

NOTICE OF ELECTION

THE STATE OF TEXAS §
JEFFERSON COUNTY WATER CONTROL §
& IMPROVEMENT DISTRICT NO. 10 §

TO THE RESIDENT QUALIFIED ELECTORS OF THE JEFFERSON COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10:

TAKE NOTICE that an election will be held in the Jefferson County Water Control & Improvement District No. 10, on the 7th day of November, 2017, in accordance with an Order adopted by the Board of Directors which is a part of this notice for all purposes and reads substantially as follows:

AN ORDER CALLING A BOND ELECTION TO BE HELD BY THE JEFFERSON COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10, MAKING PROVISION FOR THE CONDUCT OF A JOINT ELECTION, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO SUCH ELECTION

WHEREAS, the Board of Directors (the "*Board*") of the Jefferson County Water Control & Improvement District No. 10 (the "*District*"), hereby finds and determines that an election should be held to determine whether the District shall be authorized to issue bonds of the District in the amount and for the purposes hereinafter identified (the "*Election*"); and

WHEREAS, the District will enter into a joint election agreement with Jefferson County, Texas (the "*County*"), acting through its County Clerk (the "*County Clerk*"), and with other political subdivisions also conducting their elections jointly with the County (such other political subdivisions, collectively, the "*Participants*"); and

WHEREAS, a joint election agreement between or among (as applicable) the District, the County, and/or any Participants (the "*Agreement*"), is authorized and entered into in accordance with the provisions of §271.002, as amended, Texas Election Code, and will provide that the County will conduct all aspects of the Election on the District's behalf; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of the District to enter into a joint election agreement with the County and any Participants to conduct the Election in accordance with the laws of the State of Texas (the "*State*") and applicable federal laws; and

WHEREAS, an engineering report prepared by LJA Engineering, dated August, 2017 (the "*Report*") has been received and filed by the District pursuant to §49.106, Water Code; said Report open to inspection by the public and covering the plan, improvements, facilities, equipment and related costs as to the construction of water and wastewater system improvements together with maps, profiles and data fully showing and explaining the Report; and

WHEREAS, a summary of the estimated costs of the water and wastewater system and related facilities is as follows:

Water System Improvements	\$3,545,000
Wastewater System Improvements	366,000
Engineering, Permitting and Project Administration	635,000
Legal, Fiscal, Closing Costs and Fees	307,350
Contingency	586,650
TOTAL	<u>\$5,440,000</u>

WHEREAS, the Board hereby finds and determines that the necessity to construct various water and wastewater system improvements within the District necessitates that it is in the public interest to call and hold the Election at the earliest possible date to authorize the issuance of general obligation bonds of the District for the purposes hereinafter identified; and

WHEREAS, in accordance with the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall serve as proper notice of said election, and the President of the Board or other representatives of the District shall cause the notice to be published on the same day for two successive weeks, the first publication not less than 14 days prior to the date set for the election, in a newspaper published in the District or, if none is published in the District, in a newspaper of general circulation in the District. In addition, in accordance with §4.003(a)(2) of the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall be posted on the bulletin board used by the District to post meetings of the Board not later than the 21st day before the election. In accordance with §4.003(f) of the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall be posted on election day and during early voting by personal appearance in a prominent location at each polling place; in three public places in the boundaries of the District no later than the 21st day before the election; and on the District's internet website during the 21 days before the election if the District maintains an internet website; and

WHEREAS, it is hereby officially found and determined that holding the election on the November 7, 2017, uniform election date as established by §41.001(a), Texas Election Code, is in the public interest; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551 of Texas Government Code.

WHEREAS, the Board hereby finds and determines that the actions hereinbefore described are in the best interests of the qualified voters of the District.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE JEFFERSON COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10 THAT:

SECTION 1: The Election shall be held in the District on the 7th day of November, 2017 ("*Election Day*"), which is a uniform election date under the Texas Election Code, as amended, and is seventy-eight (78) or more days from the date of the adoption of this Order (the "*Order*"), for the purpose of submitting the following proposition to the qualified voters of the District:

JEFFERSON COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10
(entity ordering the election)

PROPOSITION A

"SHALL THE JEFFERSON COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10 BE AUTHORIZED TO ISSUE AND SELL UNLIMITED TAX BONDS IN ONE OR MORE SERIES OR ISSUES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,440,000 FOR THE PURPOSES OF THE DESIGN, ACQUISITION, PURCHASE, CONSTRUCTION, ENLARGEMENT, EXTENSION, REPAIR, MAINTENANCE, OPERATION AND DEVELOPMENT OF THE DISTRICT'S PLANTS, EQUIPMENT, WATER, WASTEWATER AND RELATED FACILITIES, IMPROVEMENTS AND ALL APPURTENANCES THERETO, SUCH BONDS TO MATURE SERIALY OR OTHERWISE (NOT MORE THAN TWENTY-FIVE (25) YEARS FROM THEIR DATE), IN ACCORDANCE WITH LAW; ANY ISSUE OR SERIES OF SUCH BONDS TO BEAR INTEREST PER ANNUM AT SUCH RATE OR RATES (PROVIDING THE NET EFFECTIVE INTEREST RATE OF ANY ISSUE OR SERIES) NOT TO EXCEED THE MAXIMUM RATE PER ANNUM AUTHORIZED BY LAW AT THE TIME OF THE ISSUANCE OF ANY ISSUE OR SERIES OF SUCH BONDS; AND SHALL THE BOARD OF DIRECTORS OF THE JEFFERSON COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10 BE AUTHORIZED TO LEVY AND PLEDGE, AND CAUSE TO BE ASSESSED AND COLLECTED, ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE DISTRICT SUFFICIENT, WITHOUT LIMIT AS TO RATE OR AMOUNT, TO PAY THE INTEREST ON THE BONDS, TO CREATE A SINKING FUND FOR THE PAYMENT OF THE PRINCIPAL OF SUCH BONDS, AS INTEREST COMES DUE AND AS PRINCIPAL OF THE BONDS MATURE, AND TO PAY THE COSTS OF ISSUANCE OF SAID BONDS?"

SECTION 2: The election precincts hereby established for the purpose of holding the Election and the polling places hereby designated for holding the Election in the election precincts are identified in **Exhibit "A"** to this Order (which is incorporated herein by reference for all purposes). Prior to the scheduled Election Day, the Board of Directors or the designees thereof, in coordination with the County Clerk, will identify and formally approve the appointment of the Presiding Judge, Alternate Presiding Judges, Election Clerks, and all other election officials for the Election, together with any other necessary changes to election practices and procedures and can correct, modify, or change the Exhibits to this Order based upon the final locations and times agreed upon by the District, the County Clerk, and the Participants, to the extent permitted by applicable law.

A. The Presiding Judge shall appoint not less than two (2) resident qualified voters of the County to act as clerks in order to properly conduct the Election. To the extent required by the Texas Election Code, as amended, or other applicable law, the appointment of these clerks must include a person fluent in the Spanish language to serve as a clerk to render oral aid in the Spanish language to any voter desiring such aid at the polls on Election Day. If the Presiding Judge appointed actually serves, the Alternate Presiding Judge shall serve as one of the clerks. In the

absence of the Presiding Judge, the Alternate Presiding Judge shall perform the duties of the Presiding Judge of the election precinct.

B. On Election Day, the polls shall be open as designated on **Exhibit "A"** or as hereafter determined by the County.

C. The main early voting location is designated in **Exhibit "B"** to this Order (which is incorporated herein by reference for all purposes). The individual named or designated as the Early Voting Clerk in the Agreement is hereby appointed as the Early Voting Clerk to conduct such early voting in the Election. The Early Voting Clerk shall appoint the Deputy Early Voting Clerks. This office or place shall remain open to permit early voting each day, with the exception of official State holidays, as stated in **Exhibit "B"**. Early voting shall commence as provided on **Exhibit "B"** and continue through the date set forth on **Exhibit "B"**, all as provided by the provisions of the Texas Election Code, as amended. Permanent branch and temporary branch offices for early voting by personal appearance shall be maintained at the locations and times designated on **Exhibit "B"** during the early voting period noted above.

D. An Early Voting Ballot Board is hereby established for the purpose of processing early voting results. The individual named or designated in the Agreement as the Presiding Judge of the Early Voting Ballot Board is hereby appointed the Presiding Judge of the Early Voting Ballot Board. The Presiding Judge shall appoint not less than two (2) resident qualified voters of the District to serve as members of the Early Voting Ballot Board.

SECTION 3: Electronic voting machines may be used in holding and conducting the Election on Election Day; provided, however, in the event the use of such electronic voting machines is not practicable, the Election may be conducted on Election Day by the use of paper ballots (except as otherwise provided in this section). Electronic voting machines or paper ballots may be used for early voting by personal appearance (except as otherwise provided in this section). Pursuant to §61.012, as amended, Texas Election Code, the District shall provide at least one accessible voting system in each polling place used in the Election. Such voting system shall comply with Texas and federal laws establishing the requirement for voting systems that permit voters with physical disabilities to cast a secret ballot. Paper ballots may be used for early voting by mail.

SECTION 4: The District shall also utilize a Central Counting Station (the "*Station*") as provided by §127.001, *et seq.*, as amended, Texas Election Code. The County Clerk, or her designee, is hereby appointed as the Manager and Presiding Judge of the Station and may appoint Station clerks and establish a written plan for the orderly operation of the Station in accordance with the provisions of the Texas Election Code. The Board of Directors of the District hereby appoints the County Clerk, or her designee, as the Tabulation Supervisor and the County Clerk, or her designee, as the Programmer for the Station. Lastly, the County Clerk will publish notice and conduct testing on the automatic tabulation equipment relating to the Station and conduct instruction for the officials and clerks for the Station in accordance with the provisions of the Texas Election Code.

SECTION 5: The official ballot shall be prepared in accordance with the provisions of the Texas Election Code, as amended, so as to permit voters to vote "FOR" or "AGAINST" the aforesaid proposition which shall appear on the ballot substantially as follows:

PROPOSITION A

FOR _____
AGAINST _____

THE ISSUANCE OF \$5,440,000 OF JEFFERSON COUNTY
WATER CONTROL & IMPROVEMENT DISTRICT NO. 10
UNLIMITED TAX BONDS, AND THE LEVY OF
ADEQUATE AD VALOREM TAXES TO PAY SUCH
BONDS

SECTION 6: All resident, qualified voters of the District shall be permitted to vote at the Election, and on Election Day, such voters shall vote at the designated polling place. The Election shall be held and conducted in accordance with the provisions of the Texas Election Code, as amended, except as modified by the provisions of the Texas Education Code, as amended, and as may be required by law. To the extent required by law, all election materials and proceedings relating to the Election shall be printed in both English and Spanish.

SECTION 7: In accordance with the Texas Election Code and §9051.254, Special District Local Laws Code, as amended, a substantial copy of this Order, appearing in English and Spanish, shall serve as proper notice of said election, and the President of the Board or other representatives of the District shall cause the notice to be published on the same day for two successive weeks, the first publication not less than 14 days prior to the date set for the election, in a newspaper published in the District or, if none is published in the District, in a newspaper of general circulation in the District. In addition, in accordance with §4.003(a)(2) of the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall be posted on the bulletin board used by the District to post meetings of the Board not later than the 21st day before the election. In accordance with §4.003(f) of the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall be posted on election day and during early voting by personal appearance in a prominent location at each polling place; in three public places in the boundaries of the District no later than the 21st day before the election; and on the District's internet website during the 21 days before the election if the District maintains an internet website.

SECTION 8: As required by and in accordance with §3.009(b)(5) and (7) through (9) of the Texas Election Code, added by the 83rd Texas Legislature, the District, as of its fiscal year beginning July 1, 2017, had outstanding an aggregate principal amount of debt equal to \$5,130,000; the aggregate amount of the interest owed on such District debt obligations, through respective maturity, totaled \$1,365,518.75; and the District levied an ad valorem debt service tax rate for its outstanding debt obligations of \$0.1919 per \$100 of taxable assessed valuation. The District estimates an ad valorem debt service tax rate of \$0.3320 per \$100 of taxable assessed valuation if the bonds that are subject of the Election are approved and are issued (taking into account the outstanding District bonds and bonds that are the subject of this Election, but not future bond authorizations of the District). This is only an estimate provided for Texas statutory compliance and does not serve as a cap on any District ad valorem debt service tax rate.

SECTION 9: The Board authorizes the President and the Board of Directors, or the designee of such parties, to negotiate and enter into one or more joint election agreements and/or similar contracts or agreements with the County Clerk and any Participants if desired or if required to comply with applicable law, as permitted and in accordance with the provisions of the Texas Election Code, as amended. In addition, the Board authorizes the President and the Board of Directors, or the designee of such parties to make such technical modifications to this Order that are

necessary for compliance with applicable Texas or federal law or to carry out the intent of the Board, as evidenced herein.

SECTION 10: It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 11: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 12: All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters ordered herein.

SECTION 13: This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 14: If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Order would have been enacted without such invalid provision.

SECTION 15: This Order shall be in force and effect from and after its final passage, and it is so ordered.

PASSED AND APPROVED this the 10th day of August, 2017.

**Jefferson County Water Control
& Improvement District No. 10**