

THE STATE OF TEXAS
CITY OF RIO HONDO
COUNTY OF CAMERON

Rick Tello, Commissioner Place 1
Margaret Perez, Mayor Pro-Tem
Joseph Lopez, Commissioner Place 5

Esteban Bocanegra, Place 2
Olga Gallegos, Commissioner Place 4

Gustavo Olivares
Mayor

**Notice of a Regular Meeting of the
City Commission of the City of Rio Hondo
May 17, 2022**

Revised 5.09 pm

Pursuant to Chapter 551, Tittle 5 of the Texas Government Code, the Texas Open Meetings Act, notice is hereby given that the governing body of the City of Rio Hondo, Texas will convene for a **Special Meeting at 6:30 p.m. on Tuesday May 17, 2022**, at the **City Commission Chambers** on the Second Floor of the Rio Hondo Municipal Building located at 121 N. Arroyo Blvd., Rio Hondo, Texas 78583.

PLEDGE OF ALLEGIANCE

UNITED STATES PLEDGE

INVOCATION:

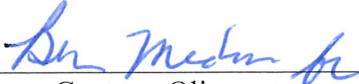
Regular Agenda:

1. Mayor's and Commissioner's Report
2. Administrator's Report
3. **Public Comment Period: *Please Note- The Public Comment Period is designated for hearing concerns regarding City of Rio Hondo Public Policy or City of Rio Hondo business that is or is not on the agenda or items listed on the agenda.***
4. Canvass of General Election Votes of the City of Rio Hondo of May 7, 2022 General Election.
5. Consideration and Action to authorize the Mayor to execute the documentation of the canvas as the Presiding Officer of the Canvassing Authority and authorization to issue Certificate of Election to the successful candidates for Commission Places One, Three and Five on the City of Rio Hondo Commission and to submit to the Texas Secretary of State the appropriate documents.
6. Oath of Office of City Commissioner Place 1, Mr. Juan Garza.
7. Oath of Office of City Commissioner Place 3, Mrs. Margaret Perez
8. Oath of Office of City Commissioner Place 5, Mr. Jose Cavazos.

9. Presentation by Carbon Asset Developer Associates LLC., (CADA).
10. Consideration and Action authorizing the City Administrator and City Attorney to prepare a report to the City Commission on developing a agreement with Carbon Asset Developer Associates, LLC and the City of Rio Hondo.
11. Consideration and Action authorizing a contract with Guzman and Munoz for the design and construction oversight of the 2022 CDBG Street Project.
12. Public Hearing on Ordinance 2022-04 granting to One Gas, Inc, acting by an through its Texas Gas Service Company Division and its successors and assigns, for a period of twenty-five years (25) from approval and acceptance of this ordinance, a non-exclusive franchise and right to enter the public ways to install, operate, and maintain a distribution system within, along, across over and under the public ways of the City of Rio Hondo, Texas for the transportation, distribution and /or sale of gas to customers and the public generally in the city;
13. Consideration and Action on Ordinance 2022-04 granting to One Gas, Inc, acting by an through its Texas Gas Service Company Division, a non-exclusive franchise and right to enter the public ways to install, operate, and maintain a distribution system within, along, across over and under the public ways of the City of Rio Hondo, Texas
14. Adjournment

Note: The City Commission for the City of Rio Hondo reserves the right to adjourn into executive session at any time during this meeting to discuss any matters, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development).

Note: The Meeting is accessible to Americans with Disabilities. Persons with disabilities who plan to attend this meeting and who may need assistance, please call the City Secretary at (956) 748-2102, with at least twenty-four hours prior to the meeting.


Gustavo Olivares
Mayor of the City of Rio Hondo

POSTED

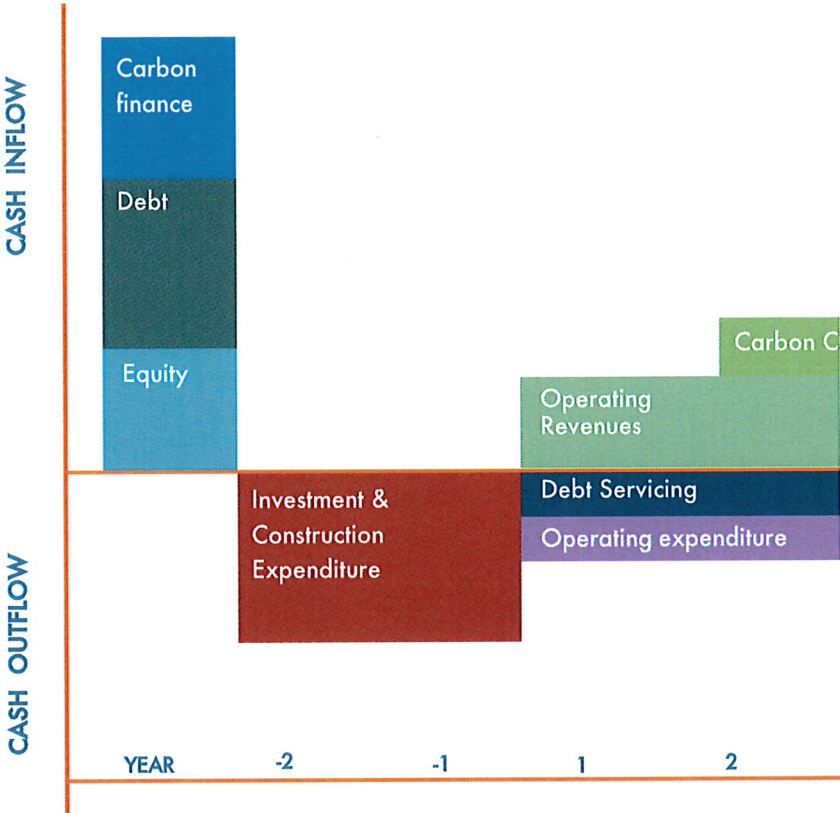
I, City Secretary for the City of Rio Hondo, do hereby certify that this Notice of Meeting is a true and correct record and was posted in the bulletin board outside City Hall, and the bulletin board in the City Hall lobby, at 121 N. Arroyo Blvd, Rio Hondo, Texas 78583 and remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

DATE: 5/13/2022 TIME: 2:00pm

Item 9

International Carbon Project Equity

How the Carbon Unit Equity V



The City of Rio Hondo Role

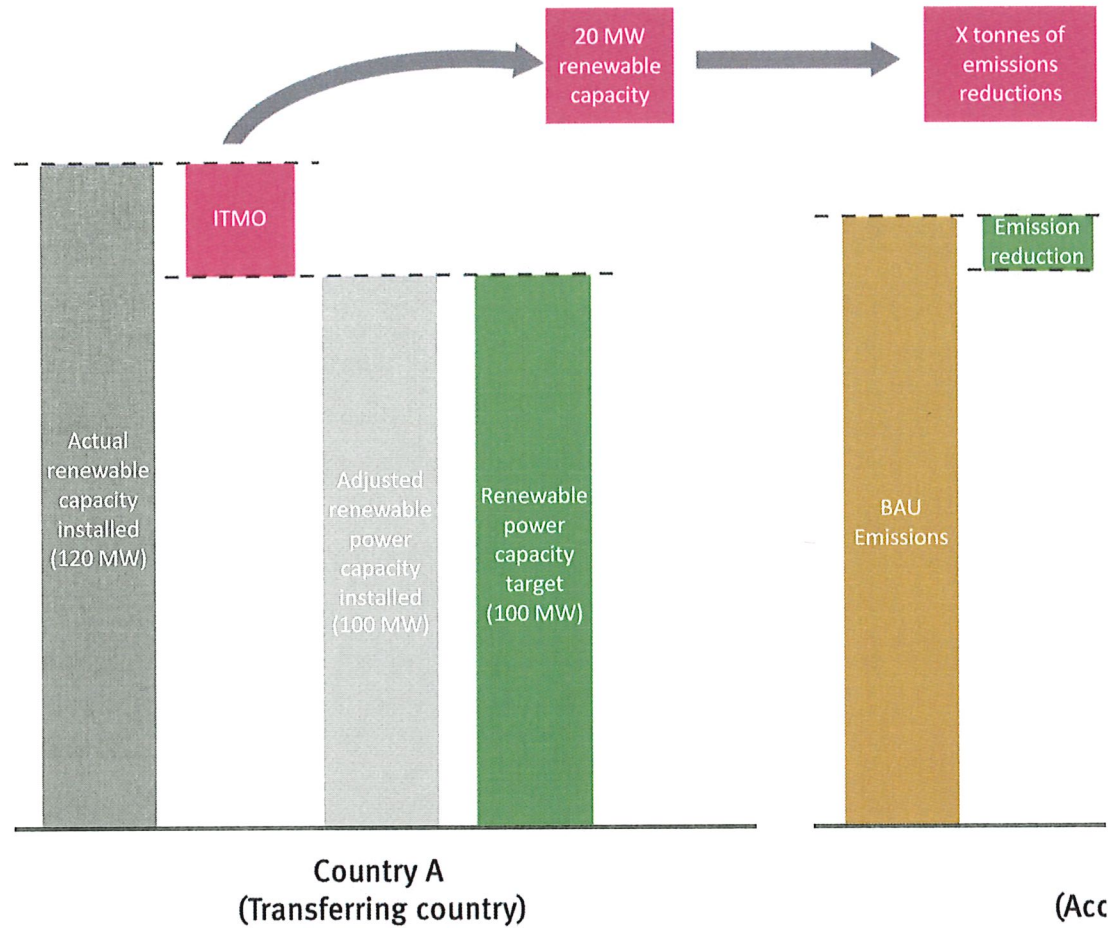
The City of Rio Hondo has the ability to generate Mitigation Outcomes through the implementation of renewable energy-to-grid projects and carbon capture, utilization and sequestration projects.

CADA is in discussions with US-based multi-national investors and outside of the US Nationally Determined Contributions (NDC) commitments.

CADA is requesting the City of Rio Hondo to:

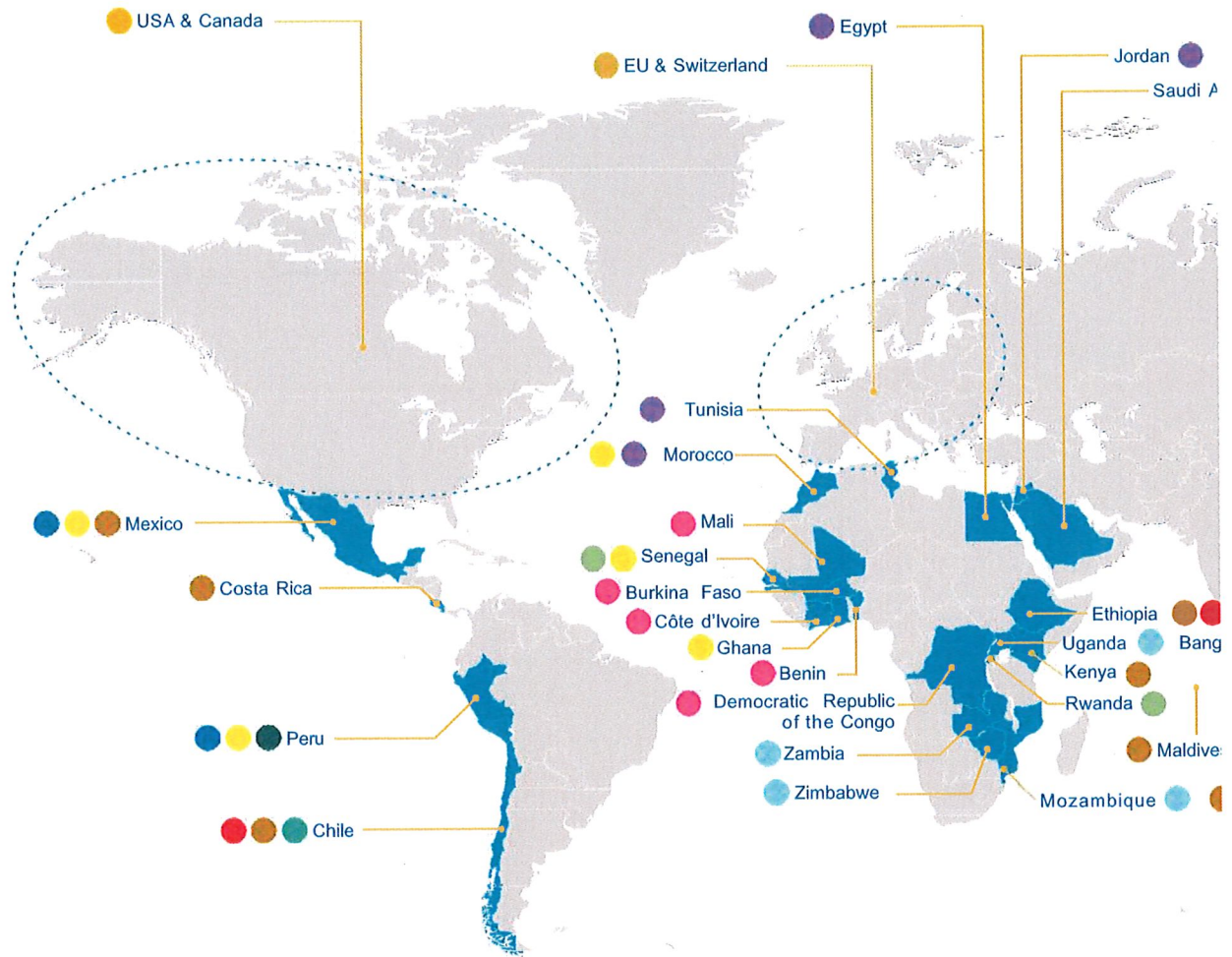
1. Assist CADA in acquisition of Letters of Approval from projects generated to be traded internationally (i.e., sold as Mitigation Outcomes (ITMOs)).
2. Assist CADA to acquire commitment from the US government for adjustments on ITMOs to avoid double counting (per Slide 10).
3. Strategically partner with CADA to develop pilot carbon markets.

Sample ITMO Transfer and Corresponding Adj



Application of corresponding adjustments for an international transfer between a country with with a GHG emissions target.

Global Article 6 Piloting Landscape



Source: Article 6 Piloting: State of Play and Stakeholder Experiences



Proprietary and Confidential

Ben Medina

From: Gary Clyne <gary@cadaenergy.com>
Sent: Saturday, April 23, 2022 7:17 PM
To: Ben Medina
Subject: Carbon Pilot for Rio Hondo Follow-Up
Attachments: Rio Hondo Follow-up 4-23-22.pdf

Good day Mr. Medina,

Just to recap our previous meetings, Carbon Asset Developer Associates LLC (CADA) is a carbon financing business. We originate, structure, warehouse, and sell carbon offsets, offering targeted solutions to both project developers and offset buyers. Our team now aggregates a 100+ year record in global financial markets with a deep understanding of carbon project development, utilizing IRS 45Q tax credits, UN Climate Change carbon credits, and the World Bank Group carbon markets network.

We can utilize this expertise to act as a principal of emission reduction projects in the U.S. and internationally, and finance high-quality projects using large-scale streams of high yield and liquid carbon offsets. We do this through long-term offtake agreements which provide the financial support projects need to develop and expand.

I believe working with the City of Rio Hondo will allow both CADA and the City to become a first mover in a trillion dollar a year global market. Please find attached a brief slide deck illustrating how my teaming proposal will work in the City's best interests, and a map of competing pilots and existing and planned links.

Looking forward to our next conversation and making a presentation to the City Commission.

All the very best,

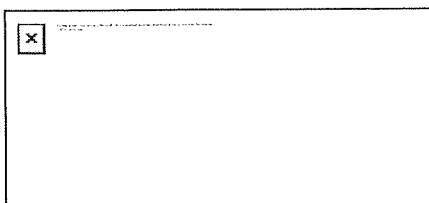
Gary Clyne
CEO
Carbon Asset Developer Associates Grenada Limited

1044 North Tower Rd.
Alamo, Texas 78516

P.O. Box 594
St. George's, Grenada W.I.

P.O. Box 1023
Port of Spain, Trinidad and Tobago W.I

US Office: 956.601.0016
US Cell: 956.340.9103



CONFIDENTIALITY NOTICE: This e-mail message and any attached files is being sent by Carbon Asset Developer Associates (CADA), and may contain confidential and/or privileged material for the sole use of the intended recipient(s). Any review, use, distribution and/or disclosure by others is strictly prohibited. If you are not the intended recipient(s), or are not authorized to receive this message for and on behalf of the intended recipient(s), please contact the sender by reply e-mail and delete all copies of this message.



STATEMENT OF QUALIFICATIONS



CARBON ASSET DEVELOPER ASSOCIATES LLC (CADA) is a certified Texas Department of Transportation DBE, Texas HUB, and is SBA HUBZone certified. CADA provides general contracting, design-build, construction program management, and building services to a broad range of government, commercial, and industrial clients. Recently we have carried out analysis and design of various projects in several countries: the Philippines, Mongolia, Vietnam, Brazil, Ethiopia, India, Nigeria, Kenya, Trinidad and Tobago, and Mexico. CADA has provided support to major international funding agencies including the World Bank, UNFCCC, the Asian Development Bank, UNDP, UNIDO, WWF, Japan Policy and Human Resources Development Fund, InfoDev, Inter-American Development Bank, and Standard Bank.

CADA recovers, compresses, transports, stores vented and flared associated and non-associated gases; fractionating, treating and monetizing the resultant natural gas liquids and dry gas to:

- Reduce wellhead emissions with closer monitoring and more timely repairs at selected sites using detection methods and technologies such as Method 21 or Optical Gas Imaging cameras.
- Replace, repair, or retrofit high-bleed pneumatic controllers with low-or zero-emitting devices.
- Minimize emissions associated with the removal of liquids that can build up and restrict flows at older gas wells.

CADA uses “green well completions” to capture gas and condensate that are by-products of oil production and fracking, making the valuable hydrocarbons available to the producer for sale.

CADA provides United Nations prescriptive mitigation and adaptation consulting, as well as creates demand for Paris Climate Agreement Article 6 compliant exchanges for governments and private sector industry. CADA is a member of and/or an official observer with the following global multilateral funding organizations:

UNFCCC Loan Consultant



CADA navigates the complex world of financing low-carbon and energy savings development, including accessing international sources of finance, participating in international instruments such as Nationally Appropriate Mitigation Actions. It is a proponent of and experienced at utilizing existing and new market mechanisms (e.g., carbon finance) to implement energy savings and low-carbon development investments. As an experienced company, its teaming partners have over 100 years in the energy sector construction business. In the United States, CADA utilizes a U.S. SBA-approved Technical Assistance Agreement to provide technical support to SDVOSB, HUBZone, DBE, WOSB and 8(a) businesses.

Established: 2015 | Employees: 17
DUNS: 117510051 | CAGE: 8LEVO
Primary NAICS Code: 236220
Other: 237310, 237990, 238110, 238190, 238990

In the USA:

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Alamo, TX 78516
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T: +1 956 340 9103 (DL)
T: +1 956 601 0016

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Contact: Earl Charles, Vice President
T: +1 473 415 9620

P. O. Box 1023
Port of Spain, Trinidad and Tobago
Contact: Tamara Bujhawan
Senior Associate
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Ahoada, Rivers State
Contact: Rev. Dr. Apia Bright Apia,
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SE-17996 Svartsjö, Sweden
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302 Agno Street, Ayala Alabang Village,
Muntinlupa City, Metro Manila, the
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Contact: Dr. Peter Pembleton, Associate
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In South America and Panama:

TOP Tower Tr. A # 1503 – Costa del
Este, Ciudad de Panamá
Contact: Eng. Carlos Daniel Falla,
Associate
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STATEMENT OF QUALIFICATIONS

CURRENT PROJECTS

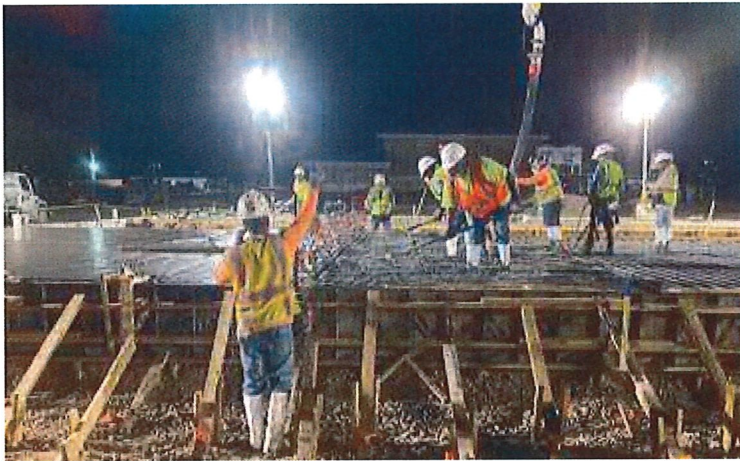
69th Supply Support Activity (SSA) Warehouse

69th Air Defense Artillery Division, Fort Hood, Texas

Client: US Army Corps of Engineers (USACE)

Project Value: \$8.5 million

CADA provides support services required for labor, materials, equipment and qualified supervision, and other items in accordance with the specifications and drawings.



CURRENT PROJECTS

Ammonia Plant – Trinidad and Tobago

Hydrogen with Carbon Capture Use and Storage

Multiple Sites in Planning

In the past, incentives excluded CCUS projects, leaving them to struggle to find investors. The 45Q tax credit and recent amendments to the U.S. tax code provide a nonrefundable, transferable tax credit to taxpayers that capture CO₂ and either store or use it.

The value of the 45Q credit is statutorily expressed in USD/MT CO₂: the value per metric ton captured and injected for enhanced oil recovery or commercially utilized is USD35/MT and USD50/MT for qualified storage. These enhancements to 45Q tax credit and new climate policy in the United States support financeable projects but are insufficient to overcome all investor risks.

If CO₂ is captured from hydrocarbons before combustion takes place blue hydrogen production is possible. This contrasts with post-combustion CCS, where the CO₂ must be filtered out of flue gases after combustion. Large-scale production of “blue hydrogen” with associated captured CO₂ makes it possible to reduce CO₂ emissions for all hydrogen applications. Whether the hydrogen is used as a commodity or as fuel for industry, as an energy carrier to produce electricity or transportation, the hydrogen infrastructure will enable the development of new pipelines, conversion of existing gas pipelines, storage, and filling stations. “Blue hydrogen” will therefore pave the way for “green hydrogen”.

There are no technical barriers to effectively storing CO₂ permanently on a large scale. Ninety-eight (98%) percent of injected CO₂ remains permanently trapped in the sub-surface.

CO₂ has been stored in natural rock formations for periods of over one thousand years and the United States has the potential to capture over 27 million tons every year — roughly equivalent to taking 5.4 million cars off the roads. The combination of hydrogen and CCUS is important for an U.S. CO₂-neutral energy supply and climate policy now fully supports it.

CADA understands and appreciates the versatility of the hydrogen molecule. Its main characteristic during the combustion process is that it does not produce CO₂ but water. It is perfect for supply of CO₂-neutral energy for heat production, electricity, and transportation.

Hydrogen as a commodity is also used in several chemical processes that can be marketed to specialized off-takers in the U.S. CADA also see great advantages in the storage of hydrogen compared to electricity; it can be stored in various ways, both in tanks and underground. Hydrogen can also be transported via pipelines. This transport is possible using the existing extensive U.S. gas pipeline network. Hydrogen can be converted into electricity in a fuel cell, which means that the advantages of hydrogen can also play an indirect role in the electricity system.

Project equity requires a return on investment and return on invested capital, a challenge for most CCUS projects. Lenders require interest and principal repayment, and equity requires a return on their investment, which can come in the form of current return and terminal value upon sale or another exit. Blue Hydrogen in combination with CCUS is a win win for both CADA and emitters in the U.S. market space and will provide investors with the security needed to deploy capital.

CURRENT PROJECTS

Sustainable and Climate-Friendly Phase Out of Ozone Depleting Substance (SPODS) – Grenada, West Indies

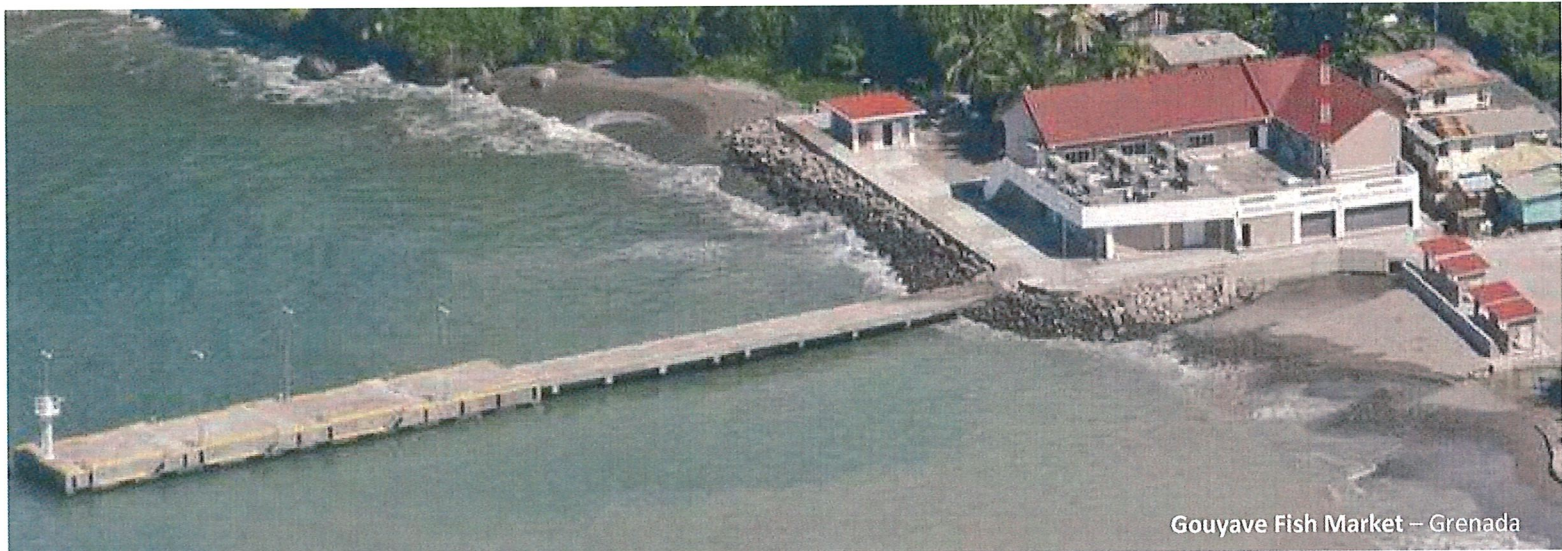
Projects: 1) Grenada Financial Complex; 2) Ministerial Complex; 3) Ministry of Education Building; 4) Gouyave Fish Market; 5) Southern Fisherman Association, Inc.; 6) Foodfair, Carenage; 7) Foodfair Grand Anse; 8) Foodland, Kirani James

Client / Implementing Agency: UNIDO

Project Sponsors: European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ)

- Commercial AC systems in government buildings;
- Industrial Refrigeration systems in the fishing- industrial sector; and
- Commercial Refrigeration systems in supermarkets in the private sector

The pilot projects developed for each refrigeration and air conditioning (RAC) sub-sector defines technical solutions and financial opportunities for future implementation.



Gouyave Fish Market – Grenada



Cooling Towers

Pictures are of the Gouyave Fish Market project which has a Bait Room, a Blast Freezing Room, a Slow Freezing Storage Room, a Freezing Storage Room, a Cold Storage Room, an Ice Machine, as well as customer areas.

The objective of the contract for the project is to help define the appropriate mitigation actions to reduce both the consumption of ozone depleting substances (ODS) and hydrofluorocarbon (HFCs) and at the same time reduce the energy demand and related GHG emissions. This is being done through a series of pilot projects in which the SPODS in Grenada aims to promote low Global Warming Potential (GWP) refrigerant technology at a national level in three sub-sectors, namely:



Compressors



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STATEMENT OF QUALIFICATIONS

CURRENT PROJECTS

Building 6 – Clement J. Zablocki VA Medical Center

Milwaukee, Wisconsin - Wings A, B, C, and D

Client: Department of Veterans Affairs

CADA provides technical assistance to the 8(a) SDVOSB DBE design-build contractor for the Milwaukee Soldiers Home Historic District Building 6 (built in 1879 and 1890) which is on the grounds of the Clement J. Zablocki VA Medical Center. The project site is approximately 160,000 square feet.

This project is replacing existing dry-pipe sprinkler system (originally installed in 1953) consisting of four (4) separate

fire services supplying a riser in each wing. In heated areas of the building, the dry system is being replaced with a new wet-pipe system. Unheated areas, such as the attics and porches, are being protected by a new dry-pipe sprinkler system. The existing incoming fire service piping and fire department connections are being reused.

The CADA team is furnishing all equipment, materials, labor, and testing to provide new complete automatic wet-pipe and dry-pipe fire sprinkler systems, as well as all asbestos and lead-based paint testing and removal.



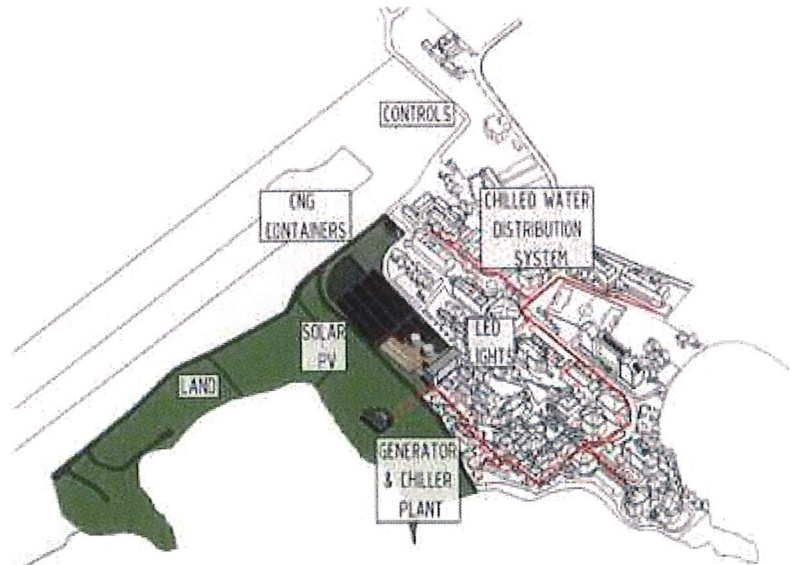
Building 6 - Wings A, B, C and D - Milwaukee Wisconsin

Grenada Electricity Generation Project

St. George's, Grenada

Client: Massy Energy Trinidad and Tobago

In 2016, the government of Grenada passed The Electricity Supply Act. The Act's intent to open competition for electricity generation has attracted independent power producers and renewable energy developers to Grenada. CADA's development team is working with St. George's University (SGU) (a U.S.-owned company) to implement a mix of solar photovoltaic, energy conservation measures and low emission natural gas generation. The proposed electricity generation and energy conservation measures are being designed to meet SGU's existing and future energy needs with a simple 11-year payback. The project consists of new dual fuel generation equipment, photovoltaic generation, new central chilling, cooling towers, pumps, fans, lighting retrofits, desalination equipment, pipelines and controls upgrades.



CURRENT PROJECTS

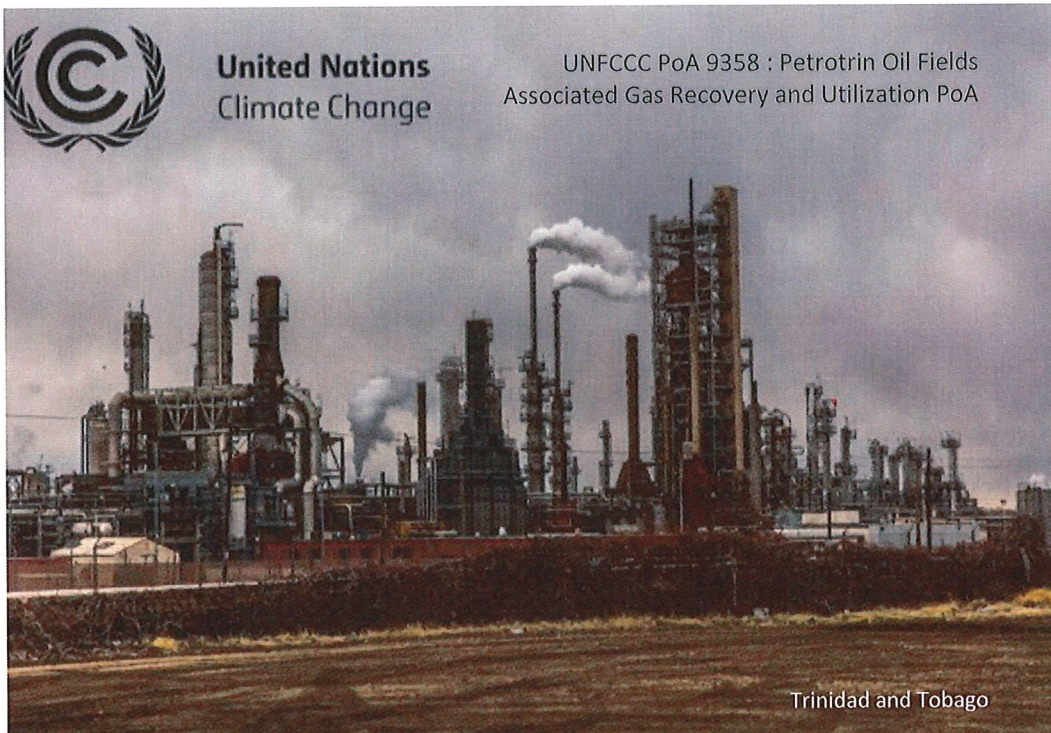
UNFCCC Programmes of Activities (PoAs)

Clients: Governments of Trinidad and Tobago and the Philippines (3 projects)

CADA registered with the UNFCCC two CO₂ gas monetizing and energy savings PoAs, namely the Petrotrin Oil Fields Associated Gas Recovery and Utilization PoA and the RE2Grid PoA (comprising both solar and wind greenfield projects that feed electric power into a grid).

As 28-year IDIQ forms of contract, these Programmes of Activities continue to offer opportunities for U.S. project developers in developing countries.

CADA's founding partners have, between them, extensive experience in energy and climate change mitigation activities, as well as in the development and implementation of large assistance projects through their activities worldwide.



**United Nations
Climate Change**

UNFCCC PoA 9358 : Petrotrin Oil Fields
Associated Gas Recovery and Utilization PoA

Trinidad and Tobago



UNFCCC PoA 9206 : RE2Grid PoA | ACM0002
Grid-connected electricity generation from
renewable sources



Philippines

CADA supports the implementation of
the Paris Agreement at national,
subnational, and local levels



Philippines

CADA identifies and implements low-carbon and energy conservation investments; and assists governments in developing enabling environments for mobilizing financial, technical and capacity building support. The current focus of our portfolio is the West African, Caribbean, Central, North and South American regions.

CADA provides technical, policy and business advice relevant to low-carbon development in all sectors.

CADA helps industry and multilateral banks provide financial assistance to developing countries for infrastructure improvements and construction of facilities that deploy renewable and low emission energy systems. It accomplishes this by primarily facilitating technical and monetary exchanges between the developed country industries and concessional finance to clean tech developers.

CADA brings concessional finance which offers opportunities for U.S. project developers in developing countries and energy saving carbon reducing projects in the U.S. under Article 6.2 of the Paris Climate Agreement. These programmes bring significant equity to a project for up to 21 years with verification of carbon emission reductions that CADA performs annually.

Additional services offered:

- ASME and API Code Interpretation
- Compression Services and Separation
- Emissions Control Services
- Pipeline Pigging Solutions
- Production Optimization
- Operations and Maintenance



PROJECTS



Deepwater Horizon Oil Spill in the Gulf of Mexico – Louisiana and Mississippi

Client: BP PLC

Project Value: \$2.8 million

CADA provided up to 380 staff members that would be assigned to cleaning the shores throughout Gulf Coast of the United States for BP. All staff worked 24 hours a day, 7 days a week, and were required to obtain OSHA HAZWOPER certification.



FEMA Temporary Housing

New Orleans, Louisiana

Client: US Federal Emergency Management Agency (FEMA)

Value: \$11.5 million

CADA Installed trailers and related infrastructure.



FEMA New Orleans Cleanup

New Orleans, Louisiana

Client: FEMA

Project Value: \$22 million

CADA was a debris removal subcontractor.

PROJECTS

US Department of Homeland Security Starr County, Texas Border Security Project (River Wall Project)

Starr County, Texas

Client: U.S. Department of Homeland Security

This 2019 BOOT project involved a mix of border wall construction and Port of Entry expansion and improvements, as well as the negotiation of any easements and necessary right of way land acquisitions. CADA's project scope: survey, report, model, recommend, plan, design, construct, install, operate, and maintain the investment(s), and identify competitive sources of finance for the improvements. CADA provided an expedited build (estimated completion in 400-580 days), job creation, local county buy-in and tax credit opportunities, while avoiding division of private property and litigation, and determined current appropriated federal funds could be redirected to other priority areas.



Hale Boggs Federal Building and Courthouse Repair and Alteration

New Orleans, Louisiana

Client: U.S. Coast Guard (USCG) and General Services Administration

The contract is for replacement of IT equipment horizontal cabling serving and transitioning the USCG sensitive compartmented information facility (SCIF).





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STATEMENT OF QUALIFICATIONS

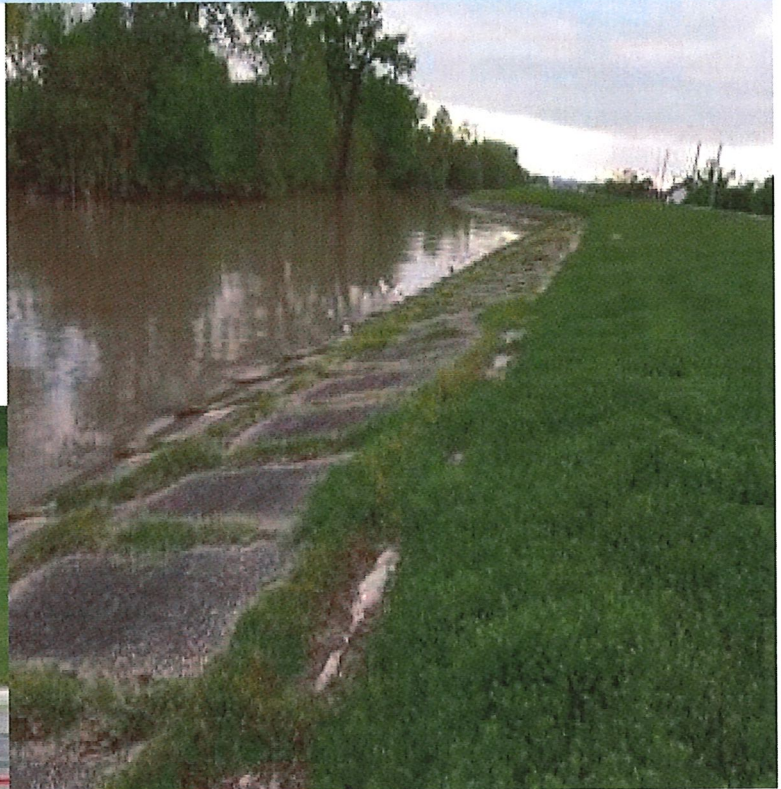
PROJECTS

Mississippi River and Tributaries Levee Repair Project

New Orleans, Louisiana

Client: U.S. Army Corps of Engineers (USACE)

CADA's levee repair work consisted of excavating levee material between B/L Stations 538+40 to 539+00 and B/L Stations 545+15 to 545+75; placement of concrete slope pavement and fertilizing, seeding, and mulching operations for all disturbed areas. This contract included USACE contract modifications.



VA Medical Center – New Orleans

New Orleans VA Medical Center

New Orleans, Louisiana

Client: Department of Veteran Affairs (VA)

This is a 5-year maintenance contract for the Command Blue Light Emergency Call Box Systems and responsibility for supplying all parts, service, and the cost and maintenance of the call box systems to ensure that the systems are fully operational. All maintenance is completed in accordance with the manufacturer guidelines, pursuant to VA direction, and adheres to all directive and records requirements per the National Fire Protection Association (NFPA) Life Safety 101, NFPA 70E, OSHA and Federal Communications Commission (FCC).



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STATEMENT OF QUALIFICATIONS

PROJECTS

UNFCCC PoA 9358 – Petroleum Company of Trinidad and Tobago Limited

Republic of Trinidad and Tobago
Client: Petroleum Company of Trinidad and Tobago Limited
Petrotrin Oil Fields Associated Gas Recovery and Utilization Programme of Activities (PoA)

CADA recovers, compresses, transports, stores vented and flared associated and non-associated gases; fractionating, treating and monetizing the resultant natural gas liquids and dry gas. CADA innovates, delivers benefits, and reduces costs as a result. It is eligible under UNFCCC rules to operate in almost every developing country, providing the services and technology needed to find and fix methane leaks.

CADA services for this project included conducting leak detection in the field and sourcing the infrared cameras needed for fugitive emission surveys to oil and gas companies.

Because methane is the main component of natural gas, CADA helps the oil and gas industry save money, get more product to the customer, and reduce energy waste.

Working with the World Bank as an observer with the World Bank's *Global Gas Flaring Reduction Partnership* (GGFR), CADA sees substantial growth and demand for its services in North and South America, Trinidad and Tobago and West Africa.



CADA uses “green well completions” to capture gas and condensate that comes up with oil production and fracking making the valuable hydrocarbons available to the producer for sale.



Stennis Space Center – Building 3205

Hancock County, Mississippi
Client: National Oceanic and Atmospheric Administration

CADA's scope was the design and installation of a fire suppressions/sprinkler system in two containers that are used for Lithium battery charging and storage, furnishing all equipment, materials, labor, and testing: Simplex 4007ES fire alarm with releasing peripheral equipment and notification appliances, Novec 1230 gas, fire alarm cabling, devices, and components installed on-site at the National Data Buoy Center.

All work was performed in accordance with applicable National Fire Protection Association (NFPA) codes.

PROJECTS



Fluid Catalytic Cracking Unit (FCCU)/Cat Cracker Upgrade

Pointe-a-Pierre, Republic of Trinidad and Tobago

Client: Petroleum Company of Trinidad and Tobago Limited

The project increased capacity and allowed for production of more low-sulfur gasoline with improved octane ratings at 190,000-barrel-per-day (BBL/d) Pointe-a-Pierre refinery.



TGU Combined-Cycle Power Plant

Trinidad Generation Unlimited (TGU) 765MW Combined-Cycle Power Plant

La Brea, Republic of Trinidad and Tobago

Client: Ferrostaal GMBH

CADA was the supplier of sandblasting, coatings and finishes services for the modern combined cycle plant consisting of six General Electric gas turbine-driven generators and two steam turbine-driven generators of the 160,000 square meter site. The TGU facility is the largest combined-cycle power plant in the Caribbean and currently supplies approximately 50% of Trinidad and Tobago's electrical energy.



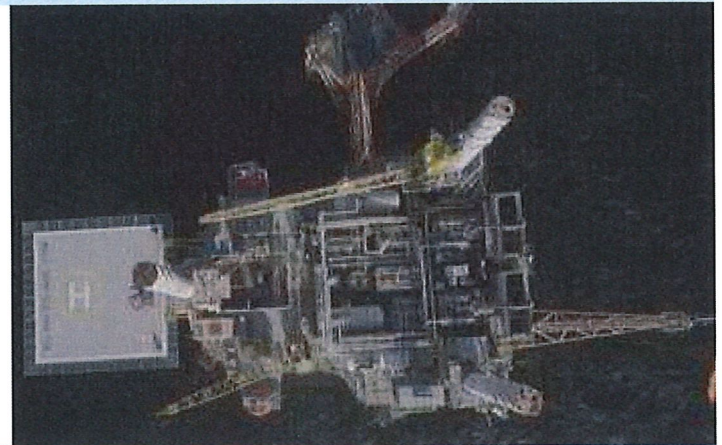
PROJECTS

Mobile Offshore Production Unit (MOPU)

Southwest Soldado Field, Republic of Trinidad and Tobago

Client: Heritage Petroleum Company Limited

CADA performed the pre-development and program management work on this MOPU. Being portable, the platform was designed and constructed as a feasible and inexpensive oil producing and gas compression unit for offshore locations. It is an efficient unit that does the same work as the conventional permanent platforms.



MOPU – Trinidad and Tobago



Additional project features:

- Petrotrin Trinmar Operations (Trinidad) New CP#4 Compression Platform Facility – complete design, supply, install and commission all E&I Equipment, vessels, cabling, interconnectivity, Siemens PLC and SCADA integration
- Mechanical services for the pre-commissioning checks and recommissioning of flash gas compressors and vapor recovery units
- LP and HP fire water, wastewater, utility and potable water systems
- Fabrication and installation of HDPE pipe – sub-sea line
- Installation and commissioning of transmission and distribution mains and water treatment plant

PROJECTS



Halifax Harbour Waste to Energy Project

Grenada, W.I.

Client: National Renewable Energy Laboratory (NREL)

CADA led a study for a USD 40 million, 50,000-square-foot facility at the Perseverance Landfill to mix 10 tons of sewage, 40 tons of biomass with about 100 tons of solid waste, using a gasification chamber to generate electricity. The benefits included: reduce methane emissions and pollution from untreated sewage affecting Grenada's Caribbean and Atlantic coasts and create 250 sustainable jobs. CADA's partner's proprietary technology converts nearly any kind of organic waste into clean, renewable energy with no harmful by-products. The plant can produce enough energy to power 3000 homes and fuel for off grid sales.

SERVICES

CADA quantifies, recovers and utilizes the methane emissions from the uncontrolled emission sources, using UNFCCC CDM approved methodologies (AM).

Green completion systems present a significant opportunity for cost savings. By using portable equipment to process gas and condensate, the recovered gas can be directed to a pipeline and sold. In green completions, gas and hydrocarbon liquids are physically separated from other fluids and delivered directly into equipment that holds or transports the hydrocarbons for productive use. There is no venting or flaring. This practice then links upstream activities with mid and downstream efforts.

CADA implements a recommended mitigation option (or a more-effective alternative) to the greatest extent feasible, using criteria that may include:

- Technical viability
- Operationally safe to implement and operate
- Operationally reliable
- Economic costs and benefits
- Materiality (as defined by the partner company) maintenance/operational efficiency improvements
- Environmental and safety benefits (e.g., enhanced safety due to lower methane emissions; reduction of methane emissions and associated volatile organic compounds or hazardous air pollutants)
- Maximization of use and/or sale of clean-burning, non-renewable hydrocarbon resources
- Reputational benefits

CADA facilitates country-to-country engagement and sharing of best practices with other national governments and affiliated oil and gas companies to encourage and support oil and gas methane emission reduction activities inside UNFCCC KP participating developing country borders as well as industrial countries on a commercial basis; CADA provides technical support and capacity-building to assist customers in evaluating their methane emissions.

CADA performs pre-feasibility and measurement studies. It provides assistance with inventory development and implementing methane emission reduction projects. In order to ensure sufficient pay back in a timely manner, suggested parameters for use in determining the economic feasibility of each reduction opportunity include:

- Capital and installation cost
- Annual operating costs
 - Total annual savings/revenue
 - Value of incremental gas sales
 - Value of incremental condensate or NGLs sales
 - Savings in purchased fuel or electricity costs when directing gas to power generation
 - Reservoir benefits from additional gas available for injection/gas lift
 - Other operational or maintenance savings (e.g., savings through reduction in maintenance costs, etc.)
- Return on Investment (ROI)
- Payback period
- Internal Rate of Return
- Net Present Value



carbon asset developer associates

STATEMENT OF QUALIFICATIONS

REFERENCES

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Item 11

Agreement for Engineering, Surveyor Services

Part I: Agreement

THIS AGREEMENT, entered into this 26th day of April, 2022 by and between the CITY OF Rio Hondo, hereinafter called the "City", acting herein by Gustavo Olivares, hereunto duly authorized, and Guzman & Munoz Engineering and Surveying, Inc., hereinafter called "Firm," acting herein by Jose L. Munoz.

WITNESSETH THAT:

WHEREAS, the City of Rio Hondo desires to implement the following: Reconstruct Ramon Street, Parker Street, Retama Road, and Heywood Street under the general direction of the Texas Community Development Block Grant (hereinafter called "TxCDBG") Program administered by the Texas Department of Agriculture (TDA); and Whereas the City desires to engage Guzman & Munoz Engineering and Surveying, Inc. to render certain engineering and surveying services in connection with the TxCDBG Project, Contract Number 7219461.

NOW THEREFORE, the parties do mutually agree as follows:

1. Scope of Services -
The Firm will perform the services set out in Part II, Scope of Services.
2. Time of Performance - The services of the Firm shall commence on March 1, 2022. In any event, all the services required and performed hereunder shall be completed no later than April 29, 2024 or the project's administrative closure date, as defined by Department, whichever is later.
3. Local Program Liaison - For purposes of this Agreement, the City Manager or equivalent authorized person will serve as the Local Program Liaison and primary point of contact for the Firm. All required progress reports and communication regarding the project shall be directed to this liaison and other local personnel as appropriate.
4. Access to Records - The U.S. Department of Housing and Urban Development (HUD), Inspectors General, the Comptroller General of the United States, the Texas Department of Agriculture (TDA), and the City, or any of their authorized representatives, shall have access to any documents, papers, or other records of the Firm which are pertinent to the TxCDBG award, in order to make audits, examinations, excerpts, and transcripts, and to closeout the City's TxCDBG contract with TDA.
5. Retention of Records - The Firm shall retain all required records for three years after the City makes its final payment and all pending matters are closed.
6. Compensation and Method of Payment - The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed \$45,292.00. Payment to the Firm shall

be based on satisfactory completion of identified milestones in Part V - Payment Schedule of this Agreement.

7. Indemnification – The Firm shall comply with the requirements of all applicable laws, rules and regulations, and shall exonerate, indemnify, and hold harmless the City and its agency members from and against any and all claims, costs, suits, and damages, including attorney’s fees, arising out of the Firm’s performance or nonperformance of the activities, services or subject matter called for in this Agreement, and shall assume full responsibility for payments of Federal, State and local taxes on contributions imposed or required under the Social Security, worker's compensation and income tax laws.
8. Miscellaneous Provisions
- a) This Agreement shall be construed under and accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Cameron County, Texas.
 - b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.
 - c) In any case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
 - d) If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.
 - e) This Agreement may be amended by mutual agreement of the parties hereto and a writing to be attached to an incorporated into this Agreement.
9. Extent of Agreement - This Agreement, which includes Parts I-VI represents the entire and integrated agreement between the City and the Firm and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by authorized representatives of both City and the Firm.

IN WITNESSETH WHEREOF, the parties have executed this Agreement by causing the same to be signed on the day and year first above written.

BY: _____
(Local City Official)

Gustavo Olivares
(Printed Name)
Mayor
(Title)



(Firm/Contractor's Authorized Representative)

Jose L. Munoz
(Printed Name)
President
(Title)

Part II: Scope of Services

The Firm shall render the following professional services necessary for the development of the project:

Reconstruction of Ramon Street, Parker Street, Retama Road, Heywood Street

Scope of Services

1. Attend preliminary conferences with the City regarding the requirements of the project.
2. Determine necessity for acquisition of any additional real property/easements/right-of-ways (ROWs) for the TxCDBG project and, if applicable, furnish to the City:
 - a. Name and address of property owners.
 - b. Legal description of parcels to be acquired; and
 - c. Map showing entire tract with designation of part to be acquired.
3. Make any necessary surveys of existing rights-of-way, topography, utilities, or other field data required for proper design of the project. Provide consultation and advice as to the necessity of the City providing or obtaining other services such as auger borings, core borings, soil tests, or other subsurface explorations; laboratory testing and inspecting of samples or materials; other special consultations. The Firm will review any tests required and act as the City's representative in connection with any such services.
4. Prepare railroad/highway permits if necessary.
5. Prepare a preliminary engineering study and report on the project in sufficient detail to indicate clearly the problems involved and the alternate solutions available to the City, to include preliminary layouts, sketches and cost estimates for the project, and to set forth clearly the Firm's recommendations; to be completed within 60 days of execution of this Agreement.
6. Furnish the City copies of the preliminary report, if applicable (additional copies will be furnished to the City at direct cost of reproduction).
7. Furnish the City a written monthly status report at least seven (7) days prior to the regularly scheduled council/commissioner's court meeting until the project is closed by TDA. The status report will be presented when requested 14 days before the regularly scheduled court meeting.
8. Submit detailed drawings and plans/specifications to appropriate regulatory agency(ies) and obtain clearance.
9. Prepare bid packet/contract documents/advertisement for bids. At the time, the bid packet is completed, the Firm shall also furnish to the City an updated written Estimate of Probable Costs for the Project.
10. Coordinate with grant administrator to confirm prevailing wage decision.
11. Incorporate all wage rate modifications or supersedes via bid addendum (if applicable).

12. Conduct bid opening and prepare minutes.
13. Tabulate, analyze, and review bids for completeness and accuracy.
14. Accomplish construction contractor's eligibility verification through www.SAM.gov.
15. Conduct pre-construction conference and prepare copy of report/minutes.
16. Issue Notice to Proceed to construction contractor.
17. Provide in all proposed construction contracts deductive alternatives where feasible, so that should the lowest responsive base bid for construction exceed the funds available, deductive alternatives can be taken to reduce the bid price.
18. Design for access by persons with disabilities for those facilities to be used by the public in accordance with Public Law 504.
19. Use TDA-approved forms for instructions to bidders, general conditions, contract, bid bond, performance bond, and payment bond.
20. Make periodic visits, no less than every 30 days during the construction period, to the site to observe the progress and quality of the work, and to determine, in general, if the work is proceeding in accordance with the Agreement.
21. Consult with and advise the City during construction; issue to contractors all instructions requested by the City; and prepare routine change orders if required, at no charge for engineering services to the City when the change order is required to correct errors or omissions by the Firm; provide price analysis for change orders; process change orders approved by City and the Firm and submit to TDA for approval prior to execution with the construction contractor.
22. Review shop and working drawings furnished by contractors for compliance with design concept and with information given in contract documents (contractors will be responsible for dimensions to be confirmed and correlated at job site).
23. Resolve all payment requests within 14 days of receipt of signed pay request from the construction contractor.
24. Based on the Firm's on-site observations and review of the contractor's applications for payment, determine the amount owed to the contractor in such amounts; such approvals of payment to constitute a representation to the City, based on such observations and review, that the work has progressed to the point indicated and that the quality of work is in accordance with the plans, specifications and contract documents.
25. Recommend that a 10% retainage is withheld from all payments on construction contracts until final acceptance by the City and approval by TDA, unless State or local law provides otherwise.
26. Prepare Certificate of Construction Completion and Clean Lien Certificate. A Clean Lien Certificate may be prepared for each of the Prime Contractor(s) and each of the subcontractor(s).

27. Conduct interim/final inspections.
28. Revise contract drawings to show the work as actually constructed and furnish the City with a set of "record drawings" plans.
29. The Firm will provide a copy of the final project record drawing(s) engineering schematic(s), as constructed using funds under this contract. These maps shall be provided in digital format containing the source map data (original vector data) and the graphic data in files on machine readable media, such as compact disc (CD), which are compatible with computer systems owned or readily available to the owner. The digital copy provided shall not include a digital representation of the engineer's seal but the accompanying documentation from the Firm shall include a signed statement of when the map was authorized, that the digital map is a true representation of the original sealed document, and that a printed version with the seal has been provided to the City. In addition, complete documentation as to the content and layout of the data files and the name of the software package(s) used to generate the data and maps shall be provided to the owner in written form.

Part III: Subcontracts *[All clauses in this section required by TDA]*

1. No work under this Agreement shall be subcontracted by the Firm without prior approval, in writing, from the City.
2. The Firm shall, prior to proceeding with the work, notify the City in writing of the name of any subcontractors proposed for the work, including the extent and character of the work to be done by each.
3. If any time during progress of the work, the City determines that any subcontractor is incompetent or undesirable, the City will notify the Firm who shall take reasonable and immediate steps to satisfactorily cure the problem, substitute performance, or cancel such subcontract. Subletting by subcontractors shall be subject to the same regulations. Nothing contained in this Agreement shall create any contractual relation between any subcontractor and the City.
4. The Firm will include in all contracts and subcontracts in excess of \$150,000 a provision which requires compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). The provisions shall require reporting of violations to TDA and to the Regional Office of the Environmental Protection Agency (EPA).
5. The Firm will include in all contracts and subcontracts in excess of \$150,000 provisions or conditions which will allow for administrative, contractual or legal remedies in instances where contractors violate or breach contract terms and provide for such sanctions and penalties as may be appropriate.
6. The Firm will include in all contracts and subcontracts in excess of \$10,000 provisions addressing termination for cause and for convenience by the City including the manner by which it will be effected and the basis for settlement.

7. The Firm will include in all contracts and subcontracts provisions requiring compliance with the following, if applicable:
 - a. Prime construction contracts in excess of \$2,000, compliance with the Davis-Bacon Act, as amended (40 U.S.C. 3141-3144, 3146-3148) as supplemented by Department of Labor regulations (29 CFR part 5);
 - b. Prime construction contracts in excess of \$2,000, compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR part 3)
 - c. The inclusion of the Equal Opportunity clause provided under 41 CFR 60-1.4(b) (Executive Order 11246);
 - d. The inclusion of the Economic Opportunities for Section 3 Residents and Section 3 Business Concerns of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3).
 - e. Contracts exceeding \$100,000, compliance with the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352);
 - f. For contracts in excess of \$100,000 that involve the employment of mechanics or laborers, compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), including work week requirements and safety conditions for workers, as supplemented by Department of Labor regulations (29 CFR Part 5); and
 - g. For procurement of recovered materials where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000, compliance with 2 CFR 200.322 and section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, which requires procuring only items designated in guidelines of the EPA at 40 CFR part 247 that contain the highest percentage of recovered materials practicable.
8. The Firm will include in all negotiated contracts and subcontracts a provision which indicates that funds will not be awarded under this contract to any party which is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 2 CFR Part 2424. A certification shall be provided and received from each proposed subcontractor under this contract and its principals.
9. The Firm will include in all negotiated contracts and subcontracts a provision to the effect that the City, TDA, the Texas Comptroller of Public Accounts, the Comptroller General of the United States, the U.S. Department of Housing and Urban Development (HUD), or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpts, and transcriptions.
10. The Firm will include in all contracts and subcontracts a requirement that the contractor maintain all relevant project records for three (3) years after the City has made final payment to the contractor and all other pending matters are closed.

Part IV: Standard of Performance and Deficiencies

1. All services of the Firm and its independent professional associates, consultants and subcontractors will be performed in a professional, reasonable, and prudent manner in accordance with generally accepted professional practice. The Firm represents that it has the required skills and capacity to perform work and services to be provided under this Agreement.
2. The Firm represents those services provided under this Agreement shall be performed within the limits prescribed by the City in a manner consistent with that level of care and skill ordinarily exercised by other professional consultants under similar circumstances.
3. Any deficiency in Firm's work and services performed under this contract shall be subject to the provisions of applicable state and federal law. Any deficiency discovered shall be corrected upon notice from City and at the Firm's expense if the deficiency is due to Firm's negligence. The City shall notify the Firm in writing of any such deficiency and provide an opportunity for mutual investigation and resolution of the problem prior to pursuit of any judicial remedy. In any case, this provision shall in no way limit the judicial remedies available to the City under applicable state or federal law.
4. The Firm agrees to and shall hold harmless the City, its officers, employees, and agents from all claims and liability of whatsoever kind or character due to or arising solely out of the negligent acts or omissions of the Firm, its officers, agents, employees, subcontractors, and others acting for or under the direction of the Firm doing the work herein contracted for or by or in consequence of any negligence in the performance of this Agreement, or by or on account of any omission in the performance of this Agreement.

Part V: Payment Schedule

City shall reimburse the Firm for professional services provided upon completion of the following project milestones per the following percentages of the Fixed Fee of \$35,292.00:

Milestone	% of Contract Fee
● Approval of Preliminary Engineering Plans and Specifications by City.	20%
● Approval of Plans and Specifications by Regulatory Agency(ies).	30%
● Completion of bid advertisement and contract award.	20%
● Completion of construction project control staking.	5%
● Completion of final inspection and acceptance by the City.	15%
● Completion of Final Closeout Assessment and submittal of "As Builts" to City.	10%
Total	100%

SPECIAL SERVICES

Special Services shall be reimbursed under the following hourly rate schedule: (List all applicable services to include overhead charge).

Registered Surveyor	\$120.00
Survey Crew (2 members)	\$130.00
Project Engineer	\$140.00
Engineering Technician	\$ 90.00
Project Representative	\$ 80.00
Draftsman	\$ 70.00

The fee for all other Special Services shall not exceed a total of Ten Thousand and No/100 Dollars (\$10,000.00). The payment for these Special Services shall be paid as a lump sum, per the following schedule:

1. The Firm shall be reimbursed the actual cost of completion of geotechnical engineering design report prepared by subcontractor geotechnical firm, plus a TEN percent (10%) overhead charge.
2. The Firm shall be reimbursed the actual costs of necessary testing based on itemized billing statements from the independent testing laboratory, plus a TEN percent (10%) overhead charge. All fees for testing shall not exceed a total of Seven Thousand and No/100 Dollars (\$7,000.00).
3. The payment requests shall be prepared by the Firm and be accompanied by such supporting data to substantiate the amounts requested.

4. Any work performed by the Firm prior to the execution of this Agreement is at the Firm's sole risk and expense.

Part VI: Terms and Conditions

1. Termination of Agreement for Cause. If the Firm fails to fulfill in a timely and proper manner its obligations under this Agreement, or if the Firm violates any of the covenants, conditions, agreements, or stipulations of this Agreement, the City shall have the right to terminate this Agreement by giving written notice to the Firm of such termination and specifying the effective date thereof, which shall be at least five days before the effective date of such termination. In the event of termination for cause, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Firm pursuant to this Agreement shall, at the option of the City, be turned over to the City / County and become the property of the City / County. In the event of termination for cause, the Firm shall be entitled to receive reasonable compensation for any necessary services actually and satisfactorily performed prior to the date of termination.
 - a. Notwithstanding the above, the Firm shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Firm, and the City may set-off the damages it incurred as a result of the Firm's breach of the contract from any amounts it might otherwise owe the Firm.
2. Termination for Convenience of the City. City may at any time and for any reason terminate Firm's services and work at City's convenience upon providing written notice to the Firm specifying the extent of termination and the effective date. Upon receipt of such notice, Firm shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities, and supplies in connection with the performance of this Agreement.

Upon such termination, Firm shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement plus (2) such other costs actually incurred by Firm as are permitted by the prime contract and approved by City. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Firm prior to the date of the termination of this Agreement. Firm shall not be entitled to any claim or claim of lien against City for any additional compensation or damages in the event of such termination and payment.

3. Changes. The City may, from time to time, request changes in the services the Firm will perform under this Agreement. Such changes, including any increase or decrease in the amount of the Firm's compensation, must be agreed to by all parties and finalized through a signed, written amendment to this Agreement.
4. Resolution of Program Non-Compliance and Disallowed Costs. In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement, or the breach thereof, including determination of responsibility for any costs disallowed as a

result of non-compliance with federal, state or TxCDBG program requirements, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, the parties shall consult and negotiate with each other in good faith within 30 days of receipt of a written notice of the dispute or invitation to negotiate, and attempt to reach a just and equitable solution satisfactory to both parties. If the matter is not resolved by negotiation within 30 days of receipt of written notice or invitation to negotiate, the parties agree first to try in good faith to settle the matter by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may enter into a written amendment to this Amendment and choose a mediator that is not affiliated with the American Arbitration Association. The parties shall bear the costs of such mediation equally. If the matter is not resolved through such mediation within 60 days of the initiation of that procedure, either party may proceed to file suit.

5. Personnel.

- a. The Firm represents that he/she/it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.
- b. All of the services required hereunder will be performed by the Firm or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
- c. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

6. Assignability. The Firm shall not assign any interest on this Agreement and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the City thereto; Provided, however, that claims for money by the Firm from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the City.

7. Reports and Information. The Firm, at such times and in such forms as the City may require, shall furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement.

8. Records and Audits. The Firm shall insure that the City maintains fiscal records and supporting documentation for all expenditures of funds made under this contract in a manner that conforms to 2 CFR 200.300-.309, 24 CFR 570.490, and this Agreement. Such records must include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the funds provided under this Agreement. The Firm and the City shall retain such records, and any supporting documentation, for the greater of three years from closeout of the Agreement or the period required by other applicable laws and regulations.

9. Findings Confidential. All of the reports, information, data, etc., prepared or assembled by the Firm under this contract are confidential and the Firm agrees that they shall not be made available to any individual or organization without the prior written approval of the City.
10. Copyright. No report, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Firm.
11. Compliance with Local Laws. The Firm shall comply with all applicable laws, ordinances and codes of the State and local governments, and the Firm shall save the City harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Agreement.
12. Conflicts of Interest.
 - a. Governing Body. No member of the governing body of the City and no other officer, employee, or agent of the City, who exercises any functions or responsibilities in connection with administration, construction, engineering, or implementation of TxCDBG award between TDA and the City / County, shall have any personal financial interest, direct or indirect, in the Firm or this Agreement; and the Firm shall take appropriate steps to assure compliance.
 - b. Other Local Public Officials. No other public official, who exercises any functions or responsibilities in connection with the planning and carrying out of administration, construction, engineering or implementation of the TxCDBG award between TDA and the City, shall have any personal financial interest, direct or indirect, in the Firm or this Agreement; and the Firm shall take appropriate steps to assure compliance.
 - c. The Firm and Employees. The Firm warrants and represents that it has no conflict of interest associated with the TxCDBG award between TDA and the City or this Agreement. The Firm further warrants and represents that it shall not acquire an interest, direct or indirect, in any geographic area that may benefit from the TxCDBG award between TDA and the City or in any business, entity, organization or person that may benefit from the award. The Firm further agrees that it will not employ an individual with a conflict of interest as described herein.
 - d. Conflicts Disclosure Statement. (Sec. 176.003 in Chapter 176 of the Local Government Code)
 - i. A local government officer shall file a conflicts disclosure statement with respect to a vendor if:
 - ii. the vendor enters into a contract with the local governmental entity, or the local governmental entity is considering entering into a contract with the vendor, and the vendor:
 - iii. has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that: (i) a contract between the local

- governmental entity and vendor has been executed; or (ii) the local governmental entity is considering entering into a contract with the vendor;
- iv. has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that: (i) a contract between the local governmental entity and vendor has been executed; or (ii) the local governmental entity is considering entering into a contract with the vendor; or has a family relationship with the local government officer.
- v. (a-1). A local government officer is not required to file a conflicts disclosure statement in relation to a gift accepted by the officer or a family member of the officer if the gift is: (1) a political contribution as defined by Title 15, Election Code; or (2) food accepted as a guest.
- vi. (a-2). A local government officer is not required to file a conflicts disclosure statement under Subsection (a) if the local governmental entity or vendor described by that subsection is an administrative agency created under Section 791.013, Government Code.
- vii. A local government officer shall file the conflicts disclosure statement with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement under Subsection (a).

13. Debarment and Suspension (Executive Orders 12549 and 12689)The Firm certifies, by entering into this Agreement, that neither it nor its principals are presently debarred, suspended, or otherwise excluded from or ineligible for participation in federally-assisted programs under Executive Orders 12549 (1986) and 12689 (1989). The term "principal" for purposes of this Agreement is defined as an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Firm. The Firm understands that it must not make any award or permit any award (or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

14. Equal Opportunity Clause (applicable to federally assisted construction contracts and subcontracts over \$10,000).

During the performance of this contract, the Firm agrees as follows:

- a. The Firm will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Firm will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Firm agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

- b. The Firm will, in all solicitations or advertisements for employees placed by or on behalf of the Firm, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- c. The Firm will not discourage or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
- d. The Firm will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Firm's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. The Firm will comply with all provisions of Executive Order 11246 of September 24, 1965, "Equal Employment Opportunity," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. The Firm will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- g. In the event of the Firm's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Firm may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- h. The Firm will include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Firm will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a Firm becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Firm may request the United States to enter into such litigation to protect the interests of the United States.

15. Civil Rights Act of 1964. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, religion, sex, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
16. Section 109 of the Housing and Community Development Act of 1974. The Firm shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the ground of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.
17. Section 504 of the Rehabilitation Act of 1973, as amended. The Firm agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including discrimination in employment, under any program or activity receiving federal financial assistance.
18. Age Discrimination Act of 1975. The Firm shall comply with the Age Discrimination Act of 1975 which provides that no person in the United States shall on the basis of age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
 - a.
19. [If this Contract is greater than \$100,000] Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) The Firm certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining this contract. The Firm shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
 - a.
20. Economic Opportunities for Section 3 Residents and Section 3 Business Concerns.
 - a. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
 - b. The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
 - c. The Firm agrees to send to each labor organization or representative of workers with which the Firm has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Firm's commitments under this section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each;

and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.











- d. The Firm agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Firm will not subcontract with any subcontractor where the Firm has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
 - e. The Firm will certify that any vacant employment positions, including training positions, that are filled (1) after the Firm is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Firm's obligations under 24 CFR part 135.
 - f. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
 - g. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).
21. Patent Rights and Inventions -The Firm shall comply with the requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract. (2 CFR 200 Appendix II (f) and Rights to Inventions in 37 CFR Part 401).
- a. Rights to Inventions Made Under a Contract or Agreement - If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the Subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the Subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. (2 CFR 200 Appendix II (f), Rights to Inventions).
22. Energy Efficiency - The Firm shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871). (24 CFR 85.36 (i) (13)).
23. Verification No Boycott Israel. As required by Chapter 2271, Government Code, the Firm hereby verifies that it does not boycott Israel and will not boycott Israel through the term

of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

24. Foreign Terrorist Organizations. Pursuant to Chapter 2252, Texas Government Code, the Firm represents and certifies that, at the time of execution of this Agreement neither the Firm, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

Part VII: Project Time Schedule

ID	Task Name	Duration	Start	Finish	2022		
					Feb	Mar	Qtr 2, 2022 Apr
1	Contract Start Date	1 day	Tue 3/1/22	Tue 3/1/22			
2	Preliminary Design	73 days	Wed 3/2/22	Fri 6/10/22			
3	Final Design	59 days	Mon 6/13/22	Thu 9/1/22			
4	Advertise and Receive Bids	23 days	Fri 9/2/22	Tue 10/4/22			
5	Award Project	15 days	Wed 10/5/22	Tue 10/25/22			
6	NTP	20 days	Wed 10/26/22	Tue 11/22/22			
7	Construction	120 days	Wed 11/23/22	Tue 5/9/23			
8	Project Close Out	25 days	Wed 5/10/23	Tue 6/13/23			

Project: CDBG Rio Hondo Street Improvements Date: Tue 4/26/22	Task		Inactive Task	
	Split		Inactive Milestone	
	Milestone		Inactive Summary	
	Summary		Manual Task	
	Project Summary		Duration-only	

Item 12

ORDINANCE NO. 2022-04

AN ORDINANCE GRANTING TO ONE GAS, INC., ACTING BY AND THROUGH ITS TEXAS GAS SERVICE COMPANY DIVISION, AND ITS SUCCESSORS AND ASSIGNS, ~~FOR A PERIOD OF TWENTY-FIVE (25) YEARS FROM APPROVAL AND ACCEPTANCE OF THIS ORDINANCE,~~ A NON-EXCLUSIVE FRANCHISE AND RIGHT TO ENTER THE PUBLIC WAYS TO INSTALL, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM WITHIN, ALONG, ACROSS, OVER AND UNDER THE PUBLIC WAYS OF THE CITY OF RIO HONDO, TEXAS FOR THE TRANSPORTATION, DISTRIBUTION AND/OR SALE OF GAS TO CUSTOMERS AND THE PUBLIC GENERALLY IN THE CITY; DEFINING THE WORDS AND PHRASES THEREIN; PROVIDING FOR ASSIGNMENT, SALE OR LEASE OF THE FRANCHISE; PROVIDING THAT THE CITY MAY ENACT AN ORDINANCE CHARGING PERSONS TRANSPORTING GAS THROUGH GRANTEE'S DISTRIBUTION SYSTEM A FEE ON THE CALCULATED VALUE OF SUCH TRANSPORTED GAS; PROVIDING FOR USE AND REPAIR OF THE PUBLIC WAYS; PROVIDING FOR REGULATION OF SERVICE; ESTABLISHING DEPTH OF PIPELINES; ESTABLISHING RIGHTS AND DUTIES IN THE MOVEMENT AND ALTERATION OF PIPELINES; PROVIDING FOR INDEMNIFICATION OF THE CITY OF RIO HONDO; PROVIDING FOR GRANTEE'S RULES AND REGULATIONS; PROVIDING FOR INSPECTION OF GRANTEE'S RECORDS; REQUIRING GRANTEE TO PAY A FRANCHISE FEE; PROVIDING FOR CONDITIONS OF THE FRANCHISE; PROVIDING FOR ACCEPTANCE OF THIS FRANCHISE BY GRANTEE AND BOTH AN EFFECTIVE AND AN OPERATIVE DATE THEREOF; REPEALING ALL OTHER ORDINANCES DIRECTLY IN CONFLICT HERewith; AND PROVIDING FOR SEVERABILITY.

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BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF RIO HONDO, TEXAS:

SECTION I. DEFINITIONS

As used in this Ordinance, the following words and phrases shall have the following meanings:

- A. "City" means the City of Rio Hondo, in Cameron County, Texas, a municipal corporation, hereinafter also referred to as "Grantor".
- B. "City Administrator" means the City Administrator of the City or such other chief administrative officer of the City designated to hear appeals from the decisions of other City officers.
- C. "City Commission" means the City Commission of the City as the governing body of the City.
- D. "City Engineer" means the City Engineer of the City or such other officer of the City designated to approve engineering plans and designs for construction within Public Ways.
- E. "City Secretary" means the City Secretary of the City or other such officer of the City designated to serve as the filing officer for official documents and records of the City.

- F. "Customer" means any individual person, corporation, company, partnership, firm, unincorporated association, trust, municipality, or public or private entity located within the municipal corporate limits of the City and serviced by the Grantee through any use of the Public Ways.
- G. "Franchise Fee" or "Franchise Fees" shall mean the sum of fees to be paid to the City by Grantee under Section 11 of this Ordinance.
- H. "Gas Sales" means the sale of natural gas to Grantee's Customers located within the corporate limits of the City by use of the System.
- I. "Gas Transportation" means the transportation of Transport Gas for redelivery to Customers with re-delivery points located within the corporate limits of the City.
- J. "Grantee" shall mean ONE Gas, Inc., an Oklahoma corporation acting by and through its Texas Gas Service Company division, and its successors and assigns.
- K. "Gross Receipts from Gas Sales" shall constitute and include Grantee's total receipts from the sale, distribution or transportation of gas to Grantee's Customers. Grantee's Gross Receipts from Gas Sales subject to the Franchise Fee shall specifically exclude, without limitation:
- [1] receipts from gas sales or services to Customers located at delivery points outside the corporate limits of the City;
 - [2] receipts from gas consumed or transported by Grantee for its own use;
 - [3] bad debt or uncollected accounts;
 - [4] receipts collected for gas utility taxes;
 - [5] receipts for any taxes, assessments, charges or fees of any kind charged by a governmental entity and collected by Grantee from the Customer by a pass through charge on the gas bill, except for Franchise Fees and gross receipts taxes;
 - [6] receipts for construction advances or contributions in aid of construction;
 - [7] receipts for maintenance of appliances, machinery or equipment;
 - [8] receipts for compensation for damage to Grantee's property;
 - [9] receipts from sales of materials, appliances or equipment, and
 - [10] receipts from any non-regulated utility or non-regulated services or products.

- L. "Gross Receipts from Gas Transportation" shall constitute and include Grantee's total receipts from its transportation of Transport Gas, consisting of receipts from cost of service. Grantee's Gross Receipts from Gas Transportation subject to the Franchise Fee shall specifically exclude, without limitation:
- [1] receipts from gas transportation services to Customers located at delivery points outside the corporate limits of the City;
 - [2] receipts from gas transported by Grantee for its own use;
 - [3] bad debt or uncollected accounts;
 - [4] receipts collected for gas utility taxes;
 - [5] receipts for any taxes, assessments, charges or fees of any kind charged by a governmental entity and collected by Grantee from the Customer by a pass through charge on the gas bill, except for Franchise Fees and gross receipts taxes;
 - [6] receipts for construction advances or contributions in aid of construction;
 - [7] receipts for maintenance of appliances, machinery or equipment;
 - [8] receipts for compensation for damage to Grantee's property; and
 - [9] receipts from any non-regulated utility or non-regulated services or products.
- M. "Permit" means the authorization to Grantee:
- [1] for the opening of the streets, avenues, alleys, other public places or Public Ways shown on maps or plans submitted by Grantee to the City Engineer, showing the streets, avenues, alleys, and other public places and the locations thereon wherein Grantee proposes to construct new mains and pipes,
 - [2] for the new construction or laying of the new mains and pipes by Grantee as shown on plans, and
 - [3] to perform all work on existing Grantee facilities or the System within the Public Ways or other City rights-of-way.
- N. "Public Ways" means the present and future streets, avenues, boulevards, parkways, lanes, alleys, bridges, sidewalks, parks, easements, highways, and any other public place within the municipal corporate limits of the City, whether dedicated or not.
- O. "System" means Grantee's system of mains, pipelines, conduits, valves, feeders, regulator stations, laterals, service lines, measuring devices, and all other necessary plants, attachments, land, structures, facilities and appurtenances for the purpose of selling,

storing, supplying, conveying, transmitting, distributing, and/or transporting natural gas and any gas, including the equivalent substitutes, for all other lawful purposes in, through, upon, under, and along the present and future streets, avenues, alleys, bridges, sidewalks, parks, easements, highways, and any other public place within the municipal corporate limits of the City.

- P. "Transport Gas" means gas owned or controlled by a user or its designee (i.e., gas that is purchased or otherwise acquired by a user from someone other than Grantee) and delivered by such user or its designee to Grantee at a point on Grantee's System, such point of delivery to be defined by Grantee, and carried, delivered or transported through Grantee's System at a point of redelivery within the municipal corporate limits of the City by Grantee to the user for a fee.
- Q. "Utility Regulated Service Charges" shall consist of charges for services (but not for natural gas sales or transportation services) that:

[1] Grantee provides to its Customers located within the corporate limits of the City and

[2] which are or may, from time to time, become subject to the rate regulation of the applicable regulatory authority.

Such Utility Regulated Service Charges shall not include receipts by Grantee from its Customers in the City, if applicable, for appliance sales, appliance light-ups, maintenance of Customer equipment or facilities and any other receipts that are not legally subject to the rate regulation of the applicable regulatory authority.

SECTION 2. GRANT OF NON-EXCLUSIVE FRANCHISE

- A. The Grantor hereby grants to Grantee for ~~the an initial~~ term of ~~twenty-five (25)~~ten (10) years from the passage and approval of this Ordinance and the filing of a written acceptance by the Grantee, the right to enter upon the Public Ways to install, operate and maintain a System along, across, over and under the Public Ways for the privilege of transporting, distributing and/or selling gas to Customers and the public generally within the municipal corporate limits of the City, and including any territory that the City may hereafter annex, acquire, purchase; and to distribute, sell, store, supply, transport, carry and/or convey natural gas and any gas through Grantee's System in the City to other cities, towns, communities and areas outside the City and to inhabitants thereof, for the full term of this Franchise Ordinance. ~~The Franchise may be renewed under the same terms and conditions for up to two (2) additional five-year terms, upon the mutual agreement of Grantor and Grantee and upon the adoption of an ordinance by Grantor prior to the expiration of the initial or any renewal term, as applicable.~~
- B. The Ordinance shall have the effect of and shall be a contract between Grantor and Grantee and shall be the measure of the rights and liabilities of Grantor as well as Grantee consistent with and to the extent allowed by Texas law.

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- C. The Franchise granted by this Ordinance shall in no way affect or impair the present or future rights, obligations, or remedies of the City or Grantee under the Texas Gas Utility Regulatory Act, as amended.

SECTION 3. FRANCHISE ASSIGNMENT, SALE OR LEASE

Grantee is expressly given the power and privilege to sell, lease or assign the franchise granted hereby, or any part of this franchise, to any person, entity or corporation upon approval by the City governing body, the approval of which shall not be unreasonably withheld.

SECTION 4. USE AND REPAIR OF THE PUBLIC WAYS

A. Grantee's System shall be erected, placed, and laid or otherwise installed, operated and maintained in such a manner as will, consistent with reasonable necessity, least interfere with other public uses of the Public Ways. This Ordinance shall constitute the Permit to perform all work on existing Grantee facilities or the System within the Public Ways or rights of way.

B. Grantee's business operations shall be subject to its ability, by use of due diligence and normal business methods, to obtain and place in service the necessary materials and facilities. Moreover, Grantee shall be excused from failure or delay in performing such obligations if and to the extent occasioned by an act of nature or "act of God," fire, explosion, flood, act of a public enemy, contagion or contamination hazardous to human life or health, legal restraints, labor difficulties, material shortages, interruption or deficiency of gas supply not attributable to default of Grantee or, without limitation, any other cause or combination of causes not reasonably within Grantee's ability to anticipate or control. The Company shall notify the City promptly and in no case less than thirty days of its intent to utilize this provision of this Ordinance.

C. Except in the case of an emergency, within the City's full purpose jurisdiction, when Grantee desires to lay any new mains hereunder, and before commencing its new construction work on mains, it shall submit to the City Engineer, or other proper City authority, a map or plan showing the streets, avenues, alleys, and other public places and the locations thereon wherein it proposes to construct such new mains and pipes. The City Engineer, or other proper authority and consistent with City ordinances and regulations, shall by written notice, either issue or deny the Permit to Grantee. Permits shall be granted in accordance with City ordinances and regulations governing the same for the opening of the streets, avenues, alleys and other public places shown on the map or plan, and for the new construction or laying of the new mains and pipes by Grantee as shown on the plan. In the event that the Permit is denied, the City Engineer, or other proper authority, shall advise Grantee of the reasons for the denial and all necessary steps to secure approval of the Permit. Grantee shall have the right to immediately appeal the non-issuance of the Permit to the City Administrator, and if not approved within ten (10) calendar days by the City Administrator, Grantee may appeal to the City Council and be heard at a public meeting held in compliance with applicable law. If the City Council fails to act on the appeal within a reasonable time, the appeal will be deemed to be denied unless agreed otherwise in writing by Grantee and the City. Grantee may appeal any decision made by the City Council regarding the permit to a court of competent jurisdiction with venue in Cameron County Texas. The City does not waive

any defenses or immunities with respect to any claims or causes of action by Grantee should it appeal the permit decision to a court of competent jurisdiction, in accordance with City ordinances and regulations.

This Subsection 4 (B) shall also apply to all other facilities and equipment of Grantee to be constructed or installed on public property within the City's full purpose jurisdiction.

- D. It shall not be necessary for Grantee to secure a Permit for the laying of service pipes from the mainline pipes of Grantee to its Customers.
- E. After any excavation or disturbance, Grantee shall, with due diligence and dispatch, place the Public Way in a condition in compliance with the Grantor's reasonable standards and specifications.

SECTION 5. REGULATION OF SERVICE

The System of Grantee shall at all times be installed, operated and maintained in accordance with accepted good practice and in such condition as will enable the Grantee to furnish adequate and continuous service as required by the orders, rules and regulations of the Railroad Commission of Texas or other regulatory authority having jurisdiction. The requirements set forth in this Section shall not relieve Grantee of any other obligations set forth herein.

SECTION 6. DEPTH OF PIPELINES

After the operative date of this franchise, Grantee's main or lateral lines installed or replaced in Public Ways shall be installed or replaced at depths which comply with all applicable state and federal rules and regulations establishing minimum safety standards for the design, construction, maintenance and operation of pipelines. Depth shall be measured from the lower of existing grade or proposed future grade as set forth on plans or other specifications existing at the time such lines are installed or replaced.

SECTION 7. DUTY TO MOVE OR ALTER LINES

A. Grantor reserves the right to lay or permit to be laid cables, electric conduits, water, sewer, gas or other pipelines and to do or permit to be done any underground work deemed necessary and proper by the Grantor, along, across, over or under the Public Ways. In permitting such work to be done, the Grantor shall be liable to the Grantee for any damage to Grantee's pipelines and facilities caused by Grantor or its agents' or contractors' negligence.

B. When Grantee is required by Grantor to remove or relocate its mains, laterals, and other facilities to accommodate construction of streets and alleys by the Grantor, and Grantee is eligible under federal, state, county, local or other programs for reimbursement of costs and expenses incurred by Grantee as a result of such removal or relocation, and such reimbursement is required to be handled through Grantor, then Grantee's costs and expenses shall be included in any application by Grantor for reimbursement. Grantee will provide the Grantor its appropriate cost and expense documentation prior to the filing of the application.

C. When Grantee is required to remove or relocate its mains, laterals or other facilities to accommodate construction of streets or alleys by the Grantor without reimbursement, Grantee shall have the right to seek a surcharge to recover relocation costs pursuant to Section 104.112 of the Texas Utilities Code or any other applicable law or regulations.

D. If Grantor shall require the Grantee to adapt or conform its System or in any way to alter, relocate or change its property to enable any other person, firm, corporation or entity (whether public or private), other than the Grantor, to use the Public Ways, the Grantee shall be reimbursed by the person, firm corporation or entity desiring or occasioning such change for any and all loss, cost or expense occasioned thereby.

SECTION 8. INDEMNIFICATION

Grantee shall indemnify, save and hold City harmless from and against any and all claims for damages for which the City shall or might become liable to the extent caused by any negligent act or omission of Grantee, its agents or contractors in the construction and operation of the System; provided, however, that in the event of such claim or claims being prosecuted against the City, Grantee shall have the right to defend against the same, and to settle or discharge same in such manner as it may see fit, and the City shall give prompt written notice to Grantee of the presentation or prosecution of such claims. The indemnity provided for in this paragraph shall not apply to any liability resulting from the acts, omissions, or negligence of the City, its employees, agents or contractors.

SECTION 9. GRANTEE'S RULES AND REGULATIONS

The Grantee shall have the right to make and enforce such reasonable rules and regulations as it may deem necessary for the extension of its facilities, the sale of its gas and the conduct of its business, provided that such rules and regulations shall neither be in conflict with the laws of the State of Texas, with the orders, rules or regulations of the Railroad Commission of Texas or other regulatory authority having jurisdiction, nor with the ordinances and regulations of the Grantor insofar as they are consistent with the jurisdiction of the Railroad Commission of Texas or such other regulatory authority. Grantee shall supply natural gas and provide regulated services at the rates and under the terms and conditions specified by such rules, its tariffs filed with the City, and as provided herein.

SECTION 10. INSPECTION OF RECORDS

Grantee shall permit Grantor or its agents to inspect, during regular business hours, the books, papers and records kept by Grantee in the ordinary course of business and pertaining to the natural gas business carried on by it in the City, such as plats, maps and atlases identifying Grantee's pipelines in the City, and the books and records necessary to verify the franchise fee payment provided for in Section 11 hereof. Notwithstanding the obligation herein, Grantee shall have the right to the reasonable protection of proprietary information and to provide redacted documents or require Grantor or its agents to enter into such agreements pertaining to confidentiality as may reasonably protect the proprietary information of Grantee but which do not unreasonably frustrate the purposes of this Section or conflict with Texas law. Grantor shall promptly notify Grantee in writing of areas newly annexed into or de-annexed from the corporate limits of Grantor, and

Grantee shall update its records for the purpose of payment of franchise fees as soon as reasonably practicable after receiving such notice.

SECTION 11. CONSIDERATION FOR FRANCHISE: FRANCHISE FEE

A. As full consideration for the rights and privileges conferred by this Ordinance, Grantee agrees to pay Grantor as follows:

- (1) Grantee shall collect the Franchise Fee from its Customers and shall pay Grantor a Franchise Fee the sum of which is equal to four percent (4%) of the Gross Receipts received by Grantee, per billing period, from the transportation, distribution, and sale of natural gas for consumption within the municipal corporate limits of the City. The Franchise Fee shall include only Gross Receipts from Gas Sales to Customers located in the City; Gross Receipts from Gas Transportation to Transport Gas Customers with re-delivery points located in the City; plus, Gross Receipts from Utility Regulated Service Charges. All sums due from Grantee shall be in lieu of all other franchise fees, licenses, or occupational taxes, which may be levied or attempted to be levied on Grantee by the City.
- (2) Grantee shall pay such Franchise Fee collected from its Customers to the Grantor under the terms of this Ordinance, based upon meters read on or after the effective date of this Ordinance. During the term of this Ordinance, Grantee shall collect from its Customers and pay the City in January and July for the preceding six months. Grantee shall include with the Franchise Fee payment a statement showing its collections of Gross Receipts from Gas Sales and Gas Transportation in the City, and Utility Regulated Service Charges in the City, including the calculation of the Franchise Fee for the subject time period. Collection and payment of Franchise Fee shall be final as to both parties unless questioned by written notice provided by one party to the other within one year after payment thereof has been made.

It is expressly agreed that the Franchise Fee payments shall be in lieu of any payments for the right to use the Public Ways or other public rights-of-way of the City, including expressly the charge permitted to be levied by the Texas Tax Code Sections 182.021-182.026 and 182.081-182.082, or any successor statute permitting such a charge, however designated. The Franchise Fee shall be in lieu of and accepted as payment of all of Grantee's obligations to pay all other franchise fees, licenses, easement or occupation taxes, levies, exactions, rentals, street-cut fees, inspection fees, right of way inspection fees, permit fees, franchise fees, easement taxes, or charges of any kind whatsoever which may be levied or attempted to be levied in general by the City for the use of City's Public Ways and other rights-of-way, with the sole exception of sales taxes, ad valorem taxes and special assessments which are made without reference to or dependence upon Grantee's franchise or occupancy of the streets and public right of way, e.g., special assessment paving liens.

The rights, privileges, and franchises granted by this Ordinance are not to be considered exclusive, and City hereby expressly reserves the right to grant, at any time as it may see fit, like privileges, rights, and franchises to any other person or corporation for the purpose of furnishing gas in the City. In the event any entity (other than Grantee) providing gas sales or gas transportation service

to Customers within the City is subject to a lesser franchise fee than is required to be collected and paid by Grantee in this Ordinance, then with respect to such gas sales or transportation service to those Customers, Grantee's Franchise Fee obligation on sales or transportation service to those Customers will be reduced to a rate equal to the franchise fee rate required to be paid by such other entity.

Unless expressly set forth herein, or otherwise provided by law, by accepting this Ordinance, Grantee does not agree to be responsible for the payment of franchise fees other than as expressly set forth herein, or for the payment of franchise fees owed to the City by any other entity, corporation or firm.

SECTION 12. CONDITIONS OF FRANCHISE

This contract, franchise, grant and privilege is granted and accepted under and subject to all applicable laws and under and subject to all of the orders, rules, and regulations now or hereafter adopted by governmental bodies now or hereafter having jurisdiction.

To the extent that all or any other existing ordinance shall conflict with any provision of this Ordinance, this Ordinance shall prevail upon passage, adopting and acceptance of this Ordinance.

SECTION 13. INVALIDITY OF ORDINANCE

If any clause, sentence, or section of this Ordinance shall be held to be invalid, it shall not affect the remaining portions of this Ordinance, which shall remain valid and effective as if such invalid provision did not exist, although the parties shall be entitled to a judicial interpretation or construction of this Ordinance to address the validation of such provision by minimal amendment thereof. Further, should any governmental body now or hereafter having jurisdiction determine that Grantee shall not be permitted to collect in whole or in part the compensation due Grantor by others for Transport Gas as set forth in Paragraph (2) of Subsection A of Section 11 of this Ordinance, Grantee shall thereafter have no obligation to make such payment to Grantor and Paragraph (2) of Subsection A of Section 11 shall be of no force and effect with regard to the sale of Transport Gas.

SECTION 14. EFFECTIVE DATE AND TERM

This Ordinance shall take effect and be in full force from and after its final passage and approval by the City Council and the acceptance hereof in writing by Grantee as herein provided. This Franchise Ordinance shall continue and remain in full force and effect for a period of twenty-five years from the effective date.

SECTION 15. ACCEPTANCE BY GRANTEE

Grantee shall have sixty days from the execution of this Ordinance within which to file in the office of the City Clerk its consent to and written acceptance of provisions and conditions of this Franchise Ordinance.

SECTION 16. REPEALER

Each and every other ordinance or part thereof which is directly in conflict with any provision herein as to the grant of a franchise for natural gas services and the regulation thereof is hereby repealed.

SECTION 17. SEVERABILITY

The provisions of this Ordinance are severable, and if any part or provision hereof shall be adjudged invalid by any court of competent jurisdiction, such adjudication shall not affect or impair any of the remaining parts or provisions hereof.

READ, PASSED, ADOPTED AND APPROVED by the City Commission of the City of Rio Hondo, Texas, this ____ day of _____, 2022.

GUSTAVO OLIVARES
Mayor

ATTEST:

[-----]
City Secretary

APPROVED:

[-----]
City Attorney

The above and forgoing Franchise Ordinance and the grants, franchise, powers, rights and privileges thereto were accepted by Grantee this _____, 2022.

TEXAS GAS SERVICE COMPANY, a division of ONE Gas, Inc.

By: _____
SHANTEL NORMAN
Vice President-Operations, Texas Gas Service Company