NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4

MINUTES OF REGULAR MEETING

May 06, 2025

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

On the 6th day of May, 2025, the Board of Directors for the Nueces County Water Control & Improvement District No. 4 convened at 10:00 a.m. in a Regular Called Meeting at the District Office, 200 Howard Boulevard, Port Aransas, Texas, there being present and in attendance the following to wit:

	President	Josh Garcia
	Secretary	Suzette Freeman
	Secretary Pro-Tem	James Pate
	Director	Ed Reed
Staff:	Manager	Scott Mack
	Finance Director	Larry Mendoza
	Attorney	Charles Zahn
	Office Manager	Katie Barrett
	Engineer	Mark Maroney
	Engineer	Andew Friedman
Absent:	Vice President	Walter Sohl

CALL TO ORDER

1. The meeting was called to order at the scheduled hour by the presiding officer, Mr. Josh Garcia, pursuant to notice posted.

PUBLIC COMMENT

2. There was no public comment received by the Board of Directors.

APPROVAL OF MINUTES

3. A motion was made by Ed Reed and seconded by Suzette Freeman to approve the minutes of:
   a. Regular meeting held February 03, 2025
   b. Special meeting held March 28, 2025

   The motion carried unanimously.

DISCUSS AND TAKE ACTION TO APPROVE INTERLOCAL AGREEMENT WITH THE CITY OF PORT ARANSAS TO ACCESS THE CITY OF PORT ARANSAS GAS REGULATOR STATION ON THE CORNER OF MUSTANG BOULEVARD AND STATE HIGHWAY 361 IN PORT ARANSAS, NUECES COUNTY, TEXAS

4. After discussion, a motion was made by Ed Reed and seconded by Suzette Freeman to approve the interlocal agreement with the City of Port Aransas to access the City of Port Aransas gas regulator station on the corner of Mustang Boulevard and State Highway 361 in Port Aransas, Nueces Couty, Texas. The motion carried unanimously.

DISCUSS AND TAKE ACTION TO AMEND THE CONTRACT WITH URBAN/DCCM DATED NOVEMBER 28, 2023, TO PROVIDE REVISIONS TO THE INITIAL GIS DATABASE AND TO HOST THE DISTRICT'S GIS FOR THE YEAR OF 2025

5. After discussion, a motion was made by Ed Reed and seconded by Josh Garcia to amend the contract with Urban/DCCM, dated November 28, 2023, to provide revisions to the initial GIS database and to host the District's GIS for the year of 2025. The motion carried unanimously.

CONSIDERATION AND APPROVAL OF ORDER AUTHORIZING NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTICT NO. 4 BOND ANTICIPATION NOTE, SERIES 2025.

6. After consideration a motion was made by Ed Reed and seconded by James Pate to approve an Order to Authorizing Nueces County Water Control and Improvement District No. 4 Bond Authorization Note, Series 2025.

AWARD A CONSTRUCTION CONTRACT TO ASSOCIATED CONSTRUCTION PARTNERS, LTD. IN THE AMOUNT OF $13,898,775.00, THE LOWEST AND BEST BIDDER BASED ON BIDS RECEIVED ON FEBRUARY 12, 2025, FOR THE NEW SOUTH WASTEWATER TREATMENT PLANT PROJECT

7. A motion was made by Ed Reed and seconded by Suzette Freeman to award a construction contract to Associated Construction Partners, LTD in the amount of $13,898,775.00, the lowest and best bidder based on bids received on February 12, 2025, for the new South Wastewater Treatment plant project.

FINANCE REPORT

8. Finance Director, Larry Menodoza reported on the current financial status of the District. A motion was made by Ed Reed and seconded to by Josh Garcia to approve the finance report. The motion carried unanimously.

ENGINEER REPORT

9. Engineer Mark Maroney with Urban/DCCM Engineering, reported on the current status of ongoing capital projects of the District.

MANAGER REPORT

10. Scott Mack reported on budgetary aspects, maintenance, and operations of the District.

ADJORN

12. As there was no further business to come before the Board of Directors, a motion was made by Ed Reed, seconded by Suzette Freeman and approved to adjourn.

NUECES COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 4

By [signature]
Josh Garcia, its President

ATTEST:

[signature] Suzette Freeman
Suzette Freeman, its Secretary

ORDER AUTHORIZING NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER 4 BOND ANTICIPATION NOTE, SERIES 2025

WHEREAS, Nueces County Water Control and Improvement District Number 4 (the "District"), was created by a petition filed with Nueces County, Texas ("Nueces County") on October 29, 1952, a confirmation election held in Nueces County on December 23, 1952, Article XVI, Section 59 of the Constitution of the State of Texas (the "State"), and operates pursuant to Chapters 49 and Chapter 51, Texas Water Code, as amended; and

WHEREAS, the District has applied to the Commission for approval to issue $15,000,000 in unlimited tax bonds; and

WHEREAS, the Board of Directors (the "Board") of the District hereby declares an emergency in that the District requires funds to finance the acquisition of certain facilities and for other purposes as set forth in the above-described application in order to place said facilities in service and receive the benefit of the revenues therefrom; and

WHEREAS, the Board deems it in the best interest of the District to authorize the issuance of a bond anticipation note in the principal amount herein authorized for the purposes for which said bonds may be issued all of which purposes are included in the above-described application to the Commission, pursuant to the Constitution and laws of the State, including particularly (but not by way of limitation) Section 49.154, Texas Water Code as amended; and

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER 4 THAT:

Section 1. Authorization of Bond Anticipation Note. For the purposes for which the District's bonds may be issued, the Board hereby authorizes the issuance of a negotiable note of the District designated as its BOND ANTICIPATION NOTE, SERIES 2025 (the "Note"), in the principal amount of $13,898,775, maturing on _____, 2025, unless called for redemption prior to maturity in accordance with the provisions of Section 2 hereof, dated May 1, 2025, and bearing interest from the date of delivery on the unpaid principal amount thereof at the per annum rate specified in Section 2 hereof.

Section 2. General Characteristics and Form of the Note. The Note shall be issued, and shall be payable, may be redeemed at any time prior to its scheduled maturity, shall have the characteristics, and shall be signed and sealed substantially as provided and in the manner indicated, in the following form, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Order:

the date fixed for redemption, and the holder hereof shall thereupon have no rights with respect to this Note except the right to receive the redemption price out of the funds so held.

THIS NOTE constitutes a special, limited obligation of the District and is payable solely from and to the extent of legally available proceeds from the sale of the bonds hereafter issued by the District when, as, and if issued, and no other District funds shall be encumbered, pledged, committed or used for said purpose. Further, the District shall never be obligated to pay the principal of or interest on this Note from any funds raised or to be raised by taxation. Reference is made to the Order for a description of covenants of the District relating to issuance of bonds to provide for the payment of the principal of and interest on this Note. By acceptance of this Note, the payee and assigns expressly assent to all provisions of the Order, a certified copy of which is on file in the office of the District. Unless and until all the territory within the District is annexed by one or more cities and this Note is assumed in accordance with Texas law, no other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, shall be obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Note from any source whatsoever.

IT IS HEREBY CERTIFIED AND REPRESENTED that all acts, conditions and things required to be performed, to exist and to be done precedent to or in the issuance of this Note in order to render the same a legal, valid and binding obligation of the District have been performed, exist and have been done in regular and due time, form and manner, as required by law, and that issuance of this Note does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect on or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be removed or reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas. The laws of the State of Texas shall govern the construction of this Note.

IN WITNESS WHEREOF, the Board has caused this Note to be duly executed by its undersigned officers under the official seal of the District.

EXECUTED AND DATED this _____ day of, ____________ 2025.

NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT Number 4

By: ____________________________________
President, Board of Directors

ATTEST:

By: ________________________________
Secretary, Board of Directors

(DISTRICT SEAL)

[End of Form]

(other than use as a member of the general public) other than a governmental unit ("private-use proceeds");

(b) The District has not permitted and will not permit more than five percent (5%) of the Net Proceeds of the Note to be used in the trade or business of any Person, other than a governmental unit, if such use is unrelated to the governmental purpose of the Note; and further, the amount of private-use proceeds of the Note in excess of five percent (5%) of the Net Proceeds of the Note ("excess private-use proceeds") will not exceed the proceeds of the Note expended for the governmental purpose of the Note to which such excess private-use proceeds relate;

(c) The principal of and interest on the Note will be paid solely from the proceeds of the sale of bonds hereafter issued by the District, when, as and if issued;

(d) The District has not permitted and will not permit an amount exceeding the lesser of (i) $5,000,000 or (ii) five percent (5%) of the Net Proceeds of the Note to be used directly or indirectly to finance loans to Persons other than governmental units;

(e) The District will not use the proceeds of the Note in a manner that would cause the Note or any portion thereof to be an "arbitrage bond" within the meaning of Section 148 of the Code or otherwise in any manner which would cause the Note to violate the provisions of Section 149(d) of the Code. The District will monitor the yield on the investment of the proceeds of the Note and moneys pledged to the payment of the Note, other than amounts not subject to yield restriction because of their deposit in a reasonably required reserve or replacement fund or a bona fide debt service fund, and will restrict the yield on such investments to the extent required by the Code or the Regulations. Without limiting the generality of the foregoing, the District will take appropriate steps to restrict the yield on (i) all Net Proceeds of the Note on hand on a date that is three (3) years from the date of delivery of the Note and on all net proceeds not disbursed within thirteen (13) months of the date of deposit therein (using a last-in, first out accounting conversion) and (ii) all investment earnings on hand on a date that is three (3) years from the date of delivery of the Note or one (1) year from the date such investment proceeds are received, whichever is later, to a yield which is not materially higher than the yield on the Note (in both cases calculated in accordance with the Code and the Regulations);

(f) The District will not cause the Note to be treated as "federally guaranteed" obligations within the meaning of Section 149(b) of the Code (as same may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149(b) of the Code);

(g) To the extent, if applicable, required by the Code or Regulations, the District will take all necessary steps to comply with the requirement that "excess arbitrage profits" earned on the investment of the gross proceeds of the Note, if any, be rebated to the United States of America, and specifically, the District will (i) maintain records regarding the investment of the gross proceeds of the Note as may be required to calculate such "excess the reasonably anticipated amount of tax-exempt obligations which will be issued by the District during the calendar year 2025, including the Note, will exceed $10,000,000.

For purposes of this subsection B, the term "tax-exempt obligation" does not include "specified private activity bonds" within the meaning of Section 141 of the Code, other than "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. In addition, for purposes of this Section 6, the District includes all governmental units of which the District is a "subordinate entity" and governmental units which are "subordinate entities" of the District, within the meaning of Section 265(b)(3)(E) of the Code.

C. Allocation Of, And Limitation On, Expenditures. The District covenants to account for the expenditure of the proceeds of the sale of the Note and investment earnings to be used for the purposes for which the Note is issued on its books and records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (1) the expenditure is made, or (2) the facilities to be constructed and/or purchased with the proceeds of the Note are completed. The foregoing notwithstanding, the District shall not expend sale proceeds or investment earnings thereon more than sixty (60) days after the earlier of (1) the fifth anniversary of the delivery of the Note, or (2) the date the Note is retired. For purposes of determining compliance with this covenant the District and its officers and authorized representatives may rely upon an opinion of nationally recognized bond counsel or tax counsel to the effect that the proposed actions or omissions of the District will not adversely affect the excludability of the interest on the Note from gross income for federal income tax purposes.

D. Disposition Of Facilities. The District covenants that the property constituting the facilities to be constructed and/or purchased with the proceeds of the Note will not be sold or otherwise disposed of in a transaction resulting in the receipt by the District of cash or other compensation unless the District obtains an opinion of nationally recognized bond counsel or tax counsel to the effect that the proposed actions of the District will not adversely affect the excludability of the interest on the Note from gross income for federal income tax purposes. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation.

Section 7. District Officers' Duties. The officers of the District are hereby instructed and directed to do any and all things necessary to make money available for the payment of the Note in the manner provided by law.

The President, Vice President, Secretary and any Assistant Secretary of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Order, including, without limitation, the execution of this Order and other documentation required in connection herewith and with the issuance of the Note.

Section 8. Sale and Delivery of the Note. The Board hereby accepts, and authorizes and directs the President or the Vice President of the Board to execute and deliver, the Private Placement Letter to American Bank, N.A. (the "Purchaser"), dated of even date herewith, evidencing the Purchaser's offer to purchase the Note on the terms described therein and herein.

PASSED AND APPROVED this 1st day of May, 2025.

NUECES COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER 4

By: ______________________
President, Board of Directors

ATTEST:

By: ______________________
Secretary, Board of Directors

(SEAL)

Signature page to the Order

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