** NA

**Additional Funding:** NA

**Funding Source:** NA

**Account Number (ORG-OBJ-Project):** NA

**Attachments**

1. Ordinance No. 2408 - City of Sugar Land - Parameter Ordinance (2026 GOs & Ref.) - 356179017-v4-c

**ORDINANCE NO. 2408**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS AUTHORIZING THE ISSUANCE OF CITY OF SUGAR LAND, TEXAS, GENERAL OBLIGATION AND/OR REFUNDING BONDS, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE BONDS; AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.**

**WHEREAS**, the City Council (the “City Council”) of the City of Sugar Land, Texas (the “City”) has heretofore issued the obligations described in **Exhibit A** attached hereto; and

**WHEREAS**, the City desires to refund a portion of said obligations in advance of their maturities (the “Refunded Obligations”); and

**WHEREAS**, Chapter 1207, Texas Government Code authorizes the City to issue refunding bonds payable from taxes, without an election, for the purpose of refunding the Refunded Obligations in advance of their maturities, and to accomplish such refunding by depositing directly with any paying agent for the Refunded Obligations (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

**WHEREAS**, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Obligations shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts, and all other covenants, provisions, terms, and conditions of the ordinances authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated, and defeased; and

**WHEREAS**, the City desires to authorize the execution of an escrow agreement, if required, and provide for the deposit of proceeds of the refunding bonds, together with other lawfully available funds of the City, to pay for the Refunded Obligations; and

**WHEREAS**, the City, acting through its City Council, is authorized by the Constitution and laws of the State of Texas, particularly Chapter 1331 of the Texas Government Code, to issue bonds for the purpose of making needed public improvements; and

**WHEREAS**, the City also desires to issue bonds hereinafter authorized that were duly and favorably voted at an election held in the City on the 5<sup>th</sup> day of November, 2019 (the “2019 Election”) and on the 5<sup>th</sup> day of November, 2024 (the “2024 Election” and together with the 2019 Election, the “Elections”); and

**WHEREAS**, the City Council does hereby determine that bonds in an aggregate amount not to exceed:

- (i) \$4,550,000 (including any premium charged against voted authority), should be issued as the third and final installment of a total \$6,600,000 bonds voted in Proposition D at the 2019 Election,
- (ii) \$34,650,000 (including any premium charged against voted authority), should be issued as the second installment of a total \$144,500,000 bonds voted in Proposition A at the 2024 Election,
- (iii) \$5,525,000 (including any premium charged against voted authority), should be issued as the second installment of a total \$118,000,000 bonds voted in Proposition B at the 2024 Election,
- (iv) \$13,575,000 (including any premium charged against voted authority), should be issued as the second installment of a total \$35,000,000 bonds voted in Proposition C at the 2024 Election,
- (v) \$4,075,000 (including any premium charged against voted authority), should be issued as the second installment of a total \$40,500,000 bonds voted in Proposition D at the 2024 Election,
- (vi) \$12,000,000 (including any premium charged against voted authority), should be issued as the first and only installment of a total \$12,000,000 bonds voted in Proposition E at the 2024 Election; and

**WHEREAS**, the City has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation, and therefore, the City qualifies as an “Issuer” under Chapter 1371, Texas Government Code; and

**WHEREAS**, pursuant to Section 1207.007 and Section 1371.053, Texas Government Code, the City desires to delegate the authority to the City Manager, the Assistant City Manager/Chief Financial Officer, and the Mayor to effect the sale of the Bonds, from time to time and in one or more installments; **NOW, THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL  
OF THE CITY OF SUGAR LAND, TEXAS:**

1. Recitals; Finding. It is hereby found and determined that the matters and facts set out in the preamble to this Ordinance are true and correct. It is hereby found and determined that the refunding contemplated in this Ordinance will benefit the City by providing a present value savings in the debt service payable by the City, and that such benefit is sufficient consideration for

the refunding of the Refunded Obligations, and that the issuance of the New Money Bonds and/or Refunding Bonds is in the best interests of the City.

2. Definitions. Throughout this Ordinance the following terms and expressions as used herein shall have the meanings set forth below:

“Assistant City Manager/Chief Financial Officer” means Michelle McCrimmon or any successor serving in such office.

“Blanket Letter of Representations” means the Blanket Letter of Representations between the City, the Registrar, and DTC.

“Bond” or “Bonds” means the City of Sugar Land, Texas, General Obligation and/or Refunding Bonds, Series 2026 authorized in this Ordinance, unless the context clearly indicates otherwise.

“Business Day” means any day that is not a Saturday, Sunday, a day on which Registrar is authorized by law or executive order to close, or a legal holiday.

“City” means the City of Sugar Land, Texas.

“City Clerk” means Linda Mendenhall or any successor serving in such office.

“City Manager” means Michael Goodrum or any successor serving in such office.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” means the place of payment for the Refunded Obligations or trust company or commercial bank identified in the Escrow Agreement, and any successor in that capacity.

“Escrow Agreement” means an agreement between the City and the Escrow Agent relating to the escrow of funds to pay the Refunded Obligations.

“Initial Bond” means the Initial Bond authorized by Section 5(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund for payment of the Bonds established by the City in Section 19 of this Ordinance.

“Interest Payment Date,” when used in connection with any Bond, means   1  , and each   2   and   3   thereafter until maturity or earlier redemption.

“Mayor” means Carol K. McCutcheon or any successor serving in such office. In the event of the Mayor’s absence, this term shall include the Mayor Pro Tem.

“New Money Bonds” shall mean Bonds issued pursuant to and for the purposes set forth in Section 3(a) of this Ordinance.

“Officer’s Pricing Certificate” means the Bond signed by any Pricing Officer and containing the information regarding each issuance of the Bonds specified herein.

“Ordinance” as used herein and in the Bonds means this ordinance authorizing the Bonds.

“Owner” means any person who shall be the registered owner of any outstanding Bond.

“Pricing Officer” means the City Manager, the Assistant City Manager/Chief Financial Officer, or the Mayor, or any successors in those offices.

“Purchase Agreement” means the agreement or bid form between the City and the Underwriter, as described in Section 4 of this Ordinance.

“Record Date” means, for any Interest Payment Date, the close of business on the last Business Day of the month next preceding such Interest Payment Date.

“Refunded Obligations” means any of those bonds of the City described in **Exhibit A** attached hereto and as more particularly described in each Officer’s Pricing Certificate.

“Refunding Bonds” shall mean Bonds issued pursuant to and for the purposes set forth in Section 3(b) of this Ordinance.

“Register” means the books of registration kept by the Registrar that the names and addresses of and the principal amounts registered to each Owner are maintained.

“Registrar” means The Bank of New York Mellon Trust Company, National Association, Pittsburgh, Pennsylvania, and its successors in that capacity.

“Report” means (a) a report of a certified public accountant or a firm thereof verifying the accuracy of certain mathematical computations relating to the Bonds and the refunding of the

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<sup>1</sup> Insert from Officer’s Pricing Certificate.

<sup>2</sup> Insert from Officer’s Pricing Certificate.

<sup>3</sup> Insert from Officer’s Pricing Certificate.

Refunded Obligations, or (b) a sufficiency certificate of the City’s financial advisor or the paying agent for the Refunded Obligations.

“Underwriter” means the individual underwriter or underwriting syndicate identified in the Officer’s Pricing Certificate.

3. Authorization. (a) The New Money Bonds may be issued, from time to time, in one or more series, in fully registered form, without coupons, in a maximum principal amount, including any premium counted against voted authorization, not to exceed:

- (i) \$4,550,000 for animal shelter and control facilities;
- (ii) \$34,650,000 for public safety facilities, including the renovation of the existing police department and municipal court building, the expansion of the public safety training facility, and the expansion, renovation, and replacement of the city’s fire stations and fire apparatuses;
- (iii) \$5,525,000 for streets, sidewalks, trails and mobility system, including streetscape, drainage, traffic equipment, signalization and street lighting;
- (iv) \$13,575,000 for drainage improvements;
- (v) \$4,075,000 for municipal facilities, including construction of a new field maintenance facility and the rehabilitation and modernization of municipal buildings;
- (vi) \$12,000,000 for municipal facilities, including animal shelter and control facilities; and,
- (vii) for paying the cost of issuing the Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1331, Texas Government Code, and Chapter 1371, Texas Government Code.

(b) The Refunding Bonds may be issued, from time to time, in one or more series, in fully registered form, without coupons, in a maximum principal amount not to exceed \$22,020,000 for the purpose of refunding the Refunded Obligations, and to pay the costs of issuing the Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code.

(c) Subject to the limitations set forth in Section 4 of this Ordinance, each series of Bonds may be issued as New Money Bonds, Refunding Bonds, or as a combination of New Money Bonds and Refunding Bonds, as determined by the Pricing Officer.

4. Delegation of Authority. As authorized by Section 1371.053, Texas Government Code, the Pricing Officer is hereby authorized to act on behalf of the City through a date six months from the date of this Ordinance, from time to time, in selling and delivering the Bonds in one or more series, on a taxable or tax-exempt basis, subject to the conditions and carrying out the other procedures as set forth below. Bonds sold pursuant to a Purchase Agreement executed on or before

the expiration date above may be delivered after such date, provided that such delivery date shall occur within ninety (90) days of the sale of the Bonds.

(a) Designation. The Bonds shall be designated as “CITY OF SUGAR LAND, TEXAS, GENERAL OBLIGATION AND/OR REFUNDING BONDS” or as otherwise designated in the Officer’s Pricing Certificate.

(b) Initial Bond. Each Initial Bond shall be numbered I-1 and all other Bonds shall be numbered in sequence beginning with R-1. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

(c) Date, Denomination, Interest Rates, and Maturities. The Bonds shall be dated, shall mature on the dates in each of the years and in the amounts set out in the Officer’s Pricing Certificate, shall be subject to prior optional and mandatory redemption on the dates, for the redemption prices and in the amounts, set out in the Officer’s Pricing Certificate and shall bear interest at rates and from their issue date as set out in the Officer’s Pricing Certificate payable on each Interest Payment Date.

(d) Selling and Delivering Bonds. The Pricing Officer shall determine the method and manner of sale, any optional or mandatory redemption provisions for the Bonds, defeasance provisions, whether to issue the Bonds in combined series or separate series, and all other matters not expressly provided in this Ordinance, relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Officer’s Pricing Certificate; provided that:

(viii) For any New Money Bonds:

- (1) the aggregate principal amount of the New Money Bonds thereof plus any premium charged against the voted authority may not exceed the maximum principal amounts authorized in Section 3(a) hereof;
- (2) the true interest rate on the Bonds shall not exceed 4.20%;
- (3) the proceeds of the New Money Bonds plus any net premium from the sale of the New Money Bonds, must be used to fund the costs and expenses of the projects set forth in Section 3(a) hereof, and the costs of issuance of the New Money Bonds, including Underwriter’s discount; and
- (4) the maximum maturity date shall be no later than 21 years from the date of delivery thereof.

(ix) For any Refunding Bonds:

- (1) the sum of the principal amount of the Refunding Bonds may not exceed the maximum principal amount authorized in Section 3(b) hereof;
- (2) the true interest rate on the Bonds shall not exceed 3.77%;
- (3) the sum of the principal amount, plus any net premium from the sale of the Refunding Bonds, plus other available funds of the City (as necessary), must be sufficient to provide amounts necessary to fund the costs and expenses of refunding the Refunded Obligations and the estimated costs of issuance of the Refunding Bonds;
- (4) the net present value savings in debt service resulting from any refunding of the Refunded Obligations shall be at least 3.00% of the principal amount of the Refunded Obligations, net of any City contribution to the refunding;
- (5) no Refunding Bonds shall mature later than the Refunded Obligations that such Refunding Bonds were issued to refund.

(e) Multiple Series. Pursuant to Chapter 1371, Texas Government Code, the Bonds may be issued from time to time in one or more series. Each Officer's Pricing Certificate shall specify the amount of authorization remaining pursuant to this Ordinance after the issuance of the applicable series of the Bonds.

(f) Sale; Purchase Agreement. Each series of Bonds shall be sold and delivered to the Underwriter at a price to be set forth in the Officer's Pricing Certificate, in accordance with the terms of one or more Purchase Agreement to be approved by the Pricing Officer. The Pricing Officer is authorized and directed to execute one or more Purchase Agreements on behalf of the City, and the Pricing Officer and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

(g) Use of Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

- (i) Net premium on the Bonds in the amount of \_\_\_\_<sup>4</sup>\_\_\_\_ shall be used to pay the costs of issuance.
- (ii) Net premium on the Bonds in the amount of \$\_\_\_\_<sup>5</sup>\_\_\_\_, shall be deposited into the Interest and Sinking Fund.

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<sup>4</sup> Insert from Officer's Pricing Certificate.

<sup>5</sup> Insert from Officer's Pricing Certificate.

- (iii) Net premium on the Bonds in the amount of \$ <sup>6</sup> shall be used to pay the Underwriter's discount.
- (iv) Bond proceeds in the amount of \$ <sup>7</sup>, and, if necessary, other available funds from the City in the amount of \$ <sup>8</sup> from the Interest and Sinking Fund shall be deposited directly with the paying agent/registrar for the Refunded Obligations or applied to establish an escrow fund to refund the Refunded Obligations, and, to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of the Bonds, the establishment of such escrow fund and the refunding of the Refunded Obligations.
- (v) Bond proceeds in the amount of \$ <sup>9</sup>, including net premium in the amount of \$ <sup>10</sup>, shall be used for the purposes described in Section 3(a) of this Ordinance.
- (vi) Bond Proceeds in the amount of \$ <sup>11</sup>, including net premium in the amount of \$ <sup>12</sup>, shall be used for the purposes described in Section 3(b) of this Ordinance.
- (vii) Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Interest and Sinking Fund.

5. Execution of Bonds; Seal. (a) The Bonds shall be signed on behalf of the City by the Mayor and countersigned by the City Clerk, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Bond delivered at the

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<sup>6</sup> Insert from Officer's Pricing Certificate.  
<sup>7</sup> Insert from Officer's Pricing Certificate.  
<sup>8</sup> Insert from Officer's Pricing Certificate.  
<sup>9</sup> Insert from Officer's Pricing Certificate.  
<sup>10</sup> Insert from Officer's Pricing Certificate.  
<sup>11</sup> Insert from Officer's Pricing Certificate.  
<sup>12</sup> Insert from Officer's Pricing Certificate.

Closing Date shall have attached hereto the Comptroller's Registration Bond substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which Bond shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the Initial Bond, being a single Bond representing the entire principal amount of the Bonds, payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and City Clerk of the City, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Registrar shall cancel the Initial Bond and deliver definitive Bonds to DTC.

6. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America that, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they become due and payable at the principal payment office of the Registrar in Pittsburgh, Pennsylvania. The interest on each Bond shall be payable by check payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, with the same force and effect as if made on the original date payment was due.

7. Successor Registrars. The City covenants that at all times while any Bonds are outstanding it will provide a commercial bank or trust company organized under the laws of the United States or any state and duly qualified and legally authorized to serve as Registrar for the Bonds. The City reserves the right to change the Registrar on not less than sixty (60) days written notice to the Registrar, so long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

8. Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

9. Ownership; Unclaimed Principal and Interest. The City, the Registrar, and any other person may treat the person in whose name any Bond is registered as the absolute Owner of such Bond for the purpose of making payment of principal or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar that represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code.

10. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep the Register at its principal payment office in Pittsburgh, Pennsylvania, and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance.

Each Bond shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, for a Bond or Bonds of like maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The City or the Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the City.

11. Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or

knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding.

The City or the Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The City or the Registrar may require the Owner of a lost, apparently destroyed, or wrongfully taken Bond, before any replacement Bond is issued, to:

- (1) furnish to the City and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (2) furnish such security or indemnity as may be required by the Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

12. Cancellation of Bonds. All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the City with appropriate certificates of destruction of such Bonds.

13. Book-Entry System. (a) The Initial Bond shall be registered in the name designated in the Officer's Pricing Certificate. Except as provided in Section 14 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payments of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Ordinance with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

14. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City in its sole discretion, determines that the beneficial owners of the Bonds shall be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

15. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the City's Blanket Letter of Representations with DTC.

16. Optional and/or Mandatory Redemption; Defeasance. The Bonds are subject to optional redemption and/or mandatory redemption as set forth in the Form of Bond in this Ordinance and in the Officer's Pricing Certificate.

Principal amounts may be redeemed only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 10 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity, Closing Date, and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail, postage prepaid, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment, and, if less than all Bonds outstanding of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

The Bonds may be discharged, defeased, redeemed, or refunded in any manner now or hereafter permitted by law.

17. Forms. The form of the Bonds, including the form of Registration Bond of the Comptroller, which shall be attached or affixed to the Initial Bond, the form of the Registrar's Authentication Certificate, and the form of Assignment, shall be, respectively, substantially as follows, with such additions, deletions, and variations as may be necessary to conform to the terms specified or desirable and not prohibited by this Ordinance, including any legend regarding bond insurance if such insurance is obtained by the Underwriter.

(a) Form of Bond.

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF FORT BEND

REGISTERED  
NUMBER

\_\_\_\_\_

REGISTERED  
DENOMINATION  
\$ \_\_\_\_\_

CITY OF SUGAR LAND, TEXAS  
GENERAL OBLIGATION AND/OR REFUNDING BONDS  
SERIES 13

INTEREST RATE:            MATURITY DATE:            DATED DATE:            CUSIP:  
   February 15, 20              14

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Sugar Land, Texas (the “City”) promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at The Bank of New York Mellon Trust Company, National Association (the “Registrar”) at its principal payment office in Pittsburgh, Pennsylvania, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of 15 or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on 16 and 17, beginning on 18, mailed to the registered owner of record as of the close of business on the last business day of the month next preceding each interest payment date.

THIS BOND is one of a duly authorized issue of Bonds, aggregating \$ 19 (the “Bonds”), issued for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with (i) refunding a portion of the City’s outstanding obligations described on Schedule I attached hereto to achieve debt service savings, (ii) public safety facilities, including the renovation of the existing police department and municipal court building, the expansion of the public safety training facility, and the expansion, renovation, and replacement of the city’s fire stations and fire apparatuses, (iii) streets, sidewalks, trails and mobility system, including streetscape, drainage, traffic equipment, signalization and street lighting, (vi) municipal facilities, including construction of a new field maintenance facility and the rehabilitation and modernization of municipal buildings, (vii) municipal facilities, including animal shelter and control facilities, (viii) animal shelter and control facilities, and (ix) the costs of issuance associated with the sale of the Bonds; and issued in accordance with the Constitution and laws of the State of Texas, and

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<sup>13</sup> Insert from Officer’s Pricing Certificate.  
<sup>14</sup> Insert from Officer’s Pricing Certificate.  
<sup>15</sup> Insert from Officer’s Pricing Certificate.  
<sup>16</sup> Insert from Officer’s Pricing Certificate.  
<sup>17</sup> Insert from Officer’s Pricing Certificate.  
<sup>18</sup> Insert from Officer’s Pricing Certificate.  
<sup>19</sup> Insert from Officer’s Pricing Certificate.

pursuant to an ordinance duly adopted by the City Council of the City (the “Ordinance”), which Ordinance is of record in the official minutes of the City Council.

THE CITY RESERVES THE RIGHT to redeem Bonds maturing on and after     <sup>20</sup>, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on     <sup>21</sup> or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Bonds.

[If applicable, mandatory redemption language]<sup>22</sup>

NOTICE OF ANY REDEMPTION shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owners of each Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS BOND is transferable only upon presentation and surrender at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE BONDS are exchangeable at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, for Bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration Bond attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication Bond endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed,

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<sup>20</sup> Insert from Officer’s Pricing Certificate.

<sup>21</sup> Insert from Officer’s Pricing Certificate.

<sup>22</sup> Insert from Officer’s Pricing Certificate.

exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor and countersigned with the manual or facsimile signature of the City Clerk, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF SUGAR LAND, TEXAS

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Carol K. McCutcheon, Mayor

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Linda Mendenhall, City Clerk

(SEAL)

(b) Form of Registration Certificate.

COMPTROLLER'S REGISTRATION BOND: REGISTER NO. \_\_\_\_\_

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

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

(SEAL) \_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(c) Form of Registrar's Authentication Certificate.

AUTHENTICATION BOND

It is hereby certified that this Bond has been delivered pursuant to the Ordinance described in the text of this Bond.

The Bank Of New York Trust Company, National Association  
As Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Signature  
Date of Authentication \_\_\_\_\_

(d) Form of Assignment.

ASSIGNMENT

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

\_\_\_\_\_  
\_\_\_\_\_  
(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_  
attorney to transfer said Bond on the books kept for registration thereof, with full power of  
substitution in the premises.

DATED: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_  
Registered Owner

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NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Bond in every particular, without any alteration, enlargement or change whatsoever.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b), and (d) of this Section, except for the following alterations:

(i) 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 the word “CUSIP” deleted;

(ii) in the first paragraph of the Bond, the words “on the maturity date specified above,” and “at the rate shown above” shall be deleted and the following shall be inserted at the end of the first sentence “..., with such principal to be paid in installments on <sup>23</sup> in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:”

[Information to be inserted from schedule in the Officer’s Pricing Certificate]

(iii) the Initial Bond shall be numbered I-1.

18. CUSIP Numbers. CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Bonds.

19. Interest and Sinking Fund; Tax Levy. There is hereby established a separate fund of the City to be known as the “City of Sugar Land, Texas, General Obligation and/or Refunding Bonds, Series 2026 Interest and Sinking Fund” (the “Interest and Sinking Fund”), which shall be kept separate and apart from all other funds of the City. The proceeds from all taxes levied, assessed, and collected for and on account of the Bonds authorized by this Ordinance shall be deposited, as collected, in the Interest and Sinking Fund. While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other City taxes are assessed, levied, and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City, sufficient to pay the current interest on the Bonds as the same becomes due and to provide and maintain a sinking fund of not less than two percent of the principal amount of the Bonds or the amount required to pay each installment of principal of the Bonds as the same matures, whichever is

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<sup>23</sup> Insert from Officer’s Pricing Certificate.

greater, full allowance being made for delinquencies and costs of collection, and said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the Bonds.

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

20. Application of Chapter 1208, Texas Government Code. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the City under Section 19 hereof, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding an unpaid such that the pledge of the taxes granted by the City under Section 19 hereof is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

21. Further Proceedings. After the Initial Bond has been executed, it shall be the duty of the Mayor and other appropriate officials and agents of the City to deliver the Initial Bond and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Initial Bond has been approved by the Attorney General, it shall be delivered to the Comptroller for registration. Upon registration of the Initial Bond, the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

22. Covenants to Maintain Tax Exempt Status. If all or any portion of the Bonds are issued in such a manner that the interest on the Bonds is exempt from taxation under the Code (as defined herein), then the provisions of this Section 22 shall apply to such Bonds.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Issue Date” for each series or sub-series of the Bonds or other obligations of the City is the respective date on which such series or sub-series of the Bonds or other obligations of the City is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in Section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Bonds issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Bonds.

“Yield of”

(1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

(2) the Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds of the Bonds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times after the Issue Date of any Certificate and prior to the last stated maturity of the Bonds,

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with

Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public; or

(2) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the regulations and rulings relating to section 141 of the Code, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations) is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take or pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Bonds, directly or indirectly invest Gross Proceeds of the Bonds in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The City shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Bonds on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the City shall:

(1) account for all Gross Proceeds of the Bonds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and shall

retain all records of such accounting for at least nine years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;

(2) calculate the Rebate Amount with respect to the Bonds not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least three years after the final Computation Date;

(3) as additional consideration for the purchase of the Bonds by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder; and

(4) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time after the Issue Date of the Bonds and prior to the earlier of the final stated maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Not Hedge Bonds. The City did not invest more than 50 percent of the Proceeds of the Refunded Obligations, and will not invest more than 50 percent of the proceeds of the Bonds, in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date of the Bonds, the City will reasonably expect, and on the Issue Date of the Refunded Obligations, the City reasonably expected, that at least 85 percent of the Net Sale Proceeds of the Bonds and Refunded Obligations, respectively, would be used to carry out the governmental purpose of such series within three years after the Issue Date of such series.

23. Investment and Security of Funds. Money in the Interest and Sinking Fund and the Construction Fund may, at the option of the City, be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations

of, or obligations the principal of which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by state law, including the Public Funds Investment Act; provided 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. If necessary, such investments shall be promptly sold to prevent any default. Any of such moneys which are not invested shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257.

24. Official Statement. The City hereby approves the form and content and distribution of the Preliminary Official Statement prepared in the initial offering and sale of the Bonds and hereby authorizes the preparation of a final Official Statement reflecting the terms of a Purchase Agreement and other relevant information. The use of such final Official Statement by the Underwriter is hereby approved and authorized and the proper officials of the City are authorized to sign such Official Statement.

25. Redemption Prior to Maturity of Refunded Obligations. The City has irrevocably exercised its option to call the bonds of the City for redemption prior to maturity on the dates and at the prices shown on Exhibit A attached to the Officer's Pricing Certificate, and authorized and directed notice of such redemption to be given in accordance with the ordinances authorizing the issuance of such bonds.

26. Escrow Agreement/Deposit with Paying Agent for Refunding Obligations. The discharge and defeasance of the Refunded Obligations may be effectuated pursuant to the terms and provisions of an Escrow Agreement, if required, to be entered into by and between the City and the Escrow Agent or pursuant to a deposit of funds with the paying agent for the Refunded Obligations. The terms and provisions of an Escrow Agreement or other deposit agreement, if needed, are hereby approved, subject to such insertions, additions and modifications as shall be necessary to carry out the terms of this Ordinance. The mathematical accuracy of the terms of the refunding shall be certified by the Report. The Mayor is hereby authorized to execute and deliver such Escrow Agreement or other such deposit agreement on behalf of the City in multiple counterparts and the City Clerk is hereby authorized to attest thereto and affix the City's seal.

27. Purchase of Escrowed Securities. To assure the purchase of the Escrowed Securities, if required, referred to in the Escrow Agreement, the Pricing Officer is hereby authorized to subscribe for, agree to purchase, purchase obligations that are authorized investments for escrow accounts pursuant to Section 1207.062, Texas Government Code, in such amounts and maturities and bearing interest at such rates as may be provided in the Report, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

28. Continuing Disclosure Undertaking. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

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

“SEC” means the United States Securities and Exchange Commission.

(a) The City will provide certain updated financial information and operating data to the MSRB annually in an electronic format as prescribed by the MSRB and available via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under the headings "TAX DATA" (except for the information under the subcaption "ESTIMATED OVERLAPPING BOND DEBT PAYABLE FROM AD VALOREM TAXES"), "FINANCIAL INFORMATION," "DEBT INFORMATION," "THE MUNICIPAL AIRPORT SYSTEM," "WATERWORKS AND SEWER SYSTEM," "OTHER OBLIGATIONS" and in APPENDIX B. The City shall update such information within six (6) months after the end of each fiscal year ending on and after September 30, 2026. Any financial statements to be so provided shall be (1) prepared in accordance with Appendix B of the Official Statement or the accounting principles the City may be required to employ from time to time pursuant to State law or regulation and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, then the City shall provide those portions of the unaudited financial statements of the City referenced in the City’s application for financial assistance but for the most recently concluded fiscal year by the required time, and audited financial statements when and if audited financial statements become available.

The City’s current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to documents (i) available to the public on the MSRB’s internet web site or (ii) filed with the SEC. All filings shall be made electronically, in the format specified by the MSRB.

(b) The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) business days after the occurrence of the event), of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial

difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

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

(vii) Modifications to rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the City;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Section by the time required by this Section.

For these purposes, (a) any event described in (xii) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the (xv) and (xvi) of the immediately preceding paragraph to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information, operating data, or financial statements in accordance with this Section by the time required by such Section.

All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

(c) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by this Section of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

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

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under the Ordinance for purposes of any other provision of this

Ordinance.

Nothing in this Section is intended to or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(d) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted a purchaser to purchase or sell the Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in any case only if and to the extent that the provisions of this sentence would not have prevented a purchaser from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the agreement, it will include with the next financial information and operating data provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

29. Related Matters. The Mayor, the City Manager, the Assistant City Manager/Chief Financial Officer, the City Clerk, and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance.

30. Severability. If any Section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

31. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

32. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

33. Parties Interested. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Registrar, and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Ordinance or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements in this Ordinance shall be for the sole and exclusive benefit of the City, the Registrar, and the Owners of the Bonds.

34. Repealer. All orders, resolutions, and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

35. Power to Revise Form of Documents. Notwithstanding any other provision of this Ordinance, the Mayor, City Clerk, and other appropriate officials of the City are each hereby authorized to make or approve such revisions, additions, deletions, and variations to this Ordinance, in the judgment of the Mayor, the City Council, the City Clerk, the City Manager, the Assistant City Manager/Chief Financial Officer and other appropriate officials of the City, and in the opinion of Bond Counsel to the City, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Preliminary Official Statement, and the final Official Statement; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Bonds or such documents shall be subject to the prior approval of the City Council.

36. Open Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

*[Signature page follows]*

PASSED AND APPROVED on the \_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Carol K. McCutcheon, Mayor  
City of Sugar Land, Texas

ATTEST:

\_\_\_\_\_  
Linda Mendenhall, City Clerk  
City of Sugar Land, Texas

(SEAL)

APPROVED AS TO LEGALITY:

*/s/ Tom Sage*  
\_\_\_\_\_  
Bond Attorney  
HUNTON ANDREWS KURTH LLP

**EXHIBIT A**

**REFUNDING CANDIDATES**

Combination Tax and Revenue Certificates of Obligation Series 2013  
Combination Tax and Revenue Certificates of Obligation Series 2014  
Combination Tax and Revenue Certificates of Obligation Series 2014A (Taxable)  
General Obligation Bonds Series 2015  
Combination Tax and Revenue Certificates of Obligation Series 2015  
General Obligation Refunding Bonds Series 2015  
Combination Tax and Revenue Certificates of Obligation Series 2016  
General Obligation Bonds Series 2016  
General Obligation Refunding Bonds Series 2016  
Combination Tax and Revenue Certificates of Obligation Series 2017



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** IX.D.

**Agenda of:** City Council Meeting

**Initiated by:** Betty Jurado, Administrative Coordinator

**Presented by:** Michelle McCrimmon, Assistant City Manager

**Responsible Department:** Finance

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**Agenda Caption:**

**FIRST AND FINAL CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2409:** AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATERWORKS AND SEWER SYSTEM REVENUE AND/OR REFUNDING BONDS, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE BONDS, AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.

**Recommended Action:**

Approval of Ordinance No. 2409, Authorizing the Issuance of Waterworks and Sewer System Revenue and/or Refunding Bonds, Series 2026; Setting Certain Parameters for the Bonds, Authorizing Any Pricing Officer to Approve the Amount, Interest Rate, Price, and Terms Thereof; and Certain Other Procedures and Provisions Relating Thereto.

**Executive Summary:**

The City's utility system is an enterprise fund, with revenues from charges for services supporting the operation and capital expenses. The fund is not supported by property taxes or sales taxes. As such the fund issues its own bonds supported by a pledge of net revenues generated by the utility system. Net revenues are defined as all gross revenues remaining after deducting maintenance and operation expenses. These bonds do not carry any pledge of property taxes and are not supported by property taxes.

Continued investment into utility infrastructure is important to maintaining these critical assets of the City so that residents and businesses can receive quality and reliable water and wastewater services. The 2026 Waterworks and Sewer System bond issuance will fund the following projects that have been included in the FY26 adopted budget:

<b>Project Name</b>	<b>2026</b>
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	<b>Budget</b>
Surface Water Treatment Plant Rehab Phase 1 - Chemical System Replacement/Improvements	\$2,000,000
Surface Water Treatment Plant Rehab Phase 2- Treatment Module 1 Improvements and Membrane Replacement	291,250
Collection System Rehabilitation Program	2,300,000
Tract 2 Wastewater Improvements	22,000,000
South of Brazos Wastewater Treatment Plant	4,365,327
Distribution System Water Main Rehabilitation Program	300,000
Groundwater Plant Rehabilitation	2,160,000
Well Rehabilitation	1,870,000
SCADA Improvements	380,000
Groundwater Building Improvements	400,000
Water South of the Brazos - Water Treatment Plant Phase I	5,100,000
Water Project Contingency	19,541
<b>Total Projects - Revenue Bonds</b>	<b>\$41,186,118</b>

Proceeds of the bond issuance include the above projects and the costs of issuance associated with the sale of the bonds.

### **Bond Ratings**

As part of the issuance process, the City engaged Standard & Poor's (S&P) and Fitch Investors Service (Fitch) to provide ratings on the proposed bond issue. Both Fitch and S&P affirmed the City's waterworks and sewer system's AA rating with stable outlook. The strong rating reflects the City and its utility system's resilient financial management practices, healthy reserves, and stable local economy.

### **Parameter Sale**

Due to recent uncertainty with the market, staff and the City's Financial Advisor are recommending a parameter sale to allow the City to price and sell the bonds at the most competitive rates possible. Additionally, the ordinance includes authority to refund eligible bond issues depending on whether it provides at least 3% in net present value savings. Ordinance 2409 will set the following parameters for the sale of utility bonds:

New Money Bonds

- The maximum principal amount will not exceed \$41,200,000
- The maximum true interest rate shall not exceed 4.27%
- The maximum maturity may not exceed 21 years

Refunding Bonds

- The maximum principal amount will not exceed \$21,035,000
- The maximum true interest rate shall not exceed 3.52%
- The maturity date shall not be later than the bonds being refunded

Ordinance 2409 also authorizes the Mayor, City Manager, or Assistant City Manager / Chief Financial Officer, as the Pricing Officer, to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this ordinance. The sale will occur on or after June 16, 2026 and no later than December 16, 2026. The issuance amount is approximately \$38,735,000 plus refunding bonds and the actual par amount will be determined on the day of the sale based on market conditions.

Funds will be deposited to the City’s account upon closing. Principal and interest payments will be due beginning in FY2027.

**Budget**

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**Expenditure Required:** NA

**Current Budget:** NA

**Additional Funding:** NA

**Funding Source:** NA

**Account Number (ORG-OBJ-Project):** NA

**Attachments**

1. Ordinance No. 2409 - City of Sugar Land - Parameter Ordinance (2026 WWSS Rev & Ref) - 356253903-v3-c

**ORDINANCE NO. 2409**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS AUTHORIZING THE ISSUANCE OF CITY OF SUGAR LAND, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE AND/OR REFUNDING BONDS, SERIES 2026; SETTING CERTAIN PARAMETERS FOR THE BONDS; AUTHORIZING ANY PRICING OFFICER TO APPROVE THE AMOUNT, INTEREST RATE, PRICE, AND TERMS THEREOF; AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.**

**WHEREAS**, the City Council (the “City Council”) of the City of Sugar Land, Texas (the “City”) has heretofore issued the obligations described in **Exhibit A** attached hereto; and

**WHEREAS**, the City desires to refund a portion of said obligations in advance of their maturities (the “Refunded Bonds”); and

**WHEREAS**, Chapter 1502, Texas Government Code, authorizes the City to issue bonds payable from the net revenues of its waterworks and sanitary sewer system to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip such system;

**WHEREAS**, Chapter 1207, Texas Government Code (the “Act”) authorizes the City to issue refunding bonds payable from taxes, without an election, for the purpose of refunding the Refunded Bonds in advance of their maturities, and to accomplish such refunding by depositing directly with any paying agent for the Refunded Bonds (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

**WHEREAS**, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts, and all other covenants, provisions, terms, and conditions of the ordinances authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated, and defeased; and

**WHEREAS**, the City desires to authorize the execution of an escrow agreement, if required, and provide for the deposit of proceeds of the refunding bonds, together with other lawfully available funds of the City, to pay for the Refunded Bonds; and

**WHEREAS**, pursuant to Section 1207.007 and Section 1371.053, Texas Government Code, the City desires to delegate the authority to the City Manager, the Assistant City Manager/Chief Financial Officer, and the Mayor to effect the sale of the Bonds, from time to time and in one or more installments; **NOW, THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL  
OF THE CITY OF SUGAR LAND, TEXAS:**

1. Recitals; Finding. It is hereby found and determined that the matters and facts set out in the preamble to this Ordinance are true and correct. It is hereby found and determined that the refunding contemplated in this Ordinance will benefit the City by providing a present value savings in the debt service payable by the City, and that such benefit is sufficient consideration for the refunding of the Refunded Bonds, and that the issuance of the New Money Bonds and/or Refunding Bonds is in the best interests of the City.

2. Definitions. Throughout this Ordinance the following terms and expressions as used herein shall have the meanings set forth below:

“Assistant City Manager/Chief Financial Officer” means Michelle McCrimmon or any successor serving in such office.

“Blanket Letter of Representations” means the Blanket Letter of Representations between the City, the Registrar, and DTC.

“Bond” or “Bonds” means the City of Sugar Land, Texas, Waterworks and Sewer System Revenue and/or Refunding Bonds, Series 2026 authorized in this Ordinance, unless the context clearly indicates otherwise.

“Business Day” means any day that is not a Saturday, Sunday, a day on which Registrar is authorized by law or executive order to close, or a legal holiday.

“City” means the City of Sugar Land, Texas, and where appropriate, the City Council thereof and any successor to the City as owner of the System.

“City Clerk” means Linda Mendenhall or any successor serving in such office.

“City Manager” means Michael Goodrum or any successor serving in such office.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” means the place of payment for the Refunded Bonds or trust company or commercial bank identified in the Escrow Agreement, and any successor in that capacity.

“Escrow Agreement” means an agreement between the City and the Escrow Agent relating to the escrow of funds to pay the Refunded Bonds.

“Gross Revenues” means all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System and the interest income from the investment or deposit of money in the Revenue Fund, the Interest and Sinking Fund, and the Reserve Fund.

“Initial Bond” means the Initial Bond authorized by Section 5(b) of this Ordinance.

“Interest and Sinking Fund” has the meaning set forth in Section 22(b) of this Ordinance.

“Interest Payment Date,” when used in connection with any Bond, means   1  , and each   2   and   3   thereafter until maturity or earlier redemption.

“Maintenance and Operation Expenses” means the reasonable and necessary expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the governing body of the City, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof), and all payments under contracts now or hereafter defined as operating expenses by the Legislature of Texas. Depreciation shall never be considered as a Maintenance and Operation Expense.

“Mayor” means Carol K. McCutcheon or any successor serving in such office. In the event of the Mayor’s absence, this term shall include the Mayor Pro Tem.

“Net Revenues” means all Gross Revenues remaining after deducting the Maintenance and Operation Expenses.

“New Money Bonds” shall mean Bonds issued pursuant to and for the purposes set forth in Section 4(a) of this Ordinance.

“Officer’s Pricing Certificate” means the Bond signed by any Pricing Officer and containing the information regarding each issuance of the Bonds specified herein.

“Ordinance” as used herein and in the Bonds means this ordinance authorizing the Bonds.

“Outstanding Parity Bonds” means the Bonds and any of the following bond issues of the City that remain outstanding:

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<sup>1</sup> Insert from Officer’s Pricing Certificate.

<sup>2</sup> Insert from Officer’s Pricing Certificate.

<sup>3</sup> Insert from Officer’s Pricing Certificate.

- (i) Waterworks and Sewer System Revenue Bonds, Series 2013
- (ii) Waterworks and Sewer System Revenue and Refunding Bonds, Series 2015
- (iii) Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016
- (iv) Waterworks and Sewer System Revenue Bonds, Series 2017
- (v) Waterworks and Sewer System Revenue Bonds, Series 2019
- (vi) Waterworks and Sewer System Revenue Bonds, Series 2020
- (vii) Waterworks and Sewer System Revenue and Refunding Bonds, Series 2021
- (viii) Waterworks and Sewer System Revenue Bonds, Series 2022
- (ix) Waterworks and Sewer System Revenue Bonds, Series 2022A,
- (x) Waterworks and Sewer System Revenue Bonds, Series 2024, and
- (xi) Waterworks and Sewer System Revenue Bonds, Series 2025.

“Owner” or “Registered Owner” when used with respect to any Bond means the person or entity in whose name such Bond is registered in the Register. Any reference to a particular percentage or proportion of the Owners means the Owners at a particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then outstanding under this Ordinance, exclusive of Bonds held by the City.

“Parity Bonds” means the Bonds, the Outstanding Parity Bonds, and each series of Additional Parity Bonds from time to time hereafter issued, but only to the extent such Parity Bonds remain outstanding within the meaning of this Ordinance.

“Pricing Officer” means the City Manager, the Assistant City Manager/Chief Financial Officer, or the Mayor, or any successors in those offices.

“Purchase Agreement” means the agreement or bid form between the City and the Underwriter, as described in Section 5(f) of this Ordinance.

“Record Date” means, for any Interest Payment Date, the close of business on the last Business Day of the month next preceding such Interest Payment Date.

“Refunded Bonds” means any of those bonds of the City described in **Exhibit A** attached hereto and as more particularly described in each Officer’s Pricing Certificate.

“Refunding Bonds” shall mean Bonds issued pursuant to and for the purposes set forth in Section 4(b) of this Ordinance.

“Register” means the books of registration kept by the Registrar that the names and addresses of and the principal amounts registered to each Owner are maintained.

“Registrar” means The Bank of New York Mellon Trust Company, National Association, Pittsburgh, Pennsylvania, and its successors in that capacity.

“Report” means (a) a report of a certified public accountant or a firm thereof verifying the accuracy of certain mathematical computations relating to the Bonds and the refunding of the Refunded Bonds, or (b) a sufficiency certificate of the City’s financial advisor or the paying agent for the Refunded Bonds.

“Reserve Fund Requirement” means the average annual principal and interest requirements on the Parity Bonds, which may be determined and redetermined each year by the City but in no event less frequently than upon the issuance of each series of Parity Bonds.

“Reserve Fund Surety Policy” means a surety bond, insurance policy, letter of credit, or other similar instrument issued by a financial institution, provided that the claims paying ability of such issuer is rated in one of the highest categories of ratings by Standard & Poor’s, a division of the McGraw Hill Companies, Inc., and Moody’s Investors Service, Inc.

“Special Project” means, to the extent permitted by law, any waterworks or sanitary sewer system property, improvement or facility declared by the City not to be part of the System and substantially all of the costs of acquisition, construction, and installation of which are paid from proceeds of a financing transaction other than the issuance of bonds payable from ad valorem taxes or Net Revenues of the System, and for which all maintenance and operation expenses are payable from sources other than revenues of the System, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction, and installation under such financing transaction.

“System” means all properties, facilities, improvements, equipment, interests, and rights constituting the waterworks and sanitary sewer system of the City, including, without limitation, all water production, treatment, storage, and distribution facilities and all wastewater collection, transportation, and treatment facilities formerly owned by any water district and assumed by the City upon annexation and dissolution of said district(s), and including all future extensions, replacements, betterments, additions, and improvements to the System but excluding any Special Project.

“Underwriter” means the individual underwriter or underwriting syndicate identified in the Officer’s Pricing Certificate.

3. Interpretations. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Parity Bonds and the validity of the lien on and pledge of the Net Revenues to secure the payment of the Parity Bonds.

4. Authorization. (a) The New Money Bonds may be issued, from time to time, in one or more series, in fully registered form, without coupons, in a maximum principal amount not to exceed \$41,200,000 for water, wastewater and surface water improvements, and to pay the cost of issuing the Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1502, Texas Government Code, and Chapter 1371, Texas Government Code.

(b) The Refunding Bonds may be issued, from time to time, in one or more series, in fully registered form, without coupons, in a maximum principal amount not to exceed \$21,035,000 for the purpose of refunding the Refunded Bonds, and to pay the costs of issuing the Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code.

(c) Subject to the limitations set forth in Section 5 of this Ordinance, each series of Bonds may be issued as New Money Bonds, Refunding Bonds, or as a combination of New Money Bonds and Refunding Bonds, as determined by the Pricing Officer.

5. Delegation of Authority. As authorized by Section 1371.053, Texas Government Code, the Pricing Officer is hereby authorized to act on behalf of the City through a date six months from the date of this Ordinance, from time to time, in selling and delivering the Bonds in one or more series, on a taxable or tax-exempt basis, subject to the conditions and carrying out the other procedures as set forth below. Bonds sold pursuant to a Purchase Agreement executed on or before the expiration date above may be delivered after such date, provided that such delivery date shall occur within ninety (90) days of the sale of the Bonds.

(a) Designation. The Bonds shall be designated as “CITY OF SUGAR LAND, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE AND/OR REFUNDING BONDS, SERIES 2026” or as otherwise designated in the Officer’s Pricing Certificate.

(b) Initial Bond. Each Initial Bond shall be numbered I-1 and all other Bonds shall be numbered in sequence beginning with R-1. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

(c) Date, Denomination, Interest Rates, and Maturities. The Bonds shall be dated, shall mature on the dates in each of the years and in the amounts set out in the Officer’s Pricing Certificate, shall be subject to prior optional and mandatory redemption on the dates, for the redemption prices and in the amounts, set out in the Officer’s Pricing Certificate and shall bear interest at rates and from their issue date as set out in the Officer’s Pricing Certificate payable on each Interest Payment Date.

(d) Selling and Delivering Bonds. The Pricing Officer shall determine the method and manner of sale, any optional or mandatory redemption provisions for the Bonds, defeasance provisions, whether to issue the Bonds in combined series or separate series, and all other matters not expressly provided in this Ordinance, relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Officer’s Pricing Certificate; provided that:

(i) For any New Money Bonds:

(1) the aggregate principal amount of the New Money Bonds thereof plus any premium charged against the voted authority may not exceed the maximum principal amount authorized in Section 4(a) hereof;

- (2) the true interest rate on the New Money Bonds shall not exceed 4.27%;
- (3) the proceeds of the New Money Bonds plus any net premium from the sale of the New Money Bonds, must be used to fund the costs and expenses of the projects set forth in Section 4(a) hereof, and the costs of issuance of the New Money Bonds, including Underwriter's discount; and
- (4) the maximum maturity date shall be no later than 21 years from the date of delivery thereof.

(ii) For any Refunding Bonds:

- (1) the sum of the principal amount of the Refunding Bonds may not exceed the maximum principal amount authorized in Section 4(b) hereof;
- (2) the true interest rate on the Refunding Bonds shall not exceed 3.52%;
- (3) the sum of the principal amount, plus any net premium from the sale of the Refunding Bonds, plus other available funds of the City (as necessary), must be sufficient to provide amounts necessary to fund the costs and expenses of refunding the Refunded Bonds and the estimated costs of issuance of the Refunding Bonds;
- (4) the net present value savings in debt service resulting from any refunding of the Refunded Bonds shall be at least 3.00% of the principal amount of the Refunded Bonds, net of any City contribution to the refunding;
- (5) no Refunding Bonds shall mature later than the Refunded Bonds that such Refunding Bonds were issued to refund.

(e) Multiple Series. Pursuant to Chapter 1371, Texas Government Code, the Bonds may be issued from time to time in one or more series. Each Officer's Pricing Certificate shall specify the amount of authorization remaining pursuant to this Ordinance after the issuance of the applicable series of the Bonds.

(f) Sale; Purchase Agreement. Each series of Bonds shall be sold and delivered to the Underwriter at a price to be set forth in the Officer's Pricing Certificate, in accordance with the terms of one or more Purchase Agreement to be approved by the Pricing Officer. The Pricing Officer is authorized and directed to execute one or more Purchase Agreements on behalf of the City, and the Pricing Officer and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

(g) Use of Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

- (i) Net premium on the Bonds in the amount of \_\_\_<sup>4</sup>\_\_\_ shall be used to pay the costs of issuance.
- (ii) Net premium on the Bonds in the amount of \$\_\_\_<sup>5</sup>\_\_\_, shall be deposited into the Interest and Sinking Fund.
- (iii) Net premium on the Bonds in the amount of \$\_\_\_<sup>6</sup>\_\_\_ shall be used to pay the Underwriter's discount.
- (iv) Bond proceeds in the amount of \$\_\_\_<sup>7</sup>\_\_\_, and, if necessary, other available funds from the City in the amount of \$\_\_\_<sup>8</sup>\_\_\_ from the Interest and Sinking Fund shall be deposited directly with the paying agent/registrar for the Refunded Bonds or applied to establish an escrow fund to refund the Refunded Bonds, and, to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of the Bonds, the establishment of such escrow fund and the refunding of the Refunded Bonds.
- (v) Bond proceeds in the amount of \$\_\_\_<sup>9</sup>\_\_\_, including net premium in the amount of \$\_\_\_<sup>10</sup>\_\_\_, shall be used for the purposes described in Section 4(a) of this Ordinance.
- (vi) Bond Proceeds in the amount of \$\_\_\_<sup>11</sup>\_\_\_, including net premium in the amount of \$\_\_\_<sup>12</sup>\_\_\_, shall be used for the purposes described in Section 4(b) of this Ordinance.
- (vii) Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Interest and Sinking Fund.

6. Execution of Bonds; Seal. (a) The Bonds shall be signed on behalf of the City by the Mayor and countersigned by the City Clerk, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall

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<sup>4</sup> Insert from Officer's Pricing Certificate.

<sup>5</sup> Insert from Officer's Pricing Certificate.

<sup>6</sup> Insert from Officer's Pricing Certificate.

<sup>7</sup> Insert from Officer's Pricing Certificate.

<sup>8</sup> Insert from Officer's Pricing Certificate.

<sup>9</sup> Insert from Officer's Pricing Certificate.

<sup>10</sup> Insert from Officer's Pricing Certificate.

<sup>11</sup> Insert from Officer's Pricing Certificate.

<sup>12</sup> Insert from Officer's Pricing Certificate.

have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Bond delivered at the Closing Date shall have attached hereto the Comptroller's Registration Bond substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which Bond shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the Initial Bond, being a single Bond representing the entire principal amount of the Bonds, payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and City Clerk of the City, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Registrar shall cancel the Initial Bond and deliver definitive Bonds to DTC.

7. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America that, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they become due and payable at the principal payment office of the Registrar in Pittsburgh, Pennsylvania. The interest on each Bond shall be payable by check payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, with the same force and effect as if made on the original date payment was due.

8. Successor Registrars. The City covenants that at all times while any Bonds are outstanding it will provide a commercial bank or trust company organized under the laws of the United States or any state and duly qualified and legally authorized to serve as Registrar for the Bonds. The City reserves the right to change the Registrar on not less than sixty (60) days written notice to the Registrar, so long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail,

first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

9. Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

10. Ownership; Unclaimed Principal and Interest. The City, the Registrar, and any other person may treat the person in whose name any Bond is registered as the absolute Owner of such Bond for the purpose of making payment of principal or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar that represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code.

11. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep the Register at its principal payment office in Pittsburgh, Pennsylvania, and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance.

Each Bond shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, for a Bond or Bonds of like maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions

of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The City or the Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the City.

12. Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding.

The City or the Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The City or the Registrar may require the Owner of a lost, apparently destroyed, or wrongfully taken Bond, before any replacement Bond is issued, to:

- (1) furnish to the City and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (2) furnish such security or indemnity as may be required by the Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

13. Cancellation of Bonds. All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the City with appropriate certificates of destruction of such Bonds.

14. Book-Entry System. (a) The Initial Bond shall be registered in the name designated in the Officer's Pricing Certificate. Except as provided in Section 15 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payments of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Ordinance with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

15. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City in its sole discretion, determines that the beneficial owners of the Bonds shall be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or

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

16. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the City's Blanket Letter of Representations with DTC.

17. Optional and/or Mandatory Redemption; Defeasance. The Bonds are subject to optional redemption and/or mandatory redemption as set forth in the Form of Bond in this Ordinance and in the Officer's Pricing Certificate.

Principal amounts may be redeemed only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 11 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity, Closing Date, and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail, postage prepaid, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment, and, if less than all Bonds outstanding of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

The Bonds may be discharged, defeased, redeemed, or refunded in any manner now or hereafter permitted by law.

18. Forms. The form of the Bonds, including the form of Registration Bond of the Comptroller, which shall be attached or affixed to the Initial Bond, the form of the Registrar's

Authentication Certificate, and the form of Assignment, shall be, respectively, substantially as follows, with such additions, deletions, and variations as may be necessary to conform to the terms specified or desirable and not prohibited by this Ordinance, including any legend regarding bond insurance if such insurance is obtained by the Underwriter.

(a) Form of Bond.

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF FORT BEND

REGISTERED  
NUMBER

\_\_\_\_\_

REGISTERED  
DENOMINATION

\$ \_\_\_\_\_

CITY OF SUGAR LAND, TEXAS  
WATERWORKS AND SEWER SYSTEM REVENUE AND/OR REFUNDING BONDS  
SERIES 13

INTEREST RATE:      MATURITY DATE:      DATED DATE:      CUSIP:  
                                 February 15, 20          <sup>14</sup>

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Sugar Land, Texas (the "City") promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at The Bank of New York Mellon Trust Company, National Association (the "Registrar") at its principal payment office in Pittsburgh, Pennsylvania, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of 15 or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on 16 and 17, beginning on 18, mailed to the registered owner of record as of the close of business on the last business day of the month next preceding each interest payment date.

<sup>13</sup> Insert from Officer's Pricing Certificate.  
<sup>14</sup> Insert from Officer's Pricing Certificate.  
<sup>15</sup> Insert from Officer's Pricing Certificate.  
<sup>16</sup> Insert from Officer's Pricing Certificate.  
<sup>17</sup> Insert from Officer's Pricing Certificate.  
<sup>18</sup> Insert from Officer's Pricing Certificate.

THIS BOND IS ONE OF A DULY AUTHORIZED ISSUE OF BONDS, aggregating \$<sup>19</sup> (the “Bonds”), issued for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with (i) refunding a portion of the City’s outstanding obligations described on Schedule I attached hereto to achieve debt service savings, (ii) water, wastewater and surface water improvements, and (iii) the costs of issuance associated with the sale of the Bonds; and issued in accordance with the Constitution and laws of the State of Texas, and pursuant to an ordinance duly adopted by the City Council of the City (the “Ordinance”), which Ordinance is of record in the official minutes of the City Council.

THE CITY RESERVES THE RIGHT to redeem Bonds maturing on and after <sup>20</sup>, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on <sup>21</sup> or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Bonds.

[If applicable, mandatory redemption language]<sup>22</sup>

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owners of each Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE BONDS ARE EXCHANGEABLE at the principal payment office of the Registrar in Pittsburgh, Pennsylvania, for bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THIS BOND AND THE SERIES OF WHICH IT IS A PART, together with the City’s outstanding waterworks and sewer system revenue bonds (the “Outstanding Parity Bonds”), are special obligations of the City that are payable from and are equally and ratably secured by a first lien on the revenues of the City’s waterworks and sewer system remaining after deduction of the operation and maintenance expenses of that system (the “Net Revenues”), as defined and provided in the Ordinance, which Net Revenues are required to be set aside and pledged to the payment of the Bonds, the Outstanding Parity Bonds and all additional bonds issued on a parity therewith, in the Interest and Sinking Fund and the Reserve Fund maintained for the payment of all such bonds,

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<sup>19</sup> Insert from Officer’s Pricing Certificate.

<sup>20</sup> Insert from Officer’s Pricing Certificate.

<sup>21</sup> Insert from Officer’s Pricing Certificate.

<sup>22</sup> Insert from Officer’s Pricing Certificate.

all as more fully described and provided for in the Ordinance. This Bond and the series of which it is a part, together with the interest thereon, are payable solely from such Net Revenues and do not constitute an indebtedness or general obligation of the City. The owner hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

IT IS HEREBY DECLARED AND REPRESENTED that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Bonds do not exceed any statutory limitation; and that provision has been made for the payment of the principal of and interest on this Bond and all of the Bonds by the creation of the aforesaid lien on and pledge of the Net Revenues.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor and countersigned with the manual or facsimile signature of the City Clerk, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF SUGAR LAND, TEXAS

---

Carol K. McCutcheon, Mayor

---

Linda Mendenhall, City Clerk

(SEAL)

(b) Form of Registration Certificate.

COMPTROLLER'S REGISTRATION BOND: REGISTER NO. \_\_\_\_\_

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

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

(c) Form of Registrar's Authentication Certificate.

AUTHENTICATION BOND

It is hereby certified that this Bond has been delivered pursuant to the Ordinance described in the text of this Bond.

The Bank Of New York Trust Company, National Association  
As Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Signature  
Date of Authentication \_\_\_\_\_

(d) Form of Assignment.

ASSIGNMENT

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

\_\_\_\_\_

(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_

(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

\_\_\_\_\_

attorney to transfer said Bond on the books kept for registration thereof, with full power of

substitution in the premises.

DATED: \_\_\_\_\_

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

Registered Owner

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NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Bond in every particular, without any alteration, enlargement or change whatsoever.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b), and (d) of this Section, except for the following alterations:

(i) 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 the word “CUSIP” deleted;

(ii) in the first paragraph of the Bond, the words “on the maturity date specified above,” and “at the rate shown above” shall be deleted and the following shall be inserted at the end of the first sentence “..., with such principal to be paid in installments on <sup>23</sup> in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:”

[Information to be inserted from schedule in the Officer’s Pricing Certificate]

(iii) the Initial Bond shall be numbered I-1.

19. CUSIP Numbers. CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Bonds.

20. Pledge and Source of Payment. The City hereby covenants and agrees that all Gross Revenues of the System shall be deposited and paid into the special funds established for Parity Bonds in this Ordinance and the ordinances authorizing the Outstanding Parity Bonds, and shall be applied in the manner set out herein, to provide for the payment of all Maintenance and Operation Expenses and to provide for the payment of principal, interest, and any redemption premium of the Parity Bonds and all expenses of paying same. The Parity Bonds shall constitute special obligations of the City that shall be payable solely from and shall be equally and ratably secured by a first lien on, the Net Revenues, as collected and received by the City, from the operation and ownership of the System, which Net Revenues shall, in the manner herein provided, be set aside for and pledged to the payment of the Parity Bonds in the Interest and Sinking Fund and Reserve Fund as hereinafter provided, and the Parity Bonds shall be in all respects on a parity with and of equal dignity with one another. The owners of the Parity Bonds shall never have the right to demand payment out of any funds raised or to be raised by taxation.

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<sup>23</sup> Insert from Officer’s Pricing Certificate.

21. Rates and Charges. So long as any Parity Bonds remain outstanding, the City shall fix, charge and collect rates and charges for the use and services of the System which are fully sufficient to produce Net Revenues in each fiscal year at least equal to 110% of the principal and interest requirements scheduled to occur in such fiscal year on all Parity Bonds then outstanding plus an amount equal to the sum of all deposits required to be made to the Reserve Fund in such fiscal year; but in no event shall Net Revenues ever be less than the amount required to maintain the Interest and Sinking Fund and the Reserve Fund as hereinafter provided, and, to the extent that funds for such purpose are not otherwise available, to pay all other outstanding obligations payable from the Net Revenues of the System as and when the same become due.

The City will not grant or permit any free service from the System except for public buildings and institutions operated by the City.

22. Special Funds. The following special funds have previously been established and have been maintained and accounted for as hereinafter provided, so long as any Parity Bonds remain outstanding:

(a) Waterworks and Sewer System Revenue Bonds Revenue Fund (the “Revenue Fund”);

(b) Waterworks and Sewer System Revenue Bonds Interest and Sinking Fund (the “Interest and Sinking Fund”); and

(c) Waterworks and Sewer System Revenue Bonds Reserve Fund (the “Reserve Fund”).

The Revenue Fund shall be maintained as a separate account on the books of the City. The Interest and Sinking Fund and the Reserve Fund shall be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City and shall constitute trust funds which shall be held in trust for the benefit of the Owners of the Parity Bonds and the proceeds of which (except for interest income, which shall be transferred to the Revenue Fund) shall be and are hereby pledged to the payment of the Parity Bonds. All of the Funds named above shall be used solely as provided in this Ordinance so long as any Parity Bonds remain outstanding.

23. Flow of Funds. All Gross Revenues of the System shall be deposited as collected into the Revenue Fund. Money from time to time on deposit to the credit of the Revenue Fund shall be applied as follows in the following order of priority:

(a) First, to pay Maintenance and Operation Expenses;

(b) Second, to make all deposits into the Interest and Sinking Fund required by this Ordinance and any ordinance authorizing the issuance of Additional Parity Bonds;

(c) Third, to make all deposits into the Reserve Fund required by this Ordinance and any ordinance authorizing the issuance of Additional Parity Bonds; and

(d) Fourth, for any lawful purpose.

Whenever the total amounts on deposit to the credit of the Interest and Sinking Fund and the Reserve Fund shall be equivalent to the sum of the aggregate principal amount of all outstanding Parity Bonds plus the aggregate amount of all interest accrued and to accrue thereon, no further payments need be made into the Interest and Sinking Fund or the Reserve Fund.

24. Interest and Sinking Fund. On or before the last Business Day of each month so long as any Parity Bonds remain outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses, there shall be transferred into the Interest and Sinking Fund from the Revenue Fund:

(a) such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the interest scheduled to become due on the Parity Bonds on the next interest payment date; and

(b) such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the next maturing principal of the Parity Bonds, including the principal amounts of, and any redemption premium on, any Parity Bonds payable as a result of the exercise or operation of any optional or mandatory redemption provision contained in this Ordinance or in any ordinance authorizing the issuance of Additional Parity Bonds.

Money deposited to the credit of the Interest and Sinking Fund shall be used solely for the purpose of paying principal (at maturity or prior redemption or to purchase Parity Bonds issued as term bonds in the open market to be credited against mandatory redemption requirements), interest and any redemption premium on the Parity Bonds, plus all bank charges and other costs and expenses relating to such payment. On or before each principal and/or interest payment date on the Parity Bonds, the City shall transfer from the Interest and Sinking Fund to the paying agents an amount equal to the principal, interest and any redemption premium payable on the Parity Bonds on such date, together with an amount equal to all bank charges and other costs and expenses relating to such payment. The paying agents shall destroy all paid Parity Bonds and shall provide the City with appropriate certificates of destruction.

25. Reserve Fund. Unless the Reserve Fund is fully funded, on or before the last Business Day of each month so long as any Parity Bonds remain outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses, and after making the transfers into the Interest and Sinking Fund required in the preceding Section, there shall be transferred into the Reserve Fund from the Revenue Fund such amounts, in approximately equal monthly installments, as shall be required so that the Reserve Fund shall contain, in no more than sixty (60) months after the issuance of each issue of Parity Bonds, money, and investments in an aggregate amount equal to the average annual principal and interest requirements on all Parity Bonds then outstanding. After such amount has accumulated in the Reserve Fund and so long thereafter as the Reserve Fund contains such amount, no further deposits shall be required to be made into the Reserve Fund, and any excess amounts may be transferred to the Revenue Fund. But if and whenever the balance in the Reserve Fund is reduced below such amount, monthly deposits into such Fund shall be resumed and continued in amounts at least equal to one-sixtieth (1/60th) of the average annual principal and interest requirements on the Parity Bonds until the Reserve Fund has been restored to such amount. The Reserve Fund shall be used to pay the

principal of and interest on the Parity Bonds at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose and may be used to pay and retire the last Parity Bonds to mature or be redeemed. At the option of the City, all or any part of the amount required to be on deposit in the Reserve Fund may be satisfied through the purchase of a Reserve Fund Surety Policy, provided that at the time of delivery of the policy the City is authorized by applicable law to pay reimbursement obligations under such a policy and the interest due on any such reimbursement obligation does not exceed the highest lawful rate of interest which may be paid by the City. Any Reserve Fund Surety Policy shall be authorized by ordinance and approved by the Attorney General of Texas, if such approval is required. Net Revenues shall be used to pay reimbursement obligations to the issuer of any Reserve Fund Surety Policy for amounts drawn thereunder, but only after making the payments into the Interest and Sinking Fund and Reserve Fund required by Section 24 and this Section. Absent of default by the provider of a Reserve Fund Surety Policy once deposited in the Reserve Fund, a change in ratings of the provider of any Reserve Fund Surety Policy shall have no effect upon satisfying the Reserve Fund Requirement.

26. Deficiencies in Funds. If in any month there shall not be deposited into any Fund maintained pursuant to this Ordinance the full amounts required herein, amounts equivalent to such deficiency shall be set apart and paid into such Fund or Funds from the first available and unallocated money in the Revenue Fund, and such payment shall be in addition to the amounts otherwise required to be paid into such Funds during the succeeding month or months. To the extent necessary, the rates and charges for the System shall be increased to make up for any such deficiencies.

27. Investment of Funds; Transfer of Investment Income. (a) Money in the Revenue Fund, the Interest and Sinking Fund, and the Reserve Fund may, at the option of the City, be invested as permitted by the Public Funds Investment Act and the City's investment policy; provided 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, and provided further that in no event shall such deposits or investments of money in the Reserve Fund mature later than the final maturity date of the Parity Bonds. Any obligation in which money is so invested shall be kept and held in the Fund from which the investment was made. All such investments shall be promptly sold when necessary to prevent any default in connection with the Parity Bonds.

(b) All interest and income derived from such deposits and investments shall be transferred or credited as received to the Revenue Fund, and shall constitute Gross Revenues of the System.

28. Security for Funds. So long as any Parity Bonds remain outstanding, all money on deposit in, or credited to, the Revenue Fund, the Interest and Sinking Fund and the Reserve Fund shall be secured as provided by Texas law, including the Public Funds Collateral Act.

29. Application of Chapter 1208, Texas Government Code. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the revenues granted by the City under Section 20 of this Ordinance, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the revenues granted by the City under Section 20 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order

to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

30. Additional Parity Bonds. The City reserves the right to issue, for any lawful purpose (including the refunding of any previously issued Parity Bonds or any other bonds or obligations of the City issued in connection with or payable from the revenues of the System), one or more series of Additional Parity Bonds payable from and secured by a first lien on the Net Revenues of the System on a parity with the Bonds, the Outstanding Parity Bonds, and any previously issued Additional Parity Bonds; provided, however, that no Additional Parity Bonds may be issued unless:

(a) The Additional Parity Bonds mature on, and interest is payable on, the same days of the year as the Bonds;

(b) The Interest and Sinking Fund and the Reserve Fund each contains the amount of money then required to be on deposit therein;

(c) For either the preceding fiscal year or a 12 consecutive calendar month period ending no more than ninety (90) days prior to adoption of the ordinance authorizing such Additional Parity Bonds, Net Revenues were equal to at least 125% of the average annual principal and interest requirements on all Parity Bonds that will be outstanding after the issuance of the series of Additional Parity Bonds then proposed to be issued, as certified by the City's Assistant City Manager/Chief Financial Officer or by an independent certified public accountant or firm of independent certified public accountants; or

(d) If the City cannot meet the test described in (c) above, but a change in the rates and charges applicable to the System becomes effective at least sixty (60) days prior to the adoption of the ordinance authorizing Additional Parity Bonds and the City's Assistant City Manager/Chief Financial Officer certifies that, had such change in rates and charges been effective for the preceding fiscal year or twelve (12) consecutive calendar month period ending no more than ninety (90) days prior to adoption of said ordinance, the Net Revenues for such period would have met the test described in (c) above.

31. Subordinate Lien Bonds. The City reserves the right to issue, for any lawful purpose, bonds, notes, or other obligations secured in whole or in part by liens on the Net Revenues that are junior and subordinate to the lien on Net Revenues securing payment of the Parity Bonds. Such subordinate lien obligations may be further secured by any other source of payment lawfully available for such purposes.

32. Special Project Bonds. The City reserves the right to issue revenue bonds secured by liens on and pledges of revenues and proceeds derived from Special Projects.

33. Punctual Payment of Parity Bonds. The City will punctually pay or cause to be paid the interest on and principal of all Parity Bonds according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings,

stipulations and provisions contained in this Ordinance and in any ordinance authorizing the issuance of Additional Parity Bonds.

34. Maintenance of System. So long as any Parity Bonds remain outstanding, the City covenants that it will at all times maintain the System, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. In operating and maintaining the System, the City will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders of any governmental, administrative, or judicial body promulgating same, noncompliance with which would materially and adversely affect the operation of the System.

35. Sale or Encumbrance of System. So long as any Parity Bonds remain outstanding, the City will not sell, dispose of or, except as permitted in this Ordinance, further encumber the System; provided, however, that this provision shall not prevent the City from disposing of any portion of the System which is being replaced or is deemed by the City to be obsolete, worn out, surplus or no longer needed for the proper operation of the System. Any agreement pursuant to which the City contracts with a person, corporation, municipal corporation, or political subdivision to operate the System or to lease and/or operate all or part of the System shall not be considered as an encumbrance of the System.

36. Insurance. The City further covenants and agrees that it will keep the System insured with insurers of good standing against risks, accidents, or casualties against which and to the extent customarily insured against by political subdivisions of the State of Texas operating similar properties, to the extent that such insurance is available. The cost of all such insurance shall be a part of the Maintenance and Operation Expenses. All net proceeds of such insurance shall be applied to repair or replace the insured property that is damaged or destroyed, or to make other capital improvements to the System, or to redeem Parity Bonds.

37. Accounts, Records, and Audits. So long as any Parity Bonds remain outstanding, the City covenants and agrees that it will maintain a proper and complete system of records and accounts pertaining to the operation of the System in which full, true, and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the System or the Gross Revenues or the Net Revenues thereof. The City shall after the close of each of its fiscal years cause an audit report of such records and accounts to be prepared by an independent certified public accountant or independent firm of certified public accountants. Each year promptly after such audit report is prepared, the City shall furnish a copy thereof without cost to the Municipal Advisory Council of Texas and any Owner of Parity Bonds who shall request same. All expenses incurred in preparing such audits shall be Maintenance and Operation Expenses.

38. Competition. To the extent it legally may, the City will not grant any franchise or permit for the acquisition, construction, or operation of any competing facilities which might be used as a substitute for the System and will prohibit the operation of any such competing facilities.

39. Pledge and Encumbrance of Net Revenues. The City covenants and represents that it has the lawful power to create a lien on and to pledge the Net Revenues to secure the payment of the Parity Bonds and has lawfully exercised such power under the Constitution and laws of the State of Texas. The City further covenants and represents that, other than to the payment of the Parity Bonds, the Net Revenues are not and will not be made subject to any lien, pledge or encumbrance to secure the payment of any debt or obligation of the City, unless such lien, pledge or encumbrance is junior and subordinate to the lien and pledge securing payment of the Parity Bonds.

40. Bondowners' Remedies. This Ordinance shall constitute a contract between the City and the Owners of the Parity Bonds from time to time outstanding and this Ordinance shall be and remain irrevocable until the Parity Bonds and the interest thereon shall be fully paid or discharged or provision therefor shall have been made as provided herein. In the event of a default in the payment of the principal of or interest on any of the Parity Bonds or a default in the performance of any duty or covenant provided by law or in this Ordinance, the Owner or Owners of any of the Parity Bonds may pursue all legal remedies afforded by the Constitution and laws of the State of Texas to compel the City to remedy such default and to prevent further default or defaults. Without in any way limiting the generality of the foregoing, it is expressly provided that any Owner of any of the Parity Bonds may at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance of all duties required to be performed by the City under this Ordinance, including the making and collection of reasonable and sufficient rates and charges for the use and services of the System, the deposit of the Gross Revenues into the special funds herein provided, and the application of such Gross Revenues and Net Revenues in the manner required in this Ordinance.

41. Discharge by Deposit. The City may discharge its obligation to the Owners of any or all of the Parity Bonds to pay principal, interest and redemption premium (if any) thereon in any manner now or hereafter permitted by law.

42. Paying Agents May Own Parity Bonds. The paying agents for the Parity Bonds, in their individual or any other capacity, may become holders or pledgees of the Parity Bonds with the same rights they would have if they were not paying agents.

43. No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Parity Bonds or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Parity Bonds.

44. Further Proceedings. After the Initial Bond has been executed, it shall be the duty of the Mayor and other appropriate officials and agents of the City to deliver the Initial Bond and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Initial Bond has been approved by the Attorney General, it shall be delivered to the Comptroller for registration. Upon registration of the Initial Bond, the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

45. Covenants to Maintain Tax Exempt Status. If all or any portion of the Bonds are issued in such a manner that the interest on the Bonds is exempt from taxation under the Code (as defined herein), then the provisions of this Section 45 shall apply to such Bonds.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Issue Date” for each series or sub-series of the Bonds or other obligations of the City is the respective date on which such series or sub-series of the Bonds or other obligations of the City is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in Section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Bonds issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Bonds.

“Yield of”

(1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

(2) the Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds of the Bonds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times after the Issue Date of any Certificate and prior to the last stated maturity of the Bonds,

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public; or

(2) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the regulations and rulings relating to section 141 of the Code, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds) is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take or pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Bonds, directly or indirectly invest Gross Proceeds of the Bonds in any Investment (or use such Gross Proceeds to replace money so invested),

if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The City shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Bonds on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the City shall:

(1) account for all Gross Proceeds of the Bonds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and shall retain all records of such accounting for at least nine years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;

(2) calculate the Rebate Amount with respect to the Bonds not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least three years after the final Computation Date;

(3) as additional consideration for the purchase of the Bonds by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder; and

(4) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the

Code and the regulations and rulings thereunder, the City shall not, at any time after the Issue Date of the Bonds and prior to the earlier of the final stated maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Not Hedge Bonds. The City did not invest more than 50 percent of the Proceeds of the Refunded Bonds, and will not invest more than 50 percent of the proceeds of the Bonds, in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date of the Bonds, the City will reasonably expect, and on the Issue Date of the Refunded Bonds, the City reasonably expected, that at least 85 percent of the Net Sale Proceeds of the Bonds and Refunded Bonds, respectively, would be used to carry out the governmental purpose of such series within three years after the Issue Date of such series.

46. Investment and Security of Funds. Money in the Interest and Sinking Fund and the Construction Fund may, at the option of the City, be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, or obligations the principal of which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by state law, including the Public Funds Investment Act; provided 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. If necessary, such investments shall be promptly sold to prevent any default. Any of such moneys which are not invested shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257.

47. Official Statement. The City hereby approves the form and content and distribution of the Preliminary Official Statement prepared in the initial offering and sale of the Bonds and hereby authorizes the preparation of a final Official Statement reflecting the terms of a Purchase Agreement and other relevant information. The use of such final Official Statement by the Underwriter is hereby approved and authorized and the proper officials of the City are authorized to sign such Official Statement.

48. Redemption Prior to Maturity of Refunded Bonds. The City has irrevocably exercised its option to call the bonds of the City for redemption prior to maturity on the dates and at the prices shown on Exhibit A attached to the Officer's Pricing Certificate, and authorized and directed notice of such redemption to be given in accordance with the ordinances authorizing the issuance of such bonds.

49. Escrow Agreement/Deposit with Paying Agent for Refunding Obligations. The discharge and defeasance of the Refunded Bonds may be effectuated pursuant to the terms and provisions of an Escrow Agreement, if required, to be entered into by and between the City and the Escrow Agent or pursuant to a deposit of funds with the paying agent for the Refunded Bonds. The terms and provisions of an Escrow Agreement or other deposit agreement, if needed, are hereby approved, subject to such insertions, additions and modifications as shall be necessary to

carry out the terms of this Ordinance. The mathematical accuracy of the terms of the refunding shall be certified by the Report. The Mayor is hereby authorized to execute and deliver such Escrow Agreement or other such deposit agreement on behalf of the City in multiple counterparts and the City Clerk is hereby authorized to attest thereto and affix the City's seal.

50. Purchase of Escrowed Securities. To assure the purchase of the Escrowed Securities, if required, referred to in the Escrow Agreement, the Pricing Officer is hereby authorized to subscribe for, agree to purchase, purchase obligations that are authorized investments for escrow accounts pursuant to Section 1207.062, Texas Government Code, in such amounts and maturities and bearing interest at such rates as may be provided in the Report, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

51. Continuing Disclosure Undertaking. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

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

“SEC” means the United States Securities and Exchange Commission.

(a) The City will provide certain updated financial information and operating data to the MSRB annually in an electronic format as prescribed by the MSRB and available via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 47 of this Ordinance under the headings “WATERWORKS AND SEWER SYSTEM”, “CITY WATER AND WASTEWATER FUND OPERATING STATEMENT”, “DEBT INFORMATION”, “MUNICIPAL UTILITY DISTRICTS WITHIN THE CITY” and in APPENDIX B. The City will update and provide this information within six (6) months after the end of each fiscal year. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in APPENDIX B of the Official Statement or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within six (6) months after any such fiscal year end, then the City shall file unaudited financial statements within such 6-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

If the City changes its fiscal year, it will submit a notice of such change to the MSRB, and the date of the new fiscal year end prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any

document (including an official statement or other offering document, if it is available from the MSRB).

(b) Material Event Notices. The City shall submit a notice to the MSRB, in a timely manner (not in excess of ten (10) business days after the occurrence of the event), of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of holders of the Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the County;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material.

- (xv) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 51(a) of this Ordinance by the time required by such Section.

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Texas law that causes Bonds no longer to be outstanding.

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

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

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to

changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, or status or type of operations of the City, if (1) the agreement, as so amended, would have permitted an initial purchaser to purchase or sell Bonds in the initial primary offering in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate amount of the outstanding Bonds consent to such amendment or (b) a person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an initial purchaser from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If any such amendment is made, the City will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

52. Related Matters. The Mayor, the City Manager, the Assistant City Manager/Chief Financial Officer, the City Clerk, and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance.

53. Severability. If any Section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

54. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

55. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

56. Parties Interested. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Registrar, and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Ordinance or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements in this Ordinance shall be for the sole and exclusive benefit of the City, the Registrar, and the Owners of the Bonds.

57. Repealer. All orders, resolutions, and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

58. Power to Revise Form of Documents. Notwithstanding any other provision of this Ordinance, the Mayor, City Clerk, and other appropriate officials of the City are each hereby authorized to make or approve such revisions, additions, deletions, and variations to this

Ordinance, in the judgment of the Mayor, the City Council, the City Clerk, the City Manager, the Assistant City Manager/Chief Financial Officer and other appropriate officials of the City, and in the opinion of Bond Counsel to the City, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Preliminary Official Statement, and the final Official Statement; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Bonds or such documents shall be subject to the prior approval of the City Council.

59. Open Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

*[Signature page follows]*

PASSED AND APPROVED on the \_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Carol K. McCutcheon, Mayor  
City of Sugar Land, Texas

ATTEST:

\_\_\_\_\_  
Linda Mendenhall, City Clerk  
City of Sugar Land, Texas

(SEAL)

APPROVED AS TO LEGALITY:

/s/ Tom Sage  
Bond Attorney  
HUNTON ANDREWS KURTH LLP

**EXHIBIT A**

**REFUNDING CANDIDATES**

Waterworks and Sewer System Revenue Bonds Series 2013  
Waterworks and Sewer System Revenue and Refunding Bonds Series 2015  
Waterworks and Sewer System Revenue and Refunding Bonds Series 2016  
Waterworks and Sewer System Revenue Bonds Series 2017



## City Council Agenda Request June 16, 2026

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**Agenda Request No:** XI.A.

**Agenda of:** City Council Meeting

**Initiated by:** Jennifer Alexander, Business Development Manager

**Presented by:** Jennifer Alexander, Business Development Manager

**Responsible Department:** Economic Development

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**Agenda Caption:**

Closed Executive Session as authorized by Chapter 551, Texas Government Code, in accordance with:

**Section 551.087 Deliberation Regarding Economic Development Negotiations:**

For the purpose of deliberation regarding the offer of a financial or other incentive to a business prospect the City seeks to have locate, stay, or expand in or near the City.

**Recommended Action:**

**Executive Summary:**

For the purpose of deliberation regarding the offer of a financial or other incentive to a business prospect the City seeks to have locate, stay, or expand in the City.

**Budget**

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**Expenditure Required:** N/A

**Current Budget:** N/A

**Additional Funding:** N/A

**Funding Source:** N/A

**Account Number (ORG-OBJ-Project):** N/A

**Attachments**

None

