



City Council Regular Called Meeting Agenda

COUNCIL CHAMBERS - 1209 FIORELLA STREET

Tuesday, August 26, 2025

5:00 PM

The City Council of the City of Castroville will meet in the Regular Called Meeting beginning at 5:00 p.m. or 6:00 p.m. in the Council Chambers at City Hall on the following items listed on the agenda.

I. Call to Order

II. Executive Session

The City Council will convene in closed session pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code for one or more of the following authorized reasons:

- a.** The City Council will meet in closed session pursuant to Texas Government Code Section 551.074, Personnel Matters, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the following public officers or employees:

- a. City Administrator R. Scott Dixon
- b. City Secretary Debra Howe
- c. Police Chief James Kohler

The foregoing officers or employees may request the discussion and deliberation be held as a public hearing rather than a closed session.

III. Reconvene in open session

IV. Roll Call

V. Pledge of Allegiance

VI. Invocation

VII. Citizen Comments

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone and state your name residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

VIII. Consider possible action(s) resulting from items posted and legally discussed in Executive Session.

IX. Consent Agenda:

- [a.](#) Minutes for August 01, 2025 Special Called Meeting
- [b.](#) Minutes for August 12, 2025 Regular Called Meeting
- [c.](#) Authorize a Memorandum of Understanding between the City of Hondo, City of Castroville, Medina County Sheriff's Department, and Medina Valley ISD Police Department.
- [d.](#) Authorize Change Order #1 in the amount of \$72,896.89 for the Community Development Grant Project # Waterline Project.
- [e.](#) Discussion and appropriate action on a resolution amending the Development Agreement for the City of Castroville Public Improvement District (The Heights of Castroville)
- [f.](#) Discussion and appropriate action on a resolution amending the Development Agreement for the City of Castroville East Side Public Improvement District No. 2 (Flat Creek)
- [g.](#) Discussion and possible action on a preliminary plat for Country Village Estates - Phase II.

X. Presentations

- [a.](#) Presentation by Mark Chadwick, Medina County Emergency Services Coordinator covering:
Outdoor Warning Sirens
I-Info Alert System / Alliance for Community Solutions (ACS)
Castroville's Emergency Management Plan component of Medina County plan
NIMS (National Incident Management System) training for public officials

XI. Mayor's Report:

- [a.](#) Proposed FY 26 Budget
- [b.](#) Proposed FY26 Property Tax Rates
- [c.](#) Proposed Debt Service/City of Castroville Bond Rating

XII. Public Hearing

- [a.](#) Public Hearing #2 and presentation on the 2025 No-New Revenue, Voter-Approval, and De Minimis Tax Rate Calculations.
- [b.](#) Public Hearing #1 and Presentation on FY25/26 Budget

XIII. Discussion and Action Items

- [a.](#) Discussion and possible action on Finance Report - General, Enterprise, Airport Funds and Municipal Court Report for July 2025.
- [b.](#) Discussion and possible action on the FY26 City Operating Budget including all budget proposals - General Fund, Utility System Enterprise, Airport Enterprise and steps to dissolve the Castroville Economic Development Corporation.
- [c.](#) Discussion and possible action regarding the 2025 Tax Rates, including a review of the No-New-Revenue, Voter-Approval, and De Minimis Tax Rate calculations.
- [d.](#) Discussion and appropriate action on Adopting Comprehensive Fee Schedule Ordinance.

- e. Consideration and Approval of an Ordinance authorizing the City's Combination Tax and Revenue Certificates of Obligation, Series 2025 in the maximum amount \$7,000,000, for the purposes set forth in the City's Notice of Intention, payable from the proceeds of an Annual Ad Valorem Tax Levied, within the limitations prescribed by Law, upon all taxable property in the City, and a pledge of certain revenues of the City's combined Utility System; and other matters in connection therewith.
- f. Discussion and possible action on the proposed Gas Utility Rate Adjustment Options.
- g. Discussion and possible action to adjust the FY 2026 Airport Fund and General Fund budgets to allocate Airport Security costs in accordance with City Ordinance Chapter 18, Section 18-73.
- h. Discussion and appropriate action on authorizing a contract for the purchase of 43 acre feet of Edwards Aquifer Water Rights from Uptmore Family Limited Partnership.

XIV. City Administrator Report

- a. Drainage Projects
 - b. Highway 90 TxDot Construction
 - c. Streets, Maintenance and Paving Plan
 - d. WWTx Plant Ponds
 - e. CPS Energy Dispute
 - f. Community Center Construction
 - g. Lions Park Splash Pad
 - h. Community Development
 - i. Economic Development
 - j. Airport Operations
 - k. Library
 - l. Code Compliance
 - m. Animal Control
 - n. Police Department
 - o. Tourism - Business

XV. Discussion on Future Agenda Items

XVI. Adjourn

Accessibility Statement

The City Hall is wheelchair accessible. The exit and parking ramps are located at the rear of the building.

Non-Discrimination Statement

The City of Castroville does not discriminate on the basis of race, color, national origin, sex, religion, or disability in the employment or the provision of services.

The City Council of the City of Castroville reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, Castroville, Texas on August 22, 2025 before 6:45 p.m.

/s/ Debra Howe

City Secretary

**CITY OF CASTROVILLE CITY COUNCIL
SPECIAL CALLED COUNCIL MEETING
1209 Fiorella
City Council Chambers
August 01, 2025
Tuesday
11:00 A.M.
MINUTES**

I. CALL TO ORDER

Mayor Bruce Alexander called the meeting to order at 11:01 a.m.

II. ROLL CALL

Present:

Mayor Bruce Alexander	Scott Dixon, City Administrator
Mayor Pro Tem Sheena Martinez	Debra Howe, City Secretary
Councilmember Houston Marchman	Forest Knutson, Police Detective
Councilmember Phil King	John Gomez, Public Works Director
Councilmember David Merz	Jonah Chang, Parks and Recreation Director
Councilmember Robert Lee	

II. CITIZENS COMMENTS

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone, and state your name and residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. Speakers making personal, impertinent, profane, or slanderous remarks will be given one warning before losing the privilege to speak or may be removed from the room. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

No one requested to speak.

III. DISCUSSION AND ACTION ITEMS

a. Discussion and review of FY25/26 proposed Operating Budget General Fund (GF) Line-Item expenditures including wants vs. needs

City Administrator Scott Dixon briefed the City Council on the proposed General Fund budget expenditures. Mr. Dixon said the original thought had been a \$700,000 deficit but after reductions and reallocation the budget was balanced. Mr. Dixon said the City Council would make the choice of what level of services as the policy makers. Councilmember Lee clarified the \$700,000 deficit had been resolved. Mr. Dixon said the city would be approximately \$40,000 to the good. Mr. Dixon said they had cut approximately \$400,000 from the police department, parks, and revisited the estimated Sales Tax and increased the revenues for the coming year. Mr. Dixon provided the unfunded GF expenditures that included City Administrator – full time intern, increase in attorney fees, increase in building and maintenance, City Secretary – digitalization, Finance – Audit services (single audit), increase in awards/recognition, and Incode Cloud Based services; Library – maintenance, outside services, patron computers, self-checkout station, ADA door opener, keyless entry; Police – new detective position, K9

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purchase and supplies; Municipal Court – court clerk, increase in Judge and Prosecutor services due to two courts per month; Community Development – increase in Engineering services, and increase in contracted services; Street – increase in travel, equipment purchases – SCAG mower, attenuator for dump truck, increase in maintenance and repairs, traffic control- stop signs and street signs; Parks and Recreation – full time building/ground maintenance, utility expenses (Community Center Building) uniform expense, increase in travel/training, vehicle maintenance/repairs, and miscellaneous park improvements; RV Park – Park improvements, building repairs, and ground maintenance; Swimming Pool – pool equipment upgrades, and building maintenance/repairs; Animal Services/Code Enforcement – part-time employee and body cameras; Tourism/ Business development – reduced; Information Technology – secondary internet backup for City Hall, Public Works, Library, Police and Parks, increase in contracted services, increase computer hardware upgrades; and non-departmental – increase in unemployment insurance and copier lease overages. Councilmember Martinez wanted to fund the new detective position and purchase of a K9 and supplies. Councilmember Lee was not in favor of digitizing at that time but felt the records should be indexed first then digitize after that. Mayor Alexander wanted additional funds put in for the street maintenance crew to maintain drainage and he was willing to sacrifice other items to do this. Mr. Dixon said the City Council had approved drainage funds for debt service for the Geneva Street project. Mr. Dixon said the street department was understaffed and would need more people to cover the street and drainage maintenance. Councilmember Martinez said she had asked for general fund operational vs. one-time expenditures wanting the top three priority items from department heads. Ms. Martinez was in favor of maintenance on City Hall, Library, purchase a K9 for Police Department, purchase street department equipment- SCAG mower and for safety reasons an attenuator for dump truck. Mayor Alexander wanted to clarify the incinerator located at the wastewater treatment plant area was not to be used to euthanize animals. Mr. Dixon said the city received a grant approximately two and one half from ACCOG and the city was still in the process of getting the incinerator approved by TCEQ. Councilmember Martinez asked about the \$67,700 for IT shown in unfunded and wanted to make sure that was enough. Mr. Dixon said that was on top of the budgeted amount. Mr. Dixon said the City Council could look at one-time expenditures for additional internet back to Police Department, City Hall, Public Works, Parks, and Library for an automatic switch over option. Mayor Alexander wanted staff to look at what each building would need for security cameras. Councilmember Martinez asked about TxDOT project on moving items out of their right of way. Mr. Dixon said that would be a bid with TxDOT to do. Ms. Martinez asked about the pool heaters and if all were in working order. Mr. Dixon said they were. Councilmember Lee had asked about heater coverings and it was an unfunded expense of approximately \$2500. Mayor Alexander hoped the heaters/pool was in good order and more people would start to use. Councilmember Lee said he had sent over a request for the Parks and Recreation Board look at ways to heat the pool at a lesser cost. Mayor Alexander asked if there was any more expenses associated with the pool and one-time expenses. Mayor Alexander wanted a true number of reserves to know what they could use. Mr. Dixon said the \$450,000 was not reflected in the current reserves. Councilmember Marchman asked for the heated temperature for the pool. Parks Director Jonah Chang said 80-83 degrees. Mr. Dixon said the parks budget for the outdoor changing areas and restrooms had been removed, but was still needed for a better use of the pool. The IT budget for VC3 contract was at \$140,000; public works looking at changing out street lights for LED lighting; street repairs was shown at \$35,000. Councilmember Marchman asked about the pond project costs. They were not shown in the General Fund. Rental equipment/ in-house costs lower.

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Councilmember Merz felt the best value was experience and was glad the city was closer to plan for streets maintenance. Mr. Dixon said he would look at CIP on drainage. Mr. Dixon was still in support of a tax increase to close the gap on maintenance. Mayor Alexander said I & S and O & M would change with doing more projects and one would drop and other go up. Councilmember Lee felt the city should engage with the Chamber of Commerce for them to do more promoting of the city and use some of the funds allotted to the Tourism budget for streets. Mr. Lee suggested cutting back on IT and rebidding the contract. Mr. Lee said he was not in favor of reducing the work force but was more in favor of increasing the number of street/facility people. Mr. Lee said the Library needed better security, and wanted indexing before digitizing records. Court increases was a wash, Police department- more community policing. Mr. Dixon said the higher cost for police department was offset by a Stonegarden Grant that the department received for two police officers and it paid for overtime for patrolling on Hwy 90. Mr. Lee said the city had to maintain the streets and facilities and he felt the RV Park did not serve the citizens.

Mayor Alexander called a short recess for lunch at 12:57 p.m.
Mayor Alexander reconvened in open session at 1:12 p.m.

City Administrator Dixon said the city did budget for a single audit for the coming year. Mayor Alexander was not in favor of special activities being shown in other departments and wanted removed and placed under the City Administrator's budget. Mayor Alexander questioned the vehicle allowances for some department heads and the take home policies of city vehicles. City Secretary Debra Howe spoke on her receiving an allowance for the past 18 years for doing errands for the city. Mr. Dixon said the police department had very few vehicles taken home. City Council wanted fees for the Library and Community Development looked at for possible increases. Mayor Alexander said he had a complaint on the contracted inspector not doing the job properly. Mr. Dixon said they would look into. Mayor Alexander felt the Animal Control and Code Enforcement should be a dedicated position not a dual position. Economic Development should have Chamber of Commerce more involved, a COLA shown at 3% for all employees, Mayor Alexander disagreed on certification pay – should adjust the salary and look at the fleet list on vehicle/equipment replacement. Detective Forest Knutson was present and handed out information to support the request for an additional detective in the department. Councilmember Marchman asked if they had a plan for the growth and when to add additional officers. Mr. Marchman asked Detective Knutson if he felt they could utilize a K9 unit. Detective Knutson said they could and there might be a grant the department could use for the purchase. City Council was in favor of that option. It was clarified the streets department of three doubled for the maintenance on the gas system at this time with a request for one new dedicated position. Parks Department had two and a half persons plus the Parks Director. Mr. Dixon said he felt a full time position for right of way and drainage maintenance was warranted. Councilmember Martinez asked about the part-time airport manager and when this position would go full time. Mr. Dixon said he felt the current manager was not ready to take on the full responsibilities of the airport manager position yet. Councilmember Martinez felt with the growth coming the part-time manager should take over and Ms. Soto could concentrate on the development. Mayor Alexander felt Ms. Soto could be moved off sooner rather than later due to growth. Councilmember Merz asked if they were looking to expand the street crew. Mayor Alexander said they should look at adding a full time gas employee. Councilmember Lee wanted funds placed in the budget for street maintenance.

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Councilmember Merz asked what amount should they add. It was agreed a good number was \$400,000 - \$450,000 from the reserves in for street work either in partners with the county or in-house. Councilmember Marchman asked if the city had a street plan. Mr. Dixon said they did but it was to do the streets with no water or sewer issues first. Councilmember Merz felt a good range for the street maintenance was between \$250,000 to \$400,000 and the budget would be balanced with the use of fund balance. City Council discussed options for City Hall, Public Works yard, and Police Department for new buildings or remodel. Mr. Dixon said police department needed space and could be moved to city hall or build new building. Public works could be moved to the wastewater treatment plant area, possibly locate where the ponds are located or out at the airport. Mr. Dixon asked what the City Council's vision would be for the public works yard. Councilmember Merz said he would like to see the numbers to see what made sense, whether the remodel of City Hall, build a new Police facility and build a new Public Works facility or build new City Hall, move Police to City Hall building with minor remodel and new Public Works facility. Councilmember Marchman said he had experience in his hometown when they remodeled the courthouse and he thought it would be better to move the City Hall but would like to see the numbers. From this work session the City Council was in favor of adding \$250,000 to the streets maintenance program from General Fund reserves, add a new detective position, purchase of a K9 if grant funds were available, hiring freeze in General Fund other than police, supported Library request for maintenance and technology, supported new mower (SCAG), and staff was to research State base pay for wage/benefit comparison to city. Mayor Alexander said the budget had a 3% COLA included and wanted pay adjustments and look at the city partnering more with the Chamber of Commerce for promoting the city.

Enterprise Utility and Airport Line-Item expenditures including wants vs. needs
Staffing - positions, qualifications based on job descriptions, pay rates, current staffing levels
including wants vs. needs to maintain quality services

The other items listed – Enterprise Utility and Airport, and staffing were not discussed and would be discussed at the next council meeting.

IV. ADJOURN

Mayor Alexander adjourned the meeting at 2:57 p.m.

 Mayor

ATTEST:

 City Secretary

**CITY OF CASTROVILLE CITY COUNCIL
REGULAR CALLED COUNCIL MEETING
1209 Fiorella
City Council Chambers
August 12, 2025
Tuesday
5:00 P.M.
MINUTES**

I. CALL TO ORDER

Mayor Bruce Alexander called the meeting to order at 5:03 p.m.
A quorum was present.

Mayor Alexander recessed the meeting to go into executive session at 5:05p.m.

II. EXECUTIVE SESSION

The City Council will convene in closed session pursuant to the Texas Open Meetings Act, Chapter 551.071 Consultation with the Attorney of the Texas Government Code for one or more of the following authorized reasons:

Open: 5:07 p.m.
Closed: 5:42 p.m.

- a. The City Council will meet in closed session pursuant to Texas Government Code Section 551.074, Personnel Matters, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the following public officers or employees:
 - a. City Administrator R. Scott Dixon
 - b. City Secretary Debra Howe
 - c. Police Chief James Kohler

This item was not conducted.

The foregoing officers or employees may request the discussion and deliberation be held as a public hearing rather than a closed session.

- b. Section 551.072 (Deliberation Regarding Real Property)
 - A. Approximately 6.65 acres of land in Medina County for Right-of-Way.

Opened: 5:47 p.m.
Closed: 5:53 p.m.

III. RECONVENE IN OPEN SESSION

Mayor Alexander reconvened in open session at 6:01 p.m.

IV. **ROLL CALL**

Present:

Mayor Bruce Alexander

Mayor Pro Tem Sheena Martinez

Councilmember Houston Marchman

Councilmember David Merz

Councilmember Robert Lee

Scott Dixon, City Administrator

Debra Howe, City Secretary

Breana Soto, Community Development Director

Darin Hamm, Tourism/Business Director

Absent:

Councilmember Phil King

Others in attendance:

Dan Santee, City Attorney, Denton, Navarro, Rodriguez, Benal, Santee & Zech (during the executive Session only)

V. **PLEDGE OF ALLEIGENCE**

VI. **INVOCATION**

Pastor Matt Gutierrez of the Discovery Church gave the invocation.

VII. **CITIZENS COMMENTS**

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone, and state your name and residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. Speakers making personal, impertinent, profane, or slanderous remarks will be given one warning before losing the privilege to speak or may be removed from the room. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

No one requested to speak.

VIII. **Consider possible action(s) resulting from items posted and legally discussed in Executive Session**

A motion was made by Councilmember Merz and duly seconded by Martinez to authorize the City Administrator to negotiate the purchase and sale agreement for 6.65 acres in Medina County for Right-of-Way. Discussion followed before a vote was taken.

Councilmember Lee had questions about if the city purchased the property would the city be responsible for maintenance until the road was built. City Administrator Dixon said they would, as it was like any other right of way. Mr. Dixon said the northern route did not have a timeline to be built and Alsatian Oaks was already approved with a 60 ft. right of way before the northern route was conceived. Mr. Dixon said the City Council had an example from the executive session. Councilmember Lee asked from the examples would Alsatian Oaks build on the areas shown if the city did not purchase. Mr. Dixon said it was an ongoing discussion. Mr. Dixon said the city had looked at the area with the school and county for traffic relief and it

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was up to the City Council if they wished to pursue this future project. Mayor Alexander said basically the city would purchase and donate the land and future developments would need to agree to the wider right of ways. Mr. Dixon said the Flat Creek Development had donated the additional land. Mr. Dixon said the County Engineer was tasked with trying to plan the best route. Councilmember Marchman said in looking at the area the 6.65 acres would still not reach FM471. Mr. Dixon said that was correct about the same length left. Councilmember Lee asked if TxDOT had looked at a loop. Mr. Dixon said he wasn't sure, but if this did not work they were looking for a route around the city to Uvalde.

A vote was taken (3 ayes: 1 nay (Lee)) the motion carried by a majority vote.

IX. CONSENT AGENDA

- a. Minutes for July 22, 2025 Special Called Meeting
- b. Minutes for July 22, 2025 Regular Called Council Meeting

Councilmember Lee had submitted a few changes to the July 22, 2025 Regular Called Meeting minutes to the City Secretary. City Secretary Howe provided the City Council with the corrections.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to approve the consent agenda with noted changes. A vote was taken (4:0 all ayes) the motion carried by all present.

X. PRESENTATIONS

- a. **Presentation and discussion of the draft Vision and Goals for the Castroville Active Transportation Plan**

Kalynn Levine, with Toole Design and Community Development Director Breana Soto gave a presentation on the Planning Grant the City had received from TxDOT. Ms. Soto said TxDOT had awarded the project to Toole Design out of Austin. Ms. Levine said they had worked on over 350 transportation projects. Mayor Alexander asked the amount of the grant. Ms. Soto said it was for \$200,000 with the project budgeted for \$207,430. Ms. Levine said the project would be from June 2025 to May 2026 with extensive research on past plans for the City. Ms. Levine said they were working to have safety, connectivity, access, and community. Ms. Soto said they were starting the phase to identify the needs of the community and there would be a stakeholder committee. Councilmember Lee asked if this study was on existing Castroville area or further outside of City. Ms. Soto said it was inside City but a little was in the ETJ. City Administrator Dixon said the City needed the study to be eligible for grants. Councilmember Martinez suggested having representatives from the east and westsides. Mayor Alexander asked if this would be a City committee. City Administrator Dixon said it would be and this would be brought back for appointments. Mr. Dixon said they could decide on the composition of the board then approve. Mayor Alexander recommended two citizens per district to serve on the committee. Councilmember Lee was excited about the plan and said the city had been talking about something like this for years. Mr. Lee said the key was to get the right people on the board and he recommended including one from the Historic Landmark Commission. The City Council agreed there should be (1) City Council rep, (1) Planning and Zoning, (1) Parks and Recreation, (1) Business, (1) School, (2) community representative, and at least (2) from each district. Ms. Soto said she recommend for the school rep. to have someone from the elementary and possibly from the Coffee Shop to serve as business

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representative. There would also be three or so pop-up events and this would be brought back to the next meeting.

b. Presentation on the Castroville Gas Utility distribution system including the results of the recent Railroad Commission audit and system capacity study

Jeff Rogers, with Engineered Utility Solutions, Inc. briefed the City Council on the city gas system and the results of the Railroad Commission's audit. Mr. Rogers said the recent audit showed six violations and gave kudos to public works for correcting quickly. Mr. Rogers said the City system was in good condition noting the system can support the Town East Crossing and Flat Creek Subdivision on the eastside without compromising normal operations. Mr. Rogers said the key recommendations were: for better support of the east increase Pear Tree outlet pressure to support the anticipated future growth; add a DRS on the north side of Hwy 90; update model with meter coordinates to refine model accuracy; update and maintain GIS mapping for the gas system to mirror model; verify locations where maps and field appurtenances do not match; stay up to date on latest procedures and best practices were implemented for compliance; look at applying for grant opportunities for replacement of older facilities, training and possibility adding a new supply station; and look at potential for a second supply station to support system resiliency. Mr. Rogers said in the future the City would need to look at a system on the high side. Mayor Alexander said that was the main supply line and a new line was a major cost, probably between \$4-\$5 million. Mr. Rogers said the study he completed was interior only and not coming off the high pressure line. City Administrator Dixon said the City would continue to expand and recommended doing a small project to loop the system, keeping the rates reasonable. Councilmember Lee asked if the Shrimp Farm in LaCoste had been included in the study and to look at a SCADA system sensors for the gas. Mr. Rogers said they did include the data in the study and Mr. Dixon said staff were looking at alternative sources for natural gas and would look at an additional feed to the main system.

XI. MAYOR'S REPORT

- a.** Mayor Alexander will speak on the following subjects:
- Budget Process
 - Customer Service
 - Ordinance Review

Mayor Alexander read his comments on the budget process and the City Council held work session to go over the various departments request. Mayor Alexander said the General Fund, Enterprise Fund, and Airport Fund would be reviewing further later in the meeting. Mayor Alexander said customer services were an important part of the City and staff should always take the time to work with the customers. Mayor Alexander said the City Council and City staff work for the citizens. Mayor Alexander reported he wanted to look at assigning City boards, with staff and Council liaisons to look at current ordinances associated with that board for changes. Mayor Alexander said once the boards reviewed, made recommendations, sent for legal review, the City Council would then consider. Councilmember Lee suggested they come to council for review before sending to the attorney.

XII. PUBLIC HEARING

- a. Public Hearing and Presentation on Tax Rate Public Hearing #1**

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Opened: 7:00 p.m.

City Administrator Scott Dixon provided an overview of what the current exemptions Castroville citizens had including the over 65 tax freeze and the homestead exemptions. Mr. Dixon said the City was one of two in Medina County that passed the over 65 exemption several years ago. Councilmember Marchman asked for Mr. Dixon to explain what the I & S and M & O were. Mr. Dixon said the I & S was used to repay debt issued by the City along with General Funds, or Utility Funds and the M & O was used for maintenance and operations for the city. Mr. Dixon said Alsatian Oaks Development agreement was nothing on the M & O but paid 100% of the I & S. Mr. Dixon said the tax rate of 0.5233 had been adopted for the last four years and provided the new tax rates sent from the Medina County Tax Appraisal District. The rates were: No New Revenue – 0.5286, Voter Approval Rate – 0.5982 and De Minimis Rate – 0.6289. Mr. Dixon provided the current rate – M & O 0.3487 + I & S 0.1746 = 0.5233, proposed rate – M & O 0.4015 + I & S 0.1218 = 0.5233, Voter Approval Rate – 0.4764 + 0.1218 = 0.5982. Mr. Dixon said the average home value in Castroville was the highest in the county at \$300,405 and provide three options for the City Council to see the amount due for taxes at 0.5233 - \$1,572.01, New Debt – 0.5915 - \$1776.89 and Voter Approval Rate – 0.5982 - \$1797.02 (all amounts shown without exemptions). Mr. Dixon said there would be a second hearing on the tax rate on August 26th and the first public hearing on the budget.

Tammy Alexander, 516 Vienna, spoke on the tax rate and asked that the City Council keep the current rate as they had promised they would for five years. Ms. Alexander said the city had many citizens on fixed incomes.

Closed: 7:22 p.m.

XIII. CITY COUNCIL LIAISON REPORTS

Airport – August 4, 20205 – Martinez
 Historic Landmark Commission – July 15, 2025 – King
 Library – July 10, 2025 – Lee
 Parks and Recreation – July 9, 2025 - Merz
 Planning & Zoning Commission – Marchman – No Meeting.

Councilmember Martinez was unable to attend the Airport meeting. City Administrator Dixon did attend and said the board discussed budget items, the suggested changes to the pilot's lounge, airport manager's office and fuel pricing. Mr. Dixon said the board would be writing up their recommendations. Mr. Dixon said John Klaerner was re-elected as Chairman and Kirby Turner was elected secretary.

Councilmember King was absent from the council meeting. HLC Chairman Priscilla Garrett was in attendance and said the board reviewed and approved the signage design listed on the agenda for action.

Councilmember Lee said the Library Board had met and there were two full board positions open. Mr. Lee said the board was working on a Master Plan and felt it was a good group.

Councilmember Merz said the Parks Board did meet and discussed shading at Lions Park, park grant submitted for an all-inclusive playground. Mr. Merz said the board looked at the CIP Projects and wanted to have a siren installed in the parks. Mayor Alexander said this needed to be coordinated with City and County to be on the same page. Mr. Dixon said staff were looking at moving the sirens and was researching the best areas to relocate.

XIV. DISCUSSION AND ACTION ITEMS

a. Discussion and appropriate action regarding the proposed tax rate and related debt issuance

City Administrator Scott Dixon gave the City Council three options and said issuing debt would raise rates and it may be better to look at during the CIP workshop for General Fund issuing debt. The options were (1) issue only Utility Fund Debt and maintain the current 0.5233, (2) issue General Fund Debt but use I & S Fund reserves at approximately \$571,000 as of 9/30/25 to cover initial debt service with no new Certificates of Obligation. The annual payment would be \$225,000 and the current rate would stay the same, (3) raise the tax rate and issue the planned amount of 3.5 million and raise to the total tax rate of 0.5915. Mr. Dixon said from a financial standpoint the property values were conservative but not budgeted were the disputed property values. Mr. Dixon stated the tax calculation work sheet was very confusing when trying to calculate. Councilmember Lee said the City did not have the money in the general fund and would be using reserves to fix streets and other maintenance items and he felt the City Council needed to look at going up on the Tax Rate some to become more in line with expenses. Mr. Lee said when the City Council agreed on the 3.5 million for several projects the City Council needed to be responsible and raise taxes somewhat. Councilmember Merz asked if raising the tax rate would effect citizens over 65 and it was said those over 65 were frozen and it would not. Mr. Merz agreed with Councilmember Lee that there were costs to improve drainage, street improvements and he would be one to pay the increase. Mr. Merz said there was a street plan and would be funded out of reserves. Mr. Merz was interested to hear on tax rate to bring streets into M & O. Mr. Dixon said they would need to look at cost level of doing streets on a continuous basis.. Some of the streets needed to be rebuilt totally. Mr. Dixon said the City Council would need to take action on a rate for the Bond Counsel.

A motion was made by Councilmember Lee and duly seconded by Councilmember Merz to ratify the city's intent to issue 3.5 million for General Fund Debt. A vote was taken (3 ayes: 1 nay (Marchman) the motion carried by a majority vote.

b. Discussion and appropriate action to authorize the placement of decorative sign in the commercial historic district

Tourism/Business Director Darin Hamm provided the City Council designs of historic signage to be installed in the commercial historic district.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to approve the white tricolor sign. A vote was taken (1 aye: 3 nays (Martinez, Lee, Merz) the motion failed.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Merz to approve the red background sign. A vote was taken (4:0 all ayes) the motion carried by all present.

c. Consider and take appropriate action on approving request from Alternate Board members on the Library and Parks and Recreation Advisory Boards to be considered for an open full board position

City Secretary Debra Howe briefed the City Council on request from Parks and Recreation Alternate Steven Dauphin and Library Alternate Dr. Julieanna Renner- Ramirez to be considered for open full board positions.

A motion was made by Councilmember Lee and duly seconded by Councilmember Martinez to appoint Steven Dauphin to the Park and Recreation Board full board position #5 with a term ending in 2027

and Dr. Julieanna Renner-Ramirez to the Library full board position #3 with a term ending 2027. A vote was taken (4:0 all ayes) the motion carried by all present.

Parks Liaison Councilmember Merz said Mr. Dauphin had been attending the meetings and would be a good full board member.

d. Discussion and possible action to create a joint Airport Zoning Board

City Administrator Scott Dixon said to have a Joint Airport Board the County would need to participate and he was trying to schedule a meeting. Mr. Dixon said technically the City could zone by it's self but could only zone property in the City. Mayor Alexander said he placed on the agenda and wanted to get started with creating the City's portion by ordinance and initiate engagement with the County.

A motion was made Councilmember Lee and duly seconded by Councilmember Martinez to approve creating Joint Airport Zoning Board, authorizing staff to draft an ordinance and initiate engagement with County officials.

Councilmember Merz was not in favor of the actions of the previous board on the extension of zones. Mr. Merz felt the city should adopt the minimum zoning and have a stipulation the board members were to live in the city in the affected areas. Chuck Friesenhahn, Airport Consultant was asked to speak and Mr. Friesenhahn said there was a state statute that clearly stated the process and authority of the zoning board. Councilmember Lee said zoning approval would come back to the City and County and before adopting a new ordinance do more research.

A vote was taken (3 ayes: 1 nay (Merz)) the motion carried by a majority vote.

e. Discussion and possible action to create a Building Appeals Review Board

Mayor Alexander briefed the City Council on creating a Building Appeals Review Board. Mayor Alexander said the City Council approved the formation of the board in 2017. Mayor Alexander wanted to have it activated. Councilmember Merz asked for an example of why the city needed this board or could the city have an additional vendor to review any appeals. Councilmember Lee said the city should go by the building codes and should not need the board. A question of if the City Council could be the appeal review board was asked. It was not a good practice for the City Council to hear appeals on requirements they passed.

A motion was made by Councilmember Merz and duly seconded by Councilmember Martinez to direct staff to research 2017 Ordinance and draft an ordinance to resend the Building Appeals Review Board.

A vote was taken (4:0 ayes) the motion carried by all present.

f. Discussion and possible action to assign specific tasks to advisory boards and commissions

Mayor Alexander provided a handout to the City Council on what he wanted to assign the boards and commissions to work on. Mayor Alexander said he wanted staff to work with the Airport Board to recommend current and future lease rates for airport facilities based on market rates and along with the Joint Airport Board to review and recommend future development on the airport property. For the Historic Landmark Commission – direct staff and HLC to review and provide recommendations for update design standards for the historic overlay district and determine mandatory vs. non mandatory language. Library Board – direct staff to work with Library Board to provide recommendations for improvements to the Library

for current and future needs. Mayor Alexander wanted all grant applications with matching city funding to come to the City Council for approval. Park and Recreation – direct staff to work with Parks and Recreation Board for recommendations/updates to the Parks Rules & Regulations with legal review, and City Council approval. Have the board review fees/services associated with the parks and provide a recommendation to the City Council for consideration. Planning and Zoning Commission – direct staff to work with the Planning and Zoning Commission on recommendations for changes to the CZO and Subdivision Ordinance. Mayor Alexander wanted the draft UDO to be used as a reference on development ordinance amendments. Mayor Alexander wanted legal review provided before the City Council considered. Councilmember Lee said the Airport, Parks & Recreation, and Library were advisory boards and did not want to put boards in positions they were not generally doing as an advisory board. Mr. Lee was not in favor of having City Council seeing after legal review from recommendations by Planning and Zoning Commission as it would be very costly. Mr. Lee said the City Council should give a scope of what the City Council wanted the Planning and Zoning to work on. Example was Subdivision Ordinance. Mr. Lee felt all grant applications for the Library should come to the City Council for approval, even if there were no matching funds. Councilmember Merz asked where the Historic District Map came from. Mr. Merz said there had been vigorous discussions in the past and he would like to see a set of non-contributing properties process from staff. Councilmember Marchman agreed on map and the City Council needed to look at what was built beside the historic properties. Mr. Marchman questioned how they would update the CZO and the Subdivision Ordinance. Mayor Alexander wanted to put the boards to work and he agreed to the City Council should review before going for legal review. City Administrator Dixon said the council liaisons should work with the boards on what the City Council wanted. Councilmember Merz volunteered to work with Councilmember Marchman on task list for the Planning and Zoning Commission and would bring back at a future meeting. HLC Chairman Priscilla Garrett said the board was already working on some of the topic one being non-conforming/ conforming and the board knew the city had issues with guidelines. Mr. Dixon said staff would work on design guidelines and bring back.

g. Discussion and possible action regarding the Geneva Street drainage project and the extension of a public right-of-way to the property located at the rear of 1306 Gentilz

Megan Dybrowski, 1306 Gentilz, spoke on the drainage channel being constructed on the city right of way. Ms. Dybrowski said there was a safety issue to get back to the back of their property with the depth of the channel. Ms. Dybrowski said she was not opposed to the channel but felt FEMA should approve the work first and the open ditch could be a safety issue and cause erosion. Ms. Dybrowski was appreciative of the City Administrator offering bollards as a safety measure separating the ditch from the road they were going to put into the rear lot, but was unsure if the dirt would be stable enough for heavy equipment to use for construction access on the property. Abe Salinas, PE with KFrieese was in attendance for questions. Mr. Dixon said KFrieese had reviewed the replat of the property in 2020 and the letter reflected at the time of the replat there were no plans to extend Geneva Street. Mr. Dixon said recently the city had started a low-cost drainage project along the platted unimproved Geneva Street right of way. Mr. Dixon said the engineered plans showed with no alternations 11 ft. and this was wide enough for a driveway, but not a road. Mr. Dixon provided an alternative for the City Council to consider of shifting the channel to the eastern edge of the City's property closest to the eastern neighbor. This would consist of removal of a chain-link fence built 1.5 ft inside the City's property, clearing of a large growth of ash trees, but this would extend the timeline and have additional cost. Mr. Dixon said the property owner would be responsible for replacing the fence and

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 (Cont.)

this option maximized the available space on the west side for a future road or driveway. This would also reduce the need for significant protective measures along a steep drop-off. Mr. Dixon said staff recommended moving to the eastside. Mayor Alexander asked if the city was aware of the replat before the project. Mr. Dixon spoke to early on of the paper streets were public right of ways. Ms. Dybrowski said the 11ft. was good but it went down to 3-4 ft. so the fence would have to be moved. Councilmember Martinez said the paper street had to stay open and asked who approved the fence permit. The fence was built many years before and now that the city was aware of the discrepancy it needed to be corrected. Councilmember Lee said he used to own the property and the property's characteristic of splitting of lots on paper streets and using the paper street frontage to meet CZO requirements was common throughout the city on the river. Mr. Lee was concerned with safety with the deep ditch. Mr. Dixon said there were other ditches in town with this depth. Councilmember Merz asked about the property having a 20ft right of easement. Mayor Alexander said no there was no ingress/egress. Councilmember Merz said the value on the tax roll and maintenance on that street would never pay for the maintenance. Mr. Dixon said he would look into fence and would provide 11 ft on property. City Council agreed. No formal action.

h. Discussion and possible action regarding the use of undeveloped Rights-of-Way ("Paper Streets") for vehicle traffic

Mayor Alexander said he had placed on the agenda for the City Council to set rules on paper streets access. Mayor Alexander said the paper streets were used to have river access, but the City Council should look at the issues of restricting vehicle access and still allow pedestrian access. The property owner at 1306 London going up Cross Hill spoke on having dead animals dumped, stealing, and trespassers on their property. Mayor Alexander said people on the river would support closing of the river access streets. Councilmember Marchman said people were misusing the paper street near him by playing loud music and partying. Councilmember Merz suggested placing signage for pedestrian foot traffic only. Councilmember Lee said London was not a paper street and Public Works Assistant Public Works Director said it was closed to the public due for safety purposes.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Martinez to direct City Administrator Dixon and City Attorney to draft an ordinance on restricting vehicle access on unimproved roadways. A vote was taken (4:0 all ayes) the motion carried by all present.

i. Discussion and appropriate action on city mosquito abatement services

Assistant Public Works Director Ricky Carrasco briefed the City Council on the mosquito fogging that evening. Mr. Carrasco said they were working toward bringing back in house. City Administrator Dixon said they were evaluating the city equipment. Mr. Dixon said the ideal time to fog was April through July. Mayor Alexander felt precautions on how to help prevent mosquitos should be put in the monthly newsletter. Councilmember Martinez recommended putting out on InFo. Councilmember Marchman recommended looking at repairability of the mosquito equipment. No action was taken.

j. Discussion and possible action on hangar rental rate adjustments for the Castroville Municipal Airport

Councilmember Lee briefed the City Council on hangar rental rates adjustments at the Airport. Mr. Lee said

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 (Cont.)

he was good with the recommended 2.7% and the City Council needed to look at adding office space in terminal and ground leases to the City fee schedule.. City Administrator Dixon said the city had to notify the tenants 60 days in advance for increase and the deadline was passing.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to approve a 2.7% increase on hangar rental rates effective October 1, 2025, in alignment with the June 2025 Consumer Price Index. A vote was taken (4:0 all ayes) the motion carried by all present.

k. Discussion and appropriate action on Airport Business Applications protocol

Councilmember Lee briefed the City Council on why the City adopted a background check years ago, and had a resolution in place with a business application protocol. Mr. Lee said the city just needed to follow the process. No formal action was taken.

l. Discussion and appropriate action to authorize an FAA compliant appraisal of airport land used by the Medina Valley Youth Baseball Association to establish fair market value; payment to airport of that value; require city council to be sole entity representing the airport to include negotiating and approving ground leases

Councilmember Lee briefed the City Council on history of the Airport and inspection report from FAA findings. Mr. Lee said there was City Staff confusion of who owned the Well at the Airport. Mr. Lee said the city was the owner of the Airport Municipal Water System and previously the city had turned into FAA the maintenance costs on the well as in kind services. Mr. Lee said the FAA had concerns with the Airport not receiving fair market value for the little league property. Mr. Lee said the city needed to get an appraisal by an appraiser with knowledge of airport property. Mr. Lee said the city needed to correct the response to the FAA and paid the Airport for the land. Mr. Lee also did not want the Airport property to be under the Parks department. Mr. Lee was not in favor of the Airport having to pay for all the repairs to the well. City Administrator Dixon said he had met with Councilmember Lee and Mayor Alexander and received the history on the well and who owned. City Council requested staff to bring an appraisal back to City Council and then funding of the payment for the appraisal. Councilmember Merz said he would like data on pro rate.

A motion was made by Councilmember Lee and duly second by Councilmember Martinez to direct staff to get an appraisal of the airport land used by the Medina Valley Youth Baseball Association and bring back for review. A vote was taken (4:0 all ayes)

m. Discussion and appropriate action on the draft proposed general fund budget

Mayor Alexander said he had placed back on the agenda for City Council consensus on what was previously discussed related to the General Fund. Shown was a new detective position in the Police Department, the one-time expenditures were improvements to the Library, body cameras for Code Enforcement, new SCAG mower, safety equipment for Streets Dept. and \$250,000 from the General Fund reserves for street improvements. Councilmember Lee said there were several items not shown for Parks. Mr. Dixon said the budget was balanced.

n. Discussion and possible action regarding the proposed Enterprise Fund budget for the City of Castroville

City Administrator Scott Dixon briefed the city council on the Enterprise Fund and provided information on proposed gas system expansion. Councilmember Lee said the citizens had voted to keep the gas system and to support the utility he felt the city needed to go up on rates to pay for system improvements. City Administrator Scott Dixon briefed the City Council on the Enterprise Fund and provided information on proposed expansion. Councilmember Lee said the citizens had voted to keep the gas system and to support the utility he felt the City needed to go up on rates to pay for system. Mr. Dixon provided Options #1 and #2 in the backup on possible increases. Mr. Dixon said he would also look at volume charges as another option. Mr. Dixon spoke on using Fund Balance, Gas Department Staff, proposed gas rate adjustment, Airport Budget revisions with a new personnel position and removed previously proposed Capital Improvement Projects from the FY25-26 budget cycle to better align. Councilmember Merz liked the options and liked option #2. Councilmember Lee said the city needed to look at funding for the gas system cost. Councilmember Merz said the city did not have enough to start replacement of lines. Mr. Dixon said there may be some, will have Synergy to come in and do a presentation. Mr. Dixon said the Airport Budget was more of wants than needs. The Airport Advisory Board wanted new courtesy Cars, a maintenance storage unit and the manager was going back to part-time and he would go to 30 hrs. per week as of October, 1, 2025. Councilmember Lee suggested giving the Tourism/Business Director a milage stipend and taking the Tourism car for the airport. Mr. Lee said it could go toward the amount the city owed the Airport for ball field Fair Market Value.

XV. City Administrator Report

a. General Fund Budget, Drainage Project Progress, Council A/V, CPSE Dispute, Community Center Project, County Emergency Management, County Streets Plan, EDC Dissolution Process, Lion's Park Splash Pad, Emergency Generators at Wells #2 and #3, Lions Park Well update, ETJ Dis-annexation, Streets Planning

City Administrator Scott Dixon briefed the City Council on his report. Mayor Alexander said he had spoken with CPS representative and they were wanting to meet. Mr. Dixon said the Community Center building had the roof installed, the County was coming to the 26th meeting on emergency management, Splash Pad was out of commission. Mr. Dixon said he would be working with Councilmember King on a recommendation. Councilman Lee suggested removing the equipment and using the pad for a pavilion for shade. Mr. Dixon spoke on Generators for Wells #2 and #3 and said they were on order, looking to dissolve the Economic Development Corporation, preparing a street plan to work with county, and the city had received a petition to remove property from the city ETJ.

XVI. DISUSSION ON FUTURE AGENDA ITEMS

Executive Session on evaluations

XVII. ADJOURN

Mayor Alexander adjourned the meeting at 11:58 p.m.

Mayor

ATTEST:

City Secretary



Agenda Report

Agenda of: August 26, 2025

Department:

Subject: Evidence Memorandum of Understanding: City of Castroville, City of Hondo, Medina Valley ISD Police, Medina County Sheriff's Department.

Recommended Motion: Approve MOU

Background: As of 09/01/2025 the Texas Department of Public Safety Crime lab will no longer accept evidence that is emailed to them which has been the procedure in the past. These agencies mentioned will alternate taking evidence to the lab which alleviates pressure off of each agency.

Fiscal Impact:

☐ Budgeted ☐ Requires Budget Amendment

Source of Funding: Account Code: N/A

Attachments:

Urgency (4= Low Urgency to High Urgency):

Impact (4 = Low Impact to High Impact):

Submitted by: Chief James Kohler

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN MEDINA COUNTY, TEXAS, ON BEHALF OF THE MEDINA COUNTY SHERIFF'S OFFICE; THE CITY OF HONDO, TEXAS, ON BEHALF OF THE HONDO POLICE DEPARTMENT; THE CITY OF CASTROVILLE, TEXAS, ON BEHALF OF THE CASTROVILLE POLICE DEPARTMENT; AND MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT, ON BEHALF OF THE MEDINA VALLEY ISD POLICE DEPARTMENT, FOR THE PURPOSE OF ESTABLISHING COOPERATIVE EVIDENCE TRANSPORT TO AND FROM THE TEXAS DEPARTMENT OF PUBLIC SAFETY CRIME LABORATORY; AND SETTING AN EFFECTIVE DATE.

RECITALS

WHEREAS, Medina County, Texas, on behalf of the **Medina County Sheriff's Office**; the **City of Hondo, Texas**, on behalf of the **Hondo Police Department**; **City of Castroville, Texas**, on behalf of the **Castroville Police Department**; and the **Medina Valley Independent School District**, on behalf of the **Medina Valley ISD Police Department** (collectively referred to as the "Parties" and individually as a "Party and / or Agency") are local government entities and law enforcement agencies within the State of Texas, responsible for the lawful collection, handling, submission, and retrieval of criminal evidence in connection with official investigations and prosecutions; and

WHEREAS, the **Texas Department of Public Safety ("DPS") Crime Laboratory** has issued a directive requiring all agencies to submit and retrieve evidence **in person** beginning **September 1, 2025**, and has further discontinued the use of on-site drop boxes and any form of evidence shipment; and

WHEREAS, the DPS directive also limits agencies to **no more than fifteen (15) items of evidence per submission**, making monthly evidence runs impractical for smaller agencies that frequently exceed that number within shorter timeframes; and

WHEREAS, in response to these requirements and operational constraints, the Parties seek to collaborate by establishing a MOU to **rotate transport duties** and authorize designated personnel to submit or retrieve evidence on behalf of one another while strictly maintaining all required chain-of-custody procedures; and

WHEREAS, the Parties desire to enter into this Memorandum of Understanding pursuant to the **Texas Interlocal Cooperation Act (Chapter 791 of the Texas Government Code)** to formally define the responsibilities, authority, and limitations of such interagency cooperation;

NOW, THEREFORE, in consideration of the mutual covenants and terms set forth herein, the Parties agree as follows:

I. AUTHORITY

This Memorandum of Understanding (“MOU”) is entered into in accordance with the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, by and between Medina County, Texas, on behalf of the Medina County Sheriff’s Office; the City of Hondo, Texas, on behalf of the Hondo Police Department; the City of Castroville, Texas, on behalf of the Castroville Police Department; and the Medina Valley Independent School District on behalf of the Medina Valley ISD Police Department (collectively referred to herein as the “Parties” and individually as a “Party and/or Agency”).

II. PURPOSE

The purpose of this MOU is to authorize designated personnel from any of the Parties to deliver and/or retrieve criminal evidence on behalf of another participating Agency. This cooperative approach is intended to ensure continuity in chain-of-custody procedures and compliance with the updated DPS Crime Laboratory submission requirements effective **September 1, 2025**, which mandate **in-person evidence submission and retrieval**.

IV. TERMS

1. Consideration

The consideration for this MOU consists of the mutual promises and obligations set forth herein. Each Party agrees to provide assistance with the submission and retrieval of evidence to and from the Texas Department of Public Safety Crime Laboratory on behalf of the other Parties, in accordance with the terms of this MOU. This mutual exchange of services and responsibilities constitutes adequate and sufficient consideration for the purposes of this MOU.

2. Authorized Transport and Receipt

a. Any **full-time sworn peace officer** or **authorized evidence custodian** employed by one of the Parties may accept custody of criminal evidence from another participating agency for the limited purpose of transporting that evidence to a DPS Crime Laboratory location.

b. Likewise, **full-time sworn peace officer** or **authorized evidence custodian** employed by one of the Parties may retrieve evidence on behalf of another agency from a DPS Crime Laboratory, provided proper documentation and prior coordination has occurred.

3. Chain of Custody and Documentation

a. All evidence transfers—whether between agencies or to/from the laboratory—must be documented using standardized **chain-of-custody forms**.

b. Each evidence transfer record shall include the following:

- Full name and badge/ID number of transporting officer or custodian
- Date and time of each custody exchange

- Description and quantity of the evidence
- Case number from the originating agency
- Signatures of both releasing and receiving parties

c. Copies of all documentation shall be retained by the originating agency and accompany the evidence to the lab.

4. Evidence Packaging and Submission Responsibilities

a. The agency that originally collected or submitted the evidence remains solely responsible for:

- Proper **tagging and labeling** of evidence items
- Appropriate **packaging** in compliance with DPS laboratory guidelines
- Completion and accuracy of the **DPS laboratory submission form**

b. Failure to meet submission standards may result in refusal or delay of evidence processing.

5. Submission Form Authority and Corrections

a. If a DPS laboratory staff member identifies an error or requires clarification on a submission form, the delivering employee from any Party is authorized to make **minor corrections** on behalf of the originating agency, provided that the correction does not alter the substance or integrity of the evidence or related case information.

b. For purposes of this MOU, “**minor corrections**” are defined as non-substantive changes or clarifications to a DPS laboratory submission form that do not affect the evidentiary value, classification, or investigative significance of the items submitted. These may include, but are not limited to:

- Correction of typographical errors (e.g., misspelled names, transposed digits in case numbers);
- Completion of inadvertently omitted non-critical fields (e.g., submitting officer’s phone number or agency address);
- Clarification of abbreviations or agency-specific codes; or
- Updates to agency contact information.

c. **Minor corrections** shall not include changes to:

- The identity of suspects, victims, or witnesses;
- The offense classification or case type;
- The number or type of evidence items submitted;
- Any information that could materially alter the forensic analysis, interpretation, or legal handling of the evidence.

d. Any corrections must be:

- Immediately communicated to the originating agency
- Documented in writing, with a copy retained by the employee making the correction and shared with the agency of origin

6. Personnel Authorization

a. Only individuals who are:

- Full-time sworn law enforcement officers, or
- Designated evidence custodians employed by one of the Parties, may participate in the transport or retrieval of evidence under this MOU.

b. Each agency shall maintain and, upon request, share a current list of approved personnel authorized to conduct evidence-related transportation. Changes or amendments to the list of approved personnel shall be promptly communicated to all Parties.

7. Liability

a. Each Party shall be solely responsible for and with respect to any claim or cause of action arising out of or with respect to any act, omission, or failure to act by their agents, officers, employees, and subcontractors, while performing any function or providing or delivering any service under taken pursuant to this MOU.

b. **This MOU does not impose any obligation for indemnification among the Parties.**

c. **Subject to the limitations as to liability and damages in the Texas Tort Claims Act and without waiving its governmental immunity, each Party agrees to hold harmless each other, its governing board, officers, agents and employees for any liability, loss, damages, claims or causes of action caused or asserted to have been caused directly or indirectly by any other Party to this MOU, or any of its officers, agents or employees, or as the result of its performance, or any of its officers, agents or employees, under this MOU.**

d. Nothing in this MOU adds to or changes the liability limits and immunities for a governmental unit provided by the Texas Tort Claims Act, Chapter 101, Texas Civil Practice and Remedies Code, or other law; nor does it create a joint enterprise for the purpose of assigning or determining liability.

8. Compliance

Each Party agrees to comply with all applicable federal, state, and local laws, regulations, and policies, including but not limited to those governing the handling, transportation, submission, and chain of custody of criminal evidence. This includes compliance with any rules or directives issued by the Texas Department of Public Safety Crime Laboratory, as well as any applicable law enforcement standards, confidentiality requirements, and records retention policies.

9. Effective Date, Duration, Amendment, and Termination

- a. This MOU shall become **effective on the date of the last signature** and shall remain in effect unless terminated in accordance with the terms herein.
- b. Any Party may terminate this MOU by providing **written notice** at least **thirty (30) calendar days** in advance.
- c. This MOU may be amended only by mutual written agreement signed by all Parties.

V. POINTS OF CONTACT

Each Party shall designate a primary point of contact for all matters related to the implementation and administration of this Memorandum of Understanding. The designated points of contact for each agency are provided below:

1. Medina County Sheriff’s Office

Name: _____
 Title/Position: _____
 Address: _____
 Phone / Email: _____

2. Hondo Police Department

Name: _____
 Title/Position: _____
 Address: _____
 Phone / Email: _____

3. Castroville Police Department

Name: _____
 Title/Position: _____
 Address: _____
 Phone / Email: _____

4. Medina Valley ISD Police Department

Name: _____
 Title/Position: _____
 Address: _____
 Phone / Email: _____

VI. MISCELLANEOUS

1. Prior Agreements Superseded. This MOU represents the entire agreement of the Parties, superseding all prior agreements, and will not be amended or modified other than in a writing signed by the Parties. No Party will try to enforce a purported amendment that is not written and

properly approved by each Party's governing body under section 791.011(d) of the Texas Government Code.

2. Counterparts. This MOU may be executed in counterparts and may be scanned or photocopied; a Party may use a complete counterpart, photocopy, or scan as if it were an original.

3. Law Governing. This agreement shall be governed by and construed in accordance with the laws of the State of Texas and exclusive venue for any dispute under this MOU shall be in Medina County.

4. Incorporation of Recitals. The foregoing recitals are hereby incorporated into the body of this MOU and shall be considered part of the mutual covenants, consideration and promises that bind the Parties.

5. Assignment. This agreement is binding upon and inures to the benefit of the parties to this agreement and their respective successors and permitted assigns. This agreement may not be assigned by any party without the written consent of all of the parties.

6. Severability. If any provision of this MOU shall be deemed void or invalid, such provision shall be severed from the remainder of this MOU, which shall remain in force and effect to the extent that it does not destroy the benefit of the bargain.

7. Warranty. The individuals executing this agreement on behalf of each party represent and warrant that they are each the duly authorized representatives of such party on whose behalf the individuals are signing, each with full power and authority to bind said party to each term and condition set forth in the MOU.

8. Effective Date. This MOU shall become effective on the date of the last signature.

IN WITNESS WHEREOF, the parties hereto have made and executed this to the MOU on the respective dates under each signature.

SIGNATURES

Medina County on behalf of the Medina County Sheriff's Office

By: _____
Name: _____
Title: _____
Date: _____

City of Castroville on behalf of the Castroville Police Department

By: _____
Name: _____
Title: _____
Date: _____

City of Hondo on behalf of the Hondo Police Department

By: _____

Name: _____

Title: _____

Date: _____

Medina Valley Independent School District on behalf of the Medina Valley ISD Police Department

By: _____

Name: _____

Title: _____

Date: _____



Agenda Report

Agenda of: August 26, 2025

Department: Public Works

Subject: CDBG 1540 L.F Water Line Change Order #1

Recommended Motion: City Council to approve the recommendation from Respec and city staff for change order #1 associated with the CDBG water line project.

Background: RESPEC, in coordination with City staff, has reviewed the proposed scope of work and pricing and finds the costs to be fair and reasonable for the additional items.

- **Line Item 828** – Addition of four (4) valves to enhance system maintainability in the affected area and improve service reliability.
- **Line Item 102** – Geotechnical testing services to verify compaction of trench backfill. This testing, recommended by the Engineer, will help prevent future trench settlement and ensure construction quality.
- **Line Item 854** – Installation of twelve (12) sewer lateral cleanouts on existing laterals within the project area. These improvements will enhance sewer system maintainability and service.
- **Line Item 852** – Reconstruction of four (4) sanitary sewer manholes within the project limits. The Engineer recommends this work to bring the manholes into compliance with current TCEQ (Texas Commission on Environmental Quality) standards.

Fiscal Impact: Total for all items in Change Order No.1 is \$72,896.89. This represents an overall increase of 23.9% to the overall contract and is within the CDBG available project funds. No change in contract days is recommended with this Change Order

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: Account Code:

Attachments:

A-CDV23-0365 CO 1 Recommendation

B-CDV23-0365 CO 1 RESPEC

C-A505- TDA Construction Contract Change Order

Urgency (0-5 = Low Urgency to High Urgency): 4

Impact (0-5 = Low Impact to High Impact): 4

Submitted by: John Gomez/Scott Dixon



August 12, 2025

Mr. Kevin Pell
CD Senior Project Manager - SME
Grantworks
2201 Northland, Drive
Austin, TX 78756

Dear Mr, Pell:

**RE: Castroville CDV23—365
Change Order No. 1 –
Additional 8" valves
Materials Compaction Testing
Sewer Lateral Cleanouts
Reconstruct Sanitary Sewer Manholes**

RESPEC is in receipt of proposals for additional work this project for Change Order No. 1

ITEM 828

This item is an existing line item from the original contract with a unit price of \$2,530/each. An addition of 4 (four) valves to the project is requested to improve system maintainability in the impacted area and improve service. RESPEC recommends addition of these valves to the project for a subtotal of **\$10,120.00**

Addition of these items represents 3.32% increase to the contract

ITEM 102

The Contractor is proposing to provide geotechnical testing services to test compaction of trench backfill. The testing is recommended by the Engineer to ensure proper compaction of the trench backfill and avoid settling of the trench after completion of the construction.

RESPEC has reviewed the proposed scope of work and pricing and finds this amount to reasonable and fair for the additional scope of work.

This proposed work is one lump sum in the amount of **\$4, 352.25** and represents a 1.43% increase to the original contract price.

ITEM 854

The Contractor is proposing to provide 12 sewer lateral cleanouts on existing sewer laterals within the project limits. The testing is recommended by the Engineer to improve maintainability of the sewer system in the impacted area and improve service.

RESPEC has reviewed the proposed scope of work and pricing and finds this amount to reasonable and fair for the additional scope of work.

84 NE LOOP 410, SUITE 100
SAN ANTONIO, TX 78216
210.570.5962
TEXAS REGISTERED FIRM F-17502



This proposed work is a unit price of \$2,113.83/each for a subtotal amount of **\$25,365.96**. It represents a 8.32% increase to the original contract price.

ITEM 852

The Contractor is proposing to provide reconstruction of 4 sanitary sewer manholes within the project limits. The reconstruction of the manholes is recommended by the Engineer to bring them into compliance with current TCEQ requirements, improve maintainability of the system, and improve service in the impacted area.

RESPEC has reviewed the proposed scope of work and pricing and finds this amount to reasonable and fair for the additional scope of work.

This proposed work is a unit price of \$8,264.67/each for a subtotal amount of **\$33,058.68**. It represents a 10.85% increase to the original contract price.

SUMMARY

Total for all items in Change Order No.1 is **\$72,896.89**. This represents an overall **increase of 23.9%** to the overall contract.

No change in contract days is recommended with this Change Order

TDA Form A505 the proposals and are attached.

Sincerely,

Daryl D. Spillmann, PE.
Sr. Project Engineer
Enclosure

cc: Project Central File
John Gomez – City of Castroville, TX
Scott Dixon – City of Castroville, TX
Jeff Surface – Aetos Construction
Rachel Munoz – Aetos Construction

**A505****Construction Contract Change Order**Grant Recipient: City of Castroville, TexasSelect: ☒ City ☐ CountyContract No.: CDV23-0365Change Order No.: 1Region: AACOG**Contractor:**

Aetos Construction, LLC
20403 Encino Ledge # 591411
San Antonio, TX 78259

Engineer:

RESPEC, LLC.
84 NE Loop 410, Suite 100
San Antonio, TX 78216

Select Change Order Type(s): ☒ Change to Existing Line Items ☒ New Items Requested ☐ Change in Contract Duration

Grant recipient is requesting Texas Department of Agriculture review to determine eligibility of change order expenses.

Changes to Existing Line Items (Items from original bid or added in previous change order ONLY)

Bid Item #	Item Description	Original Qty.	Proposed Qty.	UOM	Unit Price	Δ Qty.	Change in Contract Price	+
828	8" Gate Valve	11	15	EA	\$2,530.00	4	\$10,120.00	-
Contract Change Sub-Total:							\$10,120.00	

New Items Requested (Items WITHOUT a unit price in the original bid)

Provide explanation below (attach separate documentation as appropriate). The Grant Recipient must demonstrate competitive pricing for new items.

Compaction testing of the trench backfill is required to confirm the pipe trench is backfilled correctly and trench settling does not occur after construction is complete.

Bid Item #	Item Description	Original Qty.	Proposed Qty.	UOM	Unit Price	Δ Qty.	Change in Contract Price	+
102	Geotechnical Materials Testing	0	1	EA	\$4,352.25	1	\$4,352.25	-
854	Sanitary Sewer Lateral Cleanouts	0	12	EA	\$2,113.83	12	\$25,365.96	-
852	Reconstruct San. Sewer Manhole	0	4	EA	\$8,264.67	4	\$33,058.68	-
Contract New Item Sub-Total:							\$62,776.89	

Justification for Change

	Increase	Decrease	No Change
1. Effect of this change on scope of work:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Effect on operation and maintenance costs:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Yes	No	Not Applicable
3. Will this Change Order change the number of beneficiaries or TxCDBG contract Performance Statement Exhibit A?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Has this change created new circumstances or environmental conditions which may affect the project's impact, such as concealed or unexpected conditions discovered during actual construction?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Is the TCEQ clearance still valid?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Are other TxCDBG contractual special condition clearances still valid?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. If new items are included that were not included in the competitive bid, have the prices been determined to be reasonable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Change Order Summary

Original Contract Price:	\$304,808.07	Original Contract End Date:	
Net Previous Change Order(s):		Net change of previous Change Orders (days):	
This Net Change Order:	\$72,896.89	Increase/Decrease of this Change Order (days):	
New Contract Price:	\$377,704.96	Change Order Contract End Date	
Cumulative % Change:	23.916%		

NOTE: Change orders for an increase of more than 25% will be rejected. The State of Texas considers a change in the construction contract price of greater than 25% to be non-competitive, as other potential bidders did not have the opportunity to bid on the true scope of the project during the procurement process. Grant Recipient must rebid project in the event of an increase greater than 25%.

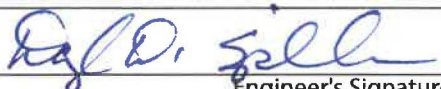

Grant Recipient Approval (REQUIRED)

This change order is greater than \$50,000, by signing, the above signature represents evidence that approval from the governing body has been obtained by the City. See Local Govt. C., §252.048 [city] or §262.031 [county].

Authorized Signature	Date

Authorized Signatory's Name and Title

Engineer's Recommendation

	
Engineer's Signature	Date

Daryl Spillmann, P.E.
Engineer's Name

Contractor's Authorization

Contractor's Signature	Date

Contractor's Name and Title

To receive an email copy of the TDA response, provide contact information below

Name	Email	+
Daryl Spillmann	daryl.spillmann@respec.com	-
Rachel Munoz	rachel@aetosconstruction.com	-
John Gomez	john.gomez@castrovilletx.gov	-
Kevin Pell	kevin.pell@grantworks.net	-
Leroy Vidales	Leroy.vidales@castrovilletx.gov	-

For TDA office use only

This Net Change Order:	\$72,896.89	Increase/decrease of this Change Order (days):	
Net Change Order Approved:		Increase/decrease of this Change Order Approved:	
Approved Contract Amount:		Approved Contract Time:	

Notes:

Contract Specialist Signature

Date

Director Signature (optional)

Date



Agenda Report

Agenda of: August 26, 2025

Department: Administration / Legal

Subject: Discussion and appropriate action on a resolution amending the Development Agreement for the City of Castroville Public Improvement District (The Heights of Castroville)

Recommended Motion:

I move to Approve a resolution amending the Development Agreement for the City of Castroville Public Improvement District (The Heights of Castroville)

Background:

On March 28, 2023, the City of Castroville entered into a Development Agreement with NP Homes LLC (“Developer”) in connection with the creation of the City of Castroville Public Improvement District (The Heights of Castroville). This Development Agreement outlined the terms and conditions for the development of a high-quality, master-planned residential community and included provisions regarding Public Improvement District (PID) financing.

The Developer has requested an amendment to the Development Agreement to modify the aggregate principal amount of PID Bonds that may be issued for the development of the District.

The First Amendment to Development Agreement provides that:

- The aggregate principal amount of all PID Bonds shall not exceed \$6,000,000.
- All other provisions of the original Development Agreement remain in full force and effect.

This amendment has been reviewed by City staff and legal counsel and is attached to the proposed resolution as Exhibit A.

The Planning and Zoning Commission recommended approval of this item at the August 13 meeting.

Fiscal Impact: N/A

☐ Budgeted ☐ Requires Budget Amendment

Attachments:

- Planning and Zoning Board Action
- Resolution – Approving First Amendment to Development Agreement (The Heights of Castroville)
- Exhibit A – First Amendment to Development Agreement (The Heights of Castroville)

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: Scott Dixon

CITY OF CASTROVILLE
PLANNING AND ZONING COMMISSION ACTION


August 13, 2025

The City of Castroville Planning and Zoning Commission is considering the following:

Discussion and appropriate action on a resolution amending the Development Agreement for the City of Castroville Public Improvement District (The Heights of Castroville).

RECOMMENDATION:

Approved.



Chairperson
Planning and Zoning Commission

8/13/25

Date

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CASTROVILLE, TEXAS AUTHORIZING THE CITY TO
ENTER INTO AN AMENDMENT TO A DEVELOPMENT
AGREEMENT WITH THE DEVELOPERS OF THE CITY OF
CASTROVILLE PUBLIC IMPROVEMENT DISTRICT (THE
HEIGHTS OF CASTROVILLE) AND RESOLVING OTHER
MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City Council (the *Council*) of the City of Castroville, Texas (the *City*) recognizes the importance of its continued role in local economic development, the protection of the health, safety, and welfare of its inhabitants, and orderly development of property within the City; and

WHEREAS, the Council has heretofore created the City of Castroville Public Improvement District (The Heights of Castroville) (the *District*) pursuant to the applicable provisions of Subchapter A of Chapter 372, as amended, Texas Local Government Code (the *PID Act*); and

WHEREAS, as a condition to the City's creation of the District, it required the developers of the Property (the *Developer*) to commit to various standards of development concerning the Property to ensure delivery of a high-quality, master-planned residential community, which was memorialized in a "Development Agreement" between the City and the Developer (the *Development Agreement*); and

WHEREAS, the Developer has requested that the City amend certain terms of the Development Agreement concerning the increase of the aggregate principal amount of all PID Bonds allowed to be issued for the development of the District; and

WHEREAS, the City and the Developer have agreed to the terms of a Development Agreement amendment, a copy of which is attached hereto as Exhibit A (the *Amendment*); and

WHEREAS, the City confirms its prior determination that the property's development pursuant to the Agreement, as amended by the Amendment, will benefit the City by, among other things, expanding the City's property and sales tax, providing additional for City residents, and further establishing standards for development within the City, thereby serving a public purpose; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS:

SECTION 1. Under and pursuant to applicable Texas law, the Council hereby approves the Amendment in the form attached hereto as Exhibit A. The Council authorizes the Mayor or the City Administrator to execute and enter into the Amendment on behalf of and as the act and deed of the Council for all purposes.

SECTION 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

SECTION 3. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 6. It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

* * * *

PASSED AND ADOPTED on the 12th day of August, 2025.

CITY OF CASTROVILLE, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

EXHIBIT A
AMENDMENT TO DEVELOPMENT AGREEMENT

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) is entered into effective as of the 12th day of August, 2025 (the “**Amendment Effective Date**”), by and between the City of Castroville, Texas, a political subdivision of the State of Texas (“**City**”) and NP Homes LLC, a Texas limited liability company (“**Developer.**”)

W I T N E S S E T H :

WHEREAS, City and Developer entered into that certain Development Agreement dated effective March 28, 2023 (the “**Agreement**”) relating to the development of the Property; and

WHEREAS, City and Developer desire to amend the aggregate principal amount of all PID Bonds that may be issued for the development of the District as set forth in Section 5.01(f)(i) of the Agreement; and

WHEREAS, City and Developer desire to amend the Agreement in accordance with the terms and conditions of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend the Agreement as follows:

1. Defined Terms. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.

2. Amendment to Issuance of PID Bonds. Section 5.01(f)(i) of the Agreement is hereby deleted in its entirety and replaced with the following:

(i) the aggregate principal amount of all PID Bonds shall not exceed \$6,000,000.00;

3. Full Force and Effect. In the event any of the terms of the Agreement conflict with the terms of this Amendment, the terms of this Amendment shall control. Except as amended hereby, all terms and conditions of the Agreement shall remain in full force and effect, and City and Developer hereby ratify and confirm the Agreement as amended hereby. The Agreement, as amended herein, constitutes the entire agreement between the parties hereto and no further modification of the Agreement shall be binding unless evidenced by an agreement in writing signed by City and Developer.

4. Counterparts. This Amendment may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one Amendment.

5. Governing Law. This Amendment shall be construed and governed in accordance with the laws of the State of Texas.

EXECUTED AND EFFECTIVE as of the Amendment Effective Date.

CITY:

CITY OF CASTROVILLE, TEXAS,
a political subdivision of the State of Texas

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2025 by _____, _____ of City of Castroville, Texas, a political subdivision of the State of Texas, on behalf of said political subdivision, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she or he executed the same for the purposes and consideration set forth therein.

Notary Public, the State of Texas

DEVELOPER:

NP HOMES LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 2025 by
_____, _____ of NP Homes LLC, a Texas limited liability company, on behalf of said
entity, known to me to be the person whose name is subscribed to the within instrument, and
acknowledged that she or he executed the same for the purposes and consideration set forth therein.

Notary Public, the State of Texas

**NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Table of Contents
July 29, 2025**

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E	Sources and Uses	6
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K	Assumptions	12

Exhibit A
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Summary
July 29, 2025

Values	
Estimated Bond Sale Valuation	\$ 66,493,275
Value to Lien - Estimated Appraised Value	11.08
Total Value - 2:1 Value to Lien	\$ 12,000,000
Additional Value Needed for 2:1	\$ 54,493,275
Number of Homes Needed for Holdback Funds	27
Assessments	
Assessment Levy Date	10/1/2025
Bond Issuance Date	10/1/2026
PID Term (Years)	30
Interest Rate	6.00%
Gross Bond Proceeds	\$ 6,000,000
Reserve Fund	\$ (436,380)
Administrative Expenses	\$ (45,000)
Capitalized Interest + Stub Period Interest	\$ -
Underwriter's Discount (3.00%)	\$ (180,000)
Cost of Issuance (7.00%)	\$ (420,000)
Net Bond Proceeds	\$ 4,918,620
SFR Assessment/Unit	\$ 42,281
Commercial Assessment/SF	\$ 29
Costs	
Authorized Improvements	\$ 5,419,729
Bond Issuance Costs	\$ 1,081,380
Less: Bond Proceeds	\$ (6,000,000)
Owner Contribution	\$ 501,109
Average Annual Installments	
First Annual Installment Due	1/31/2027
Total Average Annual Installment	\$ 517,557
SFR Annual Installment/Unit	\$ 3,647
Commercial Annual Installment/SF	\$ 2.52
Equivalent Tax Rates	
PID Equivalent Tax Rate / \$100 AV	\$ 0.7005
Total Tax Rate with PID / \$100 AV	\$ 3.0563
380 Agreement	
Years Until Full Payout	11
Total 380 Contribution	\$ 2,887,496

Exhibit C
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
AV and Assessment Spread
July 29, 2025

Lot Type [a]	Units/SF [a]	Improved Land Value per Unit/SF [c]	Total Improved Land Value	Assessed Value per Unit/SF [b]	Total Assessed Value	Total Assessment	Average Annual Installment	Assessment Per Unit	Annual Installment Per Unit	PID Equivalent Tax Rate
SFR	117	\$ 84,000	\$ 9,828,000	\$ 520,625	\$ 60,913,125	\$ 4,946,829	\$ 426,711	\$ 42,281	\$ 3,647	\$ 0.70
Commercial	36,023	\$ 36	\$ 1,296,829	\$ 360	\$ 12,968,291	\$ 1,053,171	\$ 90,846	\$ 29.24	\$ 2.52	\$ 0.70
Total	36,140		\$ 11,124,829		\$ 73,881,416	\$ 6,000,000	\$ 517,557			\$ 0.70

Footnotes:

[a] Per NP Homes Revised Grid Site Plan, dated 12/6/22. Assumes 25% FAR.

[b] Per client correspondence on 12/14/22.

[c] Assumes improved value is 10% of projected AV per Commercial SF. Residential improved value is per builder contracts, dated January 2024.

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Exhibit B
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Authorized Improvements
July 29, 2025

Section IX, Item e.

Authorized Improvements [a]	Cost
Mobilization, TPDES, Testing	\$ 108,060
Earthwork	\$ 30,360
Embankment	\$ 100,705
Street Sections	\$ 1,125,087
TxDOT Turn Lane	\$ 100,418
Asphalt Paving	\$ 414,858
Storm Drains [b]	\$ 424,918
Storm Drain Detention	\$ 434,412
Sanitary Sewer	\$ 996,151
Water	\$ 919,330
District Formation	\$ 300,000
Contingency (10%)	\$ 465,430
Total Authorized Improvements	\$ 5,419,729

Footnotes:

[a] Cost estimates per All-Pro Paving cost schedule, dated 6/30/2025.

[b] Inclusive of costs associated with Storm Drains A, B, and D.

DRAFT

Exhibit D
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Value to Lien Analysis
July 29, 2025

Section IX, Item e.

Bond Summary		
Gross Bond Amount	[1]	\$ 6,000,000
<i>Bond Issuance Costs</i>		
Reserve Fund		\$ 436,380
Administrative Expenses		\$ 45,000
Capitalized Interest + Stub Period Interest		\$ -
Underwriter's Discount (3.00%)		\$ 180,000
Cost of Issuance (7.00%)		\$ 420,000
	[2]	\$ 1,081,380
Net Bond Proceeds	[3] = [1] - [2]	<u>\$ 4,918,620</u>
Total Improved Land Value	[4]	\$ 11,124,829
Less: Appraisal Discount (10%)	[5]	\$ (1,112,483)
Estimated Bond Sale Valuation	[6] = [4] + [5]	\$ 10,012,346
Total Assessment	[1]	\$ 6,000,000
Value to Lien	[7] = [6] ÷ [1]	<u>1.67</u>
Total Assessed Value	[8]	\$ 73,881,416
Less: Appraisal Discount (10%)	[9]	\$ (7,388,142)
Estimated Bond Sale Valuation	[10] = [8] + [9]	\$ 66,493,275
Total Assessment	[1]	\$ 6,000,000
Value to Lien - Estimated Appraised Value	[11] = [10] ÷ [1]	<u>11.08</u>
Value to Lien - 2:1	[12]	2.00
Total Assessment	[1]	\$ 6,000,000
Total Value for 2:1 VTL	[13] = [1] - [12]	<u>\$ 12,000,000</u>
Additional Value Needed for 2:1	[14] = [10] - [13]	\$ 54,493,275
Weighted Average Home Value	[15]	\$ 520,625
Weighted Average Lot Value	[16]	\$ 84,000
Home Value Net of Lot Value	[17] = [15] - [16]	<u>\$ 436,625</u>
Number of Homes Needed for Holdback Funds	[18] = [14] ÷ [17]	27

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Exhibit E
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Sources and Uses
July 29, 2025

Section IX, Item e.

Sources of Funds		
Total Assessment	\$	6,000,000
Owner Contribution [a]	\$	501,109
Total Sources	\$	6,501,109

Uses of Funds		
Authorized Improvements	\$	5,419,729
<i>Bond Issuance Costs</i>		
Reserve Fund	\$	436,380
Administrative Expenses	\$	45,000
Capitalized Interest + Stub Period Interest	\$	-
Underwriter's Discount (3.00%)	\$	180,000
Cost of Issuance (7.00%)	\$	420,000
	\$	1,081,380
Total Uses	\$	6,501,109

Footnotes:

[a] Owner will fund all costs not covered by Assessments.

Exhibit F
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Ad Valorem Tax Revenues
July 29, 2025

Tax Entity	Ad Valorem Tax Rate [a]	Estimated Annual Ad Valorem Revenues [b]
Medina County ESD #1	\$ 0.0900	\$ 66,493
Medina County	\$ 0.3526	\$ 260,506
Medina County Hospital	\$ 0.0898	\$ 66,346
Medina County Groundwater	\$ 0.0079	\$ 5,839
County FM Road	\$ 0.0830	\$ 61,322
Medina County Precinct #2 Special Road	\$ 0.0400	\$ 29,553
Medina Valley ISD	\$ 1.1692	\$ 863,822
City of Castroville	\$ 0.5233	\$ 386,621
Subtotal	\$ 2.3558	\$ 1,740,501
Heights of Castroville PID	\$ 0.7005	
Total Equivalent Tax Rate	\$ 3.0563	

Footnotes:

[a] Tax Rates shown are for Tax Year 2023 per Medina County.

[b] Assumes an Estimated Buildout Value of \$73,881,416.

Exhibit G
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Competitive Communities Tax Rates
July 29, 2025

Competitive Tax Rate Rankings [a]	
Heights of Castroville	3.0563
The Woodlands	2.5425
Alsatian Oaks	2.3558
Legacy Hills	2.2425
Potranco Ranch	2.0125
Market Average	2.2883

Heights of Castroville	
Medina County ESD #1	0.0900
Medina County	0.3526
Medina County Hospital	0.0898
Medina County Groundwater	0.0079
County FM Road	0.0830
Medina County Precinct #2 Special Road	0.0400
Medina Valley ISD	1.1692
City of Castroville	0.5233
	<u>2.3558</u>
Heights of Castroville PID	0.7005
Total	3.0563

The Woodlands	
Medina County	0.3526
Medina County ESD #1	0.0900
Medina County Hospital	0.0898
Medina County Groundwater	0.0079
County FM Road	0.0830
Medina Valley ISD	1.1692
	<u>1.7925</u>
The Woodlands PID	0.7500
Total	2.5425

Alsatian Oaks	
Medina County ESD #1	0.0900
Medina County	0.3526
Medina County Hospital	0.0898
Medina County Groundwater	0.0079
County FM Road	0.0830
Medina County Precinct #2 Special Road	0.0400
Medina Valley ISD	1.1692
City of Castroville	0.5233
	<u>2.3558</u>
Total	2.3558

Legacy Hills	
Medina County	0.3526
Medina County ESD #1	0.0900
Medina County Groundwater	0.0079
County FM Road	0.0830
Medina Valley ISD	1.1692
Medina County Hospital	0.0898
Legacy Hills PID	0.4500
Total	2.2425

Potranco Ranch	
Medina County	0.3526
Medina County ESD #1	0.0900
Medina County Groundwater	0.0079
County FM Road	0.0830
Medina Valley ISD	1.1692
Medina County Precinct #2 Special Road	0.0400
Medina County Hospital	0.0898
Potranco Ranch PID	0.1800
Total	2.0125

Footnotes:

[a] Tax Rates shown are for Tax Year 2023.



Exhibit H
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Bond Sizing Analysis
July 29, 2025

DRAFT

Section IX, Item e.

Sources:

Gross Bond Amount (6.00% Interest Rate) \$ 6,000,000

Uses:

Reserve Fund (Maximum Annual Debt Service) 436,380
Administrative Expenses 45,000
Capitalized Interest (0 months) + Stub Period Interest -
Underwriter Discount/Underwriter's Counsel Fee (3%) 180,000
Cost of Issuance (7.00%) 420,000
Net Bond Proceeds \$ 4,918,620

PID Equivalent Tax Rate \$ 0.7005
Average Installment \$ 517,557
Minimum Debt Service Coverage 1.00

Assessment Levy Date:											
-----------------------	--	--	--	--	--	--	--	--	--	--	--

Footnotes:

- [a] Preliminary estimate. Assumes Administrative Expenses escalate at 2.00% per year.
[b] Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.50% higher than the actual interest rate on the bonds to fund interest related to delinquencies and the prepayment of assessments. Unused funds will be applied to the final year's debt service payment and/or credited back to the landowners.
[c] Assumes 0 months capitalized interest and 0 month of stub period interest.

DRAFT

Exhibit I
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
380 Analyses - Tiered O&M Contribution Rate
July 29, 2025

Year	Projected Market Value	City O&M Ad Valorem Revenues [a]	Beginning Balance	Contribution Rate	380 Contribution	Accrued Interest [b]	Ending Balance
2027	\$ 73,881,416	\$ 271,884	\$ 1,757,115	60%	\$ 163,130	\$ 111,579	\$ 1,705,564
2028	\$ 68,340,310	\$ 251,492	\$ 1,705,564	60%	\$ 150,895	\$ 108,827	\$ 1,663,495
2029	\$ 70,187,345	\$ 258,289	\$ 1,663,495	60%	\$ 154,974	\$ 105,596	\$ 1,614,118
2030	\$ 72,034,381	\$ 265,087	\$ 1,614,118	60%	\$ 159,052	\$ 101,855	\$ 1,556,920
2031	\$ 73,881,416	\$ 271,884	\$ 1,556,920	60%	\$ 163,130	\$ 97,565	\$ 1,491,356
2032	\$ 75,359,044	\$ 277,321	\$ 1,491,356	60%	\$ 166,393	\$ 92,747	\$ 1,417,710
2033	\$ 76,866,225	\$ 282,868	\$ 1,417,710	60%	\$ 169,721	\$ 87,359	\$ 1,335,349
2034	\$ 78,403,550	\$ 288,525	\$ 1,335,349	60%	\$ 173,115	\$ 81,356	\$ 1,243,590
2035	\$ 79,971,621	\$ 294,296	\$ 1,243,590	60%	\$ 176,577	\$ 74,691	\$ 1,141,704
2036	\$ 81,571,053	\$ 300,181	\$ 1,141,704	60%	\$ 180,109	\$ 67,312	\$ 1,028,907
2037	\$ 83,202,474	\$ 306,185	\$ 1,028,907	60%	\$ 183,711	\$ 59,164	\$ 904,359
2038	\$ 84,866,524	\$ 312,309	\$ 904,359	60%	\$ 187,385	\$ 50,188	\$ 767,162
2039	\$ 86,563,854	\$ 318,555	\$ 767,162	60%	\$ 191,133	\$ 40,322	\$ 616,351
2040	\$ 88,295,131	\$ 324,926	\$ 616,351	60%	\$ 194,956	\$ 29,498	\$ 450,893
2041	\$ 90,061,034	\$ 331,425	\$ 450,893	60%	\$ 198,855	\$ 17,643	\$ 269,681
2042	\$ 91,862,255	\$ 338,053	\$ 269,681	60%	\$ 202,832	\$ 4,679	\$ 71,529
2043	\$ 93,699,500	\$ 344,814	\$ 71,529	60%	\$ 71,529	\$ -	\$ -
2044	\$ 95,573,490	\$ 351,710	\$ -	60%	\$ -	\$ -	\$ -
2045	\$ 97,484,960	\$ 358,745	\$ -	60%	\$ -	\$ -	\$ -
Totals					\$ 2,887,496		

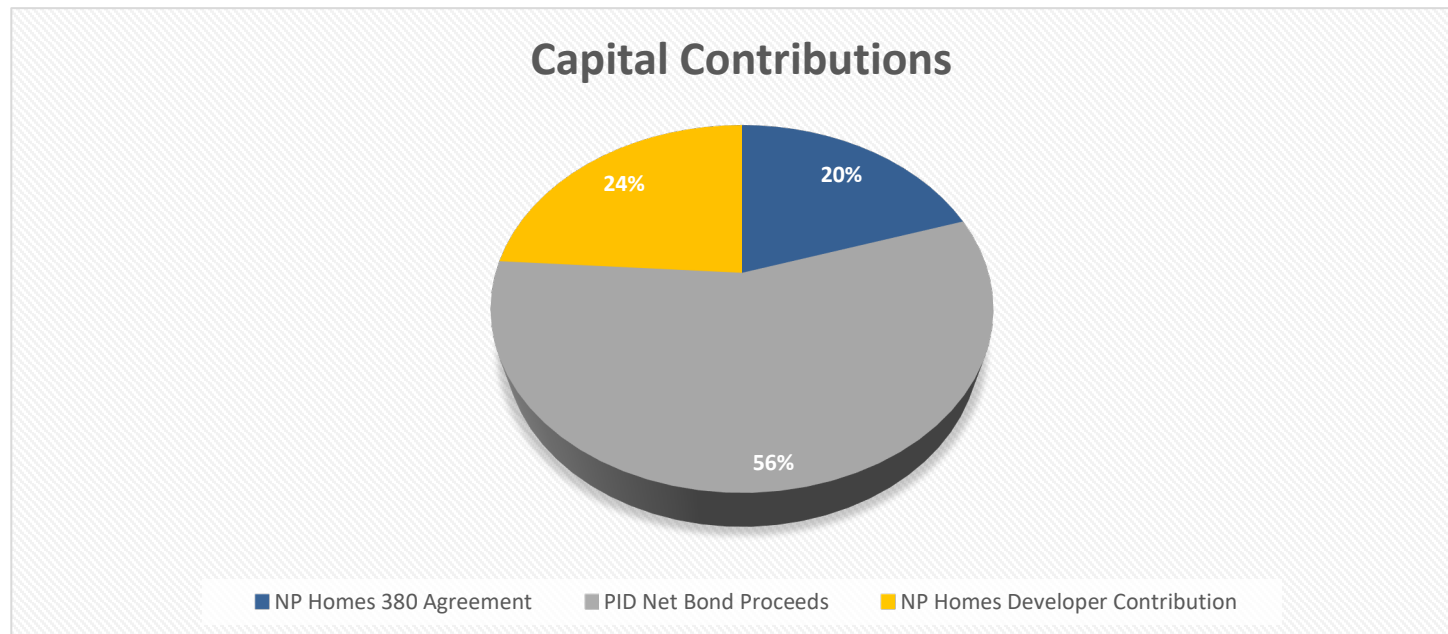
Footnotes:

[a] Assumes City O&M Rate of \$0.3680.

[b] Assumes accrued interest rate of 7%.

Exhibit J
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Capital Contributions
7/29/2025

Entity	Funding Source	Improvements	Capital Contributions
NP Homes	380 Agreement	Offsite Improvements	\$ 1,757,115
PID	Net Bond Proceeds	Streets, Drainage, Water, Misc.	\$ 4,918,620
NP Homes	Developer Contribution	Streets, Drainage, Water, Gas & Electrical	\$ 2,101,109



DRAFT

Exhibit K
NP Homes LLC
The Heights of Castroville PID
Reimbursement Bond
Assumptions
July 29, 2025

Section IX, Item e.

Project Specifics	Assumption	Source
Average Home SF	2,450	Client
Average Home Value per SF	\$ 213	Client
Gross Commercial Acreage	3.3079	Client
Lot to Commercial Value	10%	DPFG
FAR	25%	DPFG
Annual Inflation	2%	DPFG
Soft Costs	20%	DPFG
Contingency	10%	DPFG

PID Bond	Assumptions	Source
PID Term	30	Market
Assessment Levy Date	10/1/2025	Client
Bond Issuance Date	10/1/2026	DPFG
Bonds Deferred (Years)	1	DPFG
Interest Rate	6.00%	DPFG
Capitalized Interest (Months)	-	Client
Costs of Issuance	7.00%	Market
Underwriter's Discount	3.00%	Underwriter
Reserve Fund Earnings	0.00%	Market
Debt Service Escalator	0.00%	Market
Additional Interest Reserve	0.50%	Market
Appraisal Discount	10%	Underwriter
Administrative Expenses Escalator	2.00%	Market
Administrative Expenses	\$ 45,000	Market

380 Agreement	Assumptions	Source
City O&M Rate	\$ 0.3680	City
Offsite Improvements Funded	\$ 1,757,115	Client
Interest Rate	7.0%	Client



Jeff Haecker All-Pro
Paving, LLC
116 S Parkway Drive,
La Vernia, TX 78121
830-251-1691

**HEIGHTS AT CASTROVILLE
CASTROVILLE TEXAS**

SR #	CSI SELECT	QUANTITY	UNIT OF MEASUREMENT	UNIT COST	TOTAL TRADE COST
					\$ 30,500.00
	MOBILIZATION	1.0	LS	30,500	\$ 30,500.00
	EARTHWORK				\$ 45,100.00
	EXCAVATION CHANNELS, HAUL TO SITE	4,100	CY	\$ 11.0	\$ 45,100.00
	OFFSITE PROVIDENT DITCH IMPROVEMENTS				\$ 1,049,891.89
	6 INCH CONCRETE DITCH NORTH	2,547	SY	\$ 115.5	\$ 294,178.50
	12 FOOT CONCRETE PILOT CHANNEL	1,468	SY	\$ 121.0	\$ 177,628.00
	36 INCH RCP	920	LF	\$ 118.6	\$ 109,112.00
	NO. 57 STONE	1,250	TN	\$ 41.8	\$ 52,250.00
	TRENCH PROTECTION	1,750	LF	\$ 5.6	\$ 9,852.00
	LABOR AND EQUIPMENT	1	LS	\$ 131,205.0	\$ 131,205.04
	5X5 -4 WAY INLETS	4	EA	\$ 6,611.0	\$ 26,444.00
	42 inch RCP	840	LF	\$ 161.9	\$ 135,996.00
	6X6 J BOX	1	EA	\$ 11,436.4	\$ 11,436.35
	320 LF 18 INCH RCP	320	LF	\$ 107.9	\$ 31,376.00
	6 INCH CONCRETE DRIVEWAYS	519	SY	\$ 116.6	\$ 55,014.00
	CONCRETE ENCASE WATER LINE	1	LS	\$ 4,950.0	\$ 4,950.00
	FLOWABLE FILL	1	LS	\$ 10,450.0	\$ 10,450.00
	TXDOT DRAINAGE				\$ 499,806.01
	CONCRETE HEADWALL - 72 INCH RCP	1	EA	\$ 8,250.0	\$ 8,250.00
	5 INCH CONCRETE RIP RAP	9	SY	\$ 302.5	\$ 2,722.50
	6 INCH CURB AT 72 INCH HEADWALL	18	LF	\$ 50.0	\$ 900.00
	BAFFLE BLOCKS	1	LS	\$ 585.8	\$ 585.75
	8X8 FOOT J BOX	1	EA	\$ 18,750.0	\$ 18,750.00
	38x24 arch pipe	65	LF	\$ 125.4	\$ 8,151.00
	72 INCH RCP	233	LF	\$ 577.2	\$ 129,829.17
	5X22 J BOX	1	EA	\$ 33,986.6	\$ 33,986.64
	12 INCH CMP	33	LF	\$ 33.0	\$ 1,089.00
	TRENCH PROTECTION	462	LF	\$ 10.5	\$ 4,861.00
	DEMO 5X15 BOX	1	LS	\$ 2,500.0	\$ 2,500.00
	LABOR AND EQUIPMENT	1	LS	\$ 126,945.0	\$ 126,945.00
	5x23 j box cast in place	1	LS	\$ 33,707.0	\$ 33,707.00
	Remove 5x15 Install 5x22 cast in place	1	LS	\$ 30,897.0	\$ 30,896.95
	7X4 DROP INLETS	2	EA	\$ 6,191.0	\$ 12,382.00
	BARRICADES AND TRAFFIC CONTROL	1	MO	\$ 32,000.0	\$ 32,000.00
	NO 57 STONE	1,250	TN	\$ 41.8	\$ 52,250.00
	OFF - SITE LOW WATER CROSSING				\$ 32,357.60
	3 FOOT CONCRETE PILOT CHANNEL	44	SY	133.1	5,856.40
	5 INCH CONCRETE RIP RAP	159	SY	127.05	20,200.95
	REMOVE EXISTING AND HAULOFF SPOILS	1	LS	3,850.00	3,850.00
	CONCRETE CURB	81	LF	30.25	2,450.25
	SUB TOTAL				\$ 1,657,655.50
	TOTAL				\$ 1,657,655.50
	BONDING/INSURANCE			6%	\$ 99,459.33
	TOTAL BID				\$ 1,757,114.83



116 South Parkway Drive
La Vernia, Texas 78121
210.215.7325

June 30, 2025

ROCK CLAUSE:

If in the process of excavating for any work related to this contract the Contractor (All-Pro Paving) hits rock that is deemed by the Contractor to be above and beyond expected, the Contractor shall stop work immediately and notify the Owner (Heights of Castroville), and only proceed on an agreed hourly charge basis to continue excavation.

A handwritten signature in black ink, appearing to read 'J. Haecker', with a long horizontal line extending to the right.

Jeff Haecker
Construction Manager
All-Pro Paving, LLC.
(830) 251-1691
Jeff@all-propaving.com



Agenda Report

Agenda of: August 26, 2025

Department: Administration / Legal

Subject: Discussion and appropriate action on a resolution amending the Development Agreement for the City of Castroville East Side Public Improvement District No. 2 (Flat Creek)

Recommended Motion:

I move to Approve a resolution amending the Development Agreement for the City of Castroville East Side Public Improvement District No. 2 (Flat Creek)

Background:

On August 24, 2023, the City of Castroville entered into a Development Agreement with KF Flat Creek, LP (“Developer”) in connection with the creation of the City of Castroville East Side Public Improvement District No. 2 (Flat Creek). The Development Agreement established terms and conditions for the development of a high-quality, master-planned residential community, including provisions related to Public Improvement District (PID) financing.

The Developer has requested an amendment to the Development Agreement to modify the aggregate principal amount of PID Bonds that may be issued for the development of the District.

The First Amendment to Development Agreement provides that:

- The aggregate principal amount of all PID Bonds shall not exceed \$25,000,000, plus the amount allocated to the project pursuant to the Multi-Party Agreement in accordance with Section 3.04(f) of the Development Agreement.
- All other provisions of the original Development Agreement remain in full force and effect.

This amendment has been reviewed by City staff and legal counsel and is attached to the proposed resolution as Exhibit A.

The Planning and Zoning Commission recommended approval of this item at the August 13 meeting.

Fiscal Impact: N/A

☐ Budgeted ☐ Requires Budget Amendment

Attachments:

- Planning and Zoning Board Action
- Resolution – Approving First Amendment to Development Agreement (Flat Creek)
- Exhibit A – First Amendment to Development Agreement (Flat Creek)

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: Scott Dixon

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS AUTHORIZING THE CITY TO ENTER INTO AN AMENDMENT TO A DEVELOPMENT AGREEMENT WITH THE DEVELOPERS OF THE CITY OF CASTROVILLE EAST SIDE PUBLIC IMPROVEMENT DISTRICT NO. 2 (FLAT CREEK) AND RESOLVING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council (the *Council*) of the City of Castroville, Texas (the *City*) recognizes the importance of its continued role in local economic development, the protection of the health, safety, and welfare of its inhabitants, and orderly development of property within the City; and

WHEREAS, the Council has heretofore created the City of Castroville East Side Public Improvement District No. 2 (Flat Creek) (the *District*) pursuant to the applicable provisions of Subchapter A of Chapter 372, as amended, Texas Local Government Code (the *PID Act*); and

WHEREAS, as a condition to the City’s creation of the District, it required the developers of the Property (the *Developer*) to commit to various standards of development concerning the Property to ensure delivery of a high-quality, master-planned residential community, which was memorialized in a “Development Agreement” between the City and the Developer (the *Development Agreement*); and

WHEREAS, the Developer has requested that the City amend certain terms of the Development Agreement concerning the increase of the aggregate principal amount of all PID Bonds allowed to be issued for the development of the District; and

WHEREAS, the City and the Developer have agreed to the terms of a Development Agreement amendment, a copy of which is attached hereto as Exhibit A (the *Amendment*); and

WHEREAS, the City confirms its prior determination that the property’s development pursuant to the Agreement, as amended by the Amendment, will benefit the City by, among other things, expanding the City’s property and sales tax, providing additional for City residents, and further establishing standards for development within the City, thereby serving a public purpose; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS:

SECTION 1. Under and pursuant to applicable Texas law, the Council hereby approves the Amendment in the form attached hereto as Exhibit A. The Council authorizes the Mayor or the City Administrator to execute and enter into the Amendment on behalf of and as the act and deed of the Council for all purposes.

SECTION 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

SECTION 3. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 6. It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

* * * *

PASSED AND ADOPTED on the 12th day of August, 2025.

CITY OF CASTROVILLE, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

EXHIBIT A
AMENDMENT TO DEVELOPMENT AGREEMENT

**CITY OF CASTROVILLE
PLANNING AND ZONING COMMISSION ACTION**


August 13, 2025

The City of Castroville Planning and Zoning Commission is considering the following:

Discussion and appropriate action on a resolution amending the Development Agreement for the City of Castroville East Side Public Improvement District No. 2 (Flat Creek).

RECOMMENDATION:

Approval.


Chairperson
Planning and Zoning Commission

8/13/25
Date

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) is entered into effective as of the 12th day of August, 2025 (the “**Amendment Effective Date**”), by and between the City of Castroville, Texas, a political subdivision of the State of Texas (“**City**”) and KF Flat Creek, LP, a Texas limited partnership (“**Developer.**”)

W I T N E S S E T H :

WHEREAS, City and Developer entered into that certain Development Agreement dated effective August 24, 2023 (the “**Agreement**”) relating to the development of the Property; and

WHEREAS, City and Developer desire to amend the aggregate principal amount of all PID Bonds that may be issued for the development of the District as set forth in Section 5.01(g)(i) of the Agreement; and

WHEREAS, City and Developer desire to amend the Agreement in accordance with the terms and conditions of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend the Agreement as follows:

1. Defined Terms. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.

2. Amendment to Issuance of PID Bonds. Section 5.01(g)(i) of the Agreement is hereby deleted in its entirety and replaced with the following:

(i) the aggregate principal amount of all PID Bonds shall not exceed \$25,000,000, plus the amount allocated to the Project pursuant to the application of the terms of the Multi-Party Agreement in accordance with Section 3.04(f) hereof;

3. Full Force and Effect. In the event any of the terms of the Agreement conflict with the terms of this Amendment, the terms of this Amendment shall control. Except as amended hereby, all terms and conditions of the Agreement shall remain in full force and effect, and City and Developer hereby ratify and confirm the Agreement as amended hereby. The Agreement, as amended herein, constitutes the entire agreement between the parties hereto and no further modification of the Agreement shall be binding unless evidenced by an agreement in writing signed by City and Developer.

4. Counterparts. This Amendment may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one Amendment.

5. Governing Law. This Amendment shall be construed and governed in accordance with the laws of the State of Texas.

[SIGNATURE PAGE(S) FOLLOW]

EXECUTED AND EFFECTIVE as of the Amendment Effective Date.

CITY:

CITY OF CASTROVILLE, TEXAS,
a political subdivision of the State of Texas

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 2025 by
_____, _____ of City of Castroville, Texas, a political subdivision
of the State of Texas, on behalf of said political subdivision, known to me to be the person whose
name is subscribed to the within instrument, and acknowledged that she or he executed the same
for the purposes and consideration set forth therein.

Notary Public, the State of Texas

DEVELOPER:

KF FLAT CREEK, LP
a Texas limited partnership

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 2025 by
_____, _____ of KL Flat Creek, LP, a Texas limited partnership, on behalf of said entity,
known to me to be the person whose name is subscribed to the within instrument, and
acknowledged that she or he executed the same for the purposes and consideration set forth therein.

Notary Public, the State of Texas

King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Table of Contents
May 27, 2025

Exhibit	Title	Page No.
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C	AV and Assessment Spread	4
D	Value to Lien Analysis	5
E	Sources and Uses	6
F	Ad Valorem Tax Revenues	7
G	Competitive Communities Tax Rates	8
H	Improvement Area #1 Bond Sizing	9
I	Improvement Area #2 Bond Sizing	10
J	Improvement Area #3 Bond Sizing	11
K	Improvement Area #4 Bond Sizing	12
L	Assumptions	13

Exhibit A
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Summary
May 27, 2025

	IA #1	IA #2	IA #3	IA #4	Total
Land Plan					
<i>Property Type</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>
50'	73	84	-	-	157
60'	65	81	77	67	290
70'	-	81	76	69	226
Values					
Total Improved Land Value	\$ 12,835,000	\$ 25,541,820	\$ 17,580,679	\$ 15,965,874	\$ 71,923,374
Value to Lien - Improved Land	2.81	2.54	2.54	2.57	2.59
Total Value required for a 3:1 VTL	\$ 548,297	\$ 628,979	\$ 714,850	\$ 730,556	\$ 652,484
Total Assessed Value	\$ 75,665,000	\$ 154,728,900	\$ 109,372,050	\$ 99,355,599	\$ 439,121,549
Value to Lien - Assessed Value	16.56	15.36	15.82	15.98	15.81
Assessments					
Assessment Levy Date	10/1/2025	10/1/2026	10/1/2027	10/1/2028	
Bond Issuance Date	10/1/2025	10/1/2026	10/1/2027	10/1/2028	
Bond Term (Years)	30	30	30	30	
Interest Rate	6.00%	6.00%	6.00%	6.00%	
Bond Proceeds	\$ 4,113,000	\$ 9,067,000	\$ 6,224,000	\$ 5,596,000	\$ 25,000,000
Reserve Fund	\$ (299,200)	\$ (659,120)	\$ (452,700)	\$ (407,040)	\$ (1,818,060)
Administrative Expenses	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (140,000)
Capitalized Interest (0 months)	\$ -	\$ -	\$ -	\$ -	\$ -
Underwriter's Discount (3.00%)	\$ (123,390)	\$ (272,010)	\$ (186,720)	\$ (167,880)	\$ (750,000)
Cost of Issuance (7.00%)	\$ (287,910)	\$ (634,690)	\$ (435,680)	\$ (391,720)	\$ (1,750,000)
Net Bond Proceeds	\$ 3,367,500	\$ 7,466,180	\$ 5,113,900	\$ 4,594,360	\$ 20,541,940
50' Assessment/Unit	\$ 26,092	\$ 28,690	\$ -	\$ -	
60' Assessment/Unit	\$ 33,974	\$ 37,357	\$ 37,004	\$ 37,356	
70' Assessment/Unit	\$ -	\$ 44,828	\$ 44,404	\$ 44,828	
Costs					
Authorized Improvements	\$ 5,662,041	\$ 12,878,824	\$ 8,748,359	\$ 7,800,168	\$ 35,089,392
Bond Issuance Costs	\$ 745,500	\$ 1,600,820	\$ 1,110,100	\$ 1,001,640	\$ 4,458,060
Less: Bond Proceeds	\$ (4,113,000)	\$ (9,067,000)	\$ (6,224,000)	\$ (5,596,000)	\$ (25,000,000)
Owner Contribution	\$ 2,294,541	\$ 5,412,644	\$ 3,634,459	\$ 3,205,808	\$ 14,547,452
Average Annual Installments					
First Annual Installment Due	1/31/2026	1/31/2027	1/31/2028	1/31/2029	
Total Average Annual Installment	\$ 360,475	\$ 737,029	\$ 520,963	\$ 473,233	\$ 2,091,699
50' Annual Installment/Unit	\$ 2,287	\$ 2,332	\$ -	\$ -	
60' Annual Installment/Unit	\$ 2,978	\$ 3,037	\$ 3,097	\$ 3,159	
70' Annual Installment/Unit	\$ -	\$ 3,644	\$ 3,717	\$ 3,791	
Equivalent Tax Rates					
PID Equivalent Tax Rate / \$100 AV	\$ 0.4764	\$ 0.4763	\$ 0.4763	\$ 0.4763	\$ 0.4763
Total Tax Rate with PID / \$100 AV	\$ 2.8390	\$ 2.8389	\$ 2.8389	\$ 2.8389	\$ 2.8389

Exhibit B
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Authorized Improvements
May 27, 2025

Authorized Improvements [a]	IA #1		IA #2		IA#3		IA#4		Total Costs
Major Improvements [b]									
Sitework & SW3P Onsite	\$	26,974	\$	54,078	\$	37,476	\$	33,746	\$ 152,274
Streets	\$	330,552	\$	662,699	\$	459,252	\$	413,534	\$ 1,866,038
Drains	\$	96,009	\$	192,481	\$	133,390	\$	120,111	\$ 541,992
Sanitary Sewer	\$	29,340	\$	58,821	\$	40,763	\$	36,705	\$ 165,630
Water	\$	55,992	\$	112,254	\$	77,792	\$	70,048	\$ 316,087
Engineering	\$	48,634	\$	97,504	\$	67,570	\$	60,844	\$ 274,552
District Formation Costs	\$	53,142	\$	106,541	\$	73,833	\$	66,483	\$ 300,000
Internal Improvements									
Sitework & SW3P Onsite	\$	662,667	\$	711,460	\$	482,201	\$	429,455	\$ 2,285,784
Streets	\$	1,311,419	\$	5,119,599	\$	3,469,873	\$	3,090,318	\$ 12,991,208
Drains	\$	264,683	\$	559,210	\$	379,012	\$	337,553	\$ 1,540,458
Detention Pond	\$	220,727	\$	383,461	\$	259,896	\$	231,467	\$ 1,095,551
Sanitary Sewer	\$	1,128,376	\$	1,937,216	\$	1,312,973	\$	1,169,352	\$ 5,547,918
Water	\$	977,033	\$	1,829,458	\$	1,239,938	\$	1,104,306	\$ 5,150,736
Contingency (10%)	\$	456,491	\$	1,054,040	\$	714,389	\$	636,245	\$ 2,861,165
Total Authorized Improvements	\$	5,662,041	\$	12,878,824	\$	8,748,359	\$	7,800,168	\$ 35,089,392

Footnotes:

[a] Per Engineer's Opinion of Probable Cost, received April 4, 2025. Excludes utility conduit crossing as this is not PID eligible.

[b] Allocated per uninflated assessed value.

Exhibit C
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
AV and Assessment Spread
May 27, 2025

Lot Type [a]	Units [a]	Improved Land Value per Unit [b]	Total Improved Land Value	Assessed Value per Unit [a]	Total Assessed Value	Total Assessment	Average Annual Installment	Assessment Per Unit	Annual Installment Per Unit	PID Equivalent Tax Rate
Improvement Area #1										
50'	73	\$ 85,000	\$ 6,205,000	\$ 480,000	\$ 35,040,000	\$ 1,904,705	\$ 166,934	\$ 26,092	\$ 2,287	\$ 0.48
60'	65	\$ 102,000	\$ 6,630,000	\$ 625,000	\$ 40,625,000	\$ 2,208,295	\$ 193,541	\$ 33,974	\$ 2,978	\$ 0.48
IA#1 Total	138		\$ 12,835,000		\$ 75,665,000	\$ 4,113,000	\$ 360,475	\$ 29,804	\$ 2,612	\$ 0.48
Improvement Area #2										
50'	84	\$ 86,700	\$ 7,282,800	\$ 489,600	\$ 41,126,400	\$ 2,409,977	\$ 195,900	\$ 28,690	\$ 2,332	\$ 0.48
60'	81	\$ 104,040	\$ 8,427,240	\$ 637,500	\$ 51,637,500	\$ 3,025,920	\$ 245,968	\$ 37,357	\$ 3,037	\$ 0.48
70'	81	\$ 121,380	\$ 9,831,780	\$ 765,000	\$ 61,965,000	\$ 3,631,104	\$ 295,161	\$ 44,828	\$ 3,644	\$ 0.48
IA#2 Total	246		\$ 25,541,820		\$ 154,728,900	\$ 9,067,000	\$ 737,029			\$ 0.48
Improvement Area #3										
60'	77	\$ 106,121	\$ 8,171,302	\$ 650,250	\$ 50,069,250	\$ 2,849,275	\$ 238,491	\$ 37,004	\$ 3,097	\$ 0.48
70'	76	\$ 123,808	\$ 9,409,378	\$ 780,300	\$ 59,302,800	\$ 3,374,725	\$ 282,472	\$ 44,404	\$ 3,717	\$ 0.48
IA#3 Total	153		\$ 17,580,679		\$ 109,372,050	\$ 6,224,000	\$ 520,963			\$ 0.48
Improvement Area #4										
60'	67	\$ 108,243	\$ 7,252,295	\$ 663,255	\$ 44,438,085	\$ 2,502,884	\$ 211,659	\$ 37,356	\$ 3,159	\$ 0.48
70'	69	\$ 126,284	\$ 8,713,579	\$ 795,906	\$ 54,917,514	\$ 3,093,116	\$ 261,573	\$ 44,828	\$ 3,791	\$ 0.48
IA#4 Total	136		\$ 15,965,874		\$ 99,355,599	\$ 5,596,000	\$ 473,233			\$ 0.48
Total/Weighted Average										
50'	157	85,910	13,487,800	485,136	76,166,400	4,314,682	362,834	\$ 27,482	\$ 2,311	\$ 0.48
60'	290	105,106	30,480,837	644,034	186,769,835	8,083,489	889,659	\$ 27,874	\$ 3,068	\$ 0.48
70'	226	123,694	27,954,736	779,581	176,185,314	7,005,829	839,207	\$ 30,999	\$ 3,713	\$ 0.48
Project Total	673		\$ 71,923,374		\$ 439,121,549	\$ 25,000,000	\$ 2,091,699			\$ 0.48

Footnotes:

[a] Per Client correspondence on 5/8/24 and 4/22/25.

[b] Per client correspondence on 1/24/24.

Exhibit D
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Value to Lien Analysis
May 27, 2025

		IA #1	IA #2	IA #3	IA #4	Total
Bond Summary						
Bond Issuance		10/1/2025	10/1/2026	10/1/2027	10/1/2028	
Gross Bond Amount	[1]	\$ 4,113,000	\$ 9,067,000	\$ 6,224,000	\$ 5,596,000	\$ 25,000,000
<i>Bond Issuance Costs</i>						
Reserve Fund		\$ 299,200	\$ 659,120	\$ 452,700	\$ 407,040	\$ 1,818,060
Administrative Expenses		\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 140,000
Capitalized Interest		\$ -	\$ -	\$ -	\$ -	\$ -
Underwriter's Discount (3.00%)		\$ 123,390	\$ 272,010	\$ 186,720	\$ 167,880	\$ 750,000
Cost of Issuance (7.00%)		\$ 287,910	\$ 634,690	\$ 435,680	\$ 391,720	\$ 1,750,000
	[2]	\$ 745,500	\$ 1,600,820	\$ 1,110,100	\$ 1,001,640	\$ 4,458,060
Net Bond Proceeds	[3] = [1] - [2]	<u>\$ 3,367,500</u>	<u>\$ 7,466,180</u>	<u>\$ 5,113,900</u>	<u>\$ 4,594,360</u>	<u>\$ 20,541,940</u>
Total Improved Land Value	[4]	\$ 12,835,000	\$ 25,541,820	\$ 17,580,679	\$ 15,965,874	\$ 71,923,374
Less: Appraisal Discount (10%)	[5]	\$ (1,283,500)	\$ (2,554,182)	\$ (1,758,068)	\$ (1,596,587)	\$ (7,192,337)
Estimated Bond Sale Valuation	[6] = [4] + [5]	\$ 11,551,500	\$ 22,987,638	\$ 15,822,611	\$ 14,369,287	\$ 64,731,036
Total Assessment	[1]	\$ 4,113,000	\$ 9,067,000	\$ 6,224,000	\$ 5,596,000	\$ 25,000,000
Value to Lien - Improved Land	[7] = [6] ÷ [1]	<u>2.81</u>	<u>2.54</u>	<u>2.54</u>	<u>2.57</u>	<u>2.59</u>
Total Assessed Value	[8]	\$ 75,665,000	\$ 154,728,900	\$ 109,372,050	\$ 99,355,599	\$ 439,121,549
Less: Appraisal Discount (10%)	[9]	\$ (7,566,500)	\$ (15,472,890)	\$ (10,937,205)	\$ (9,935,560)	\$ (43,912,155)
Estimated Valuation	[10] = [8] + [9]	\$ 68,098,500	\$ 139,256,010	\$ 98,434,845	\$ 89,420,039	\$ 395,209,394
Total Assessment	[1]	\$ 4,113,000	\$ 9,067,000	\$ 6,224,000	\$ 5,596,000	\$ 25,000,000
Value to Lien - Assessed Value	[11] = [10] ÷ [1]	<u>16.56</u>	<u>15.36</u>	<u>15.82</u>	<u>15.98</u>	<u>15.81</u>

Exhibit E
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Sources and Uses
May 27, 2025

	IA #1	IA #2	IA #3	IA #4	Total
Sources of Funds					
Total Assessment	\$ 4,113,000	\$ 9,067,000	\$ 6,224,000	\$ 5,596,000	\$ 25,000,000
Owner Contribution [a]	\$ 2,294,541	\$ 5,412,644	\$ 3,634,459	\$ 3,205,808	\$ 14,547,452
Total Sources	\$ 6,407,541	\$ 14,479,644	\$ 9,858,459	\$ 8,801,808	\$ 39,547,452
Uses of Funds					
Authorized Improvements	\$ 5,662,041	\$ 12,878,824	\$ 8,748,359	\$ 7,800,168	\$ 35,089,392
<i>Bond Issuance Costs</i>					
Reserve Fund	\$ 299,200	\$ 659,120	\$ 452,700	\$ 407,040	\$ 1,818,060
Administrative Expenses	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 140,000
Capitalized Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Underwriter's Discount (3.00%)	\$ 123,390	\$ 272,010	\$ 186,720	\$ 167,880	\$ 750,000
Cost of Issuance (7.00%)	\$ 287,910	\$ 634,690	\$ 435,680	\$ 391,720	\$ 1,750,000
	\$ 745,500	\$ 1,600,820	\$ 1,110,100	\$ 1,001,640	\$ 4,458,060
Total Uses	\$ 6,407,541	\$ 14,479,644	\$ 9,858,459	\$ 8,801,808	\$ 39,547,452

Footnotes:

[a] Owner will fund all costs not covered by Assessments.

Exhibit F

King Fish Development

Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M

Ad Valorem Tax Revenues

May 27, 2025

Section IX, Item f.

Tax Entity			Estimated Annual Ad	
	Ad Valorem Tax Rate [a]		Valorem Revenues [b]	
Medina County ESD #1	\$	0.1000	\$	439,122
Medina County	\$	0.3460	\$	1,519,361
Medina County Hospital	\$	0.0929	\$	407,944
Medina County Groundwater	\$	0.0070	\$	30,519
County FM Road	\$	0.0865	\$	379,840
Medina County Precinct #2 Special Road	\$	0.0400	\$	175,649
Medina Valley ISD	\$	1.1669	\$	5,124,109
City of Castroville	\$	0.5233	\$	2,297,923
Subtotal	\$	2.3626	\$	10,374,466
Flat Creek PID	\$	0.4763		
Total Equivalent Tax Rate	\$	2.8389		

Footnotes:

[a] Tax Rates shown are for Tax Year 2024 per Medina County CAD.

[b] Assumes an Estimated Buildout Value of \$439,121,549.

Exhibit G
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Competitive Communities Tax Rates
May 27, 2025

Competitive Tax Rate Rankings [a]	
Heights of Castroville	2.8535
Flat Creek [b]	2.8389
Stonehill	2.5385
Briggs Ranch	2.5385
Talley Ho	2.3991
Alsatian Oaks	2.3626
Haby Farms	2.3416
Market Average	2.5733

Flat Creek [b]	
Medina County ESD #1	0.1000
Medina County	0.3460
Medina County Hospital	0.0929
Medina County Groundwater	0.0070
County FM Road	0.0865
Medina County Precinct #2 Special Road	0.0400
Medina Valley ISD	1.1669
City of Castroville	0.5233
	<hr/> 2.3626
Flat Creek PID	0.4763
Total	2.8389

Briggs Ranch	
Bexar County Rd & Flood	0.0237
SA River Auth	0.0179
Alamo College	0.1492
University Health	0.2762
Bexar County	0.2763
Medina Valley ISD	1.1669
Bexar Co Emergency Dist.	0.0868
	<hr/> 1.9969
Briggs Ranch Special Improvement Dist.	0.5416
Total	2.5385

Alsatian Oaks	
Medina County ESD #1	0.1000
Medina County	0.3460
Medina County Hospital	0.0929
Medina County Groundwater	0.0070
County FM Road	0.0865
Medina County Precinct #2 Special Road	0.0400
Medina Valley ISD	1.1669
City of Castroville	0.5233
	<hr/> 2.3626
Total	2.3626

Stonehill	
Bexar County Rd & Flood	0.0237
SA River Auth	0.0179
Alamo College	0.1492
University Health	0.2762
Bexar County	0.2763
Medina Valley ISD	1.1669
Bexar Co Emergency Dist.	0.0868
	<hr/> 1.9969
Stonehill Special Improvement Dist.	0.5416
Total	2.5385

Heights of Castroville	
Medina County ESD #1	0.1000
Medina County	0.3460
Medina County Hospital	0.0929
Medina County Groundwater	0.0070
County FM Road	0.0865
Medina County Precinct #2 Special Road	0.0400
Medina Valley ISD	1.1669
City of Castroville	0.5233
	<hr/> 2.3626
Heights of Castroville PID	0.4909
Total	2.8535

Talley Ho	
Medina County ESD #1	0.1000
Medina County	0.3460
Medina County Hospital	0.0929
Medina County Groundwater	0.0070
County FM Road	0.0865
Medina Valley ISD	1.1669
	<hr/> 1.7993
Talley Ho PID	0.5998
Total	2.3991

Haby Farms	
Medina County	0.3460
Medina County ESD #1	0.1000
Medina County Groundwater	0.0070
County FM Road	0.0865
Medina Valley ISD	1.1669
Medina County Hospital	0.0929
	<hr/> 1.7993
Haby Farms PID	0.5424
Total	2.3416

Footnotes:

[a] Tax Rates shown are for Tax Year 2024.

[b] Assumes property will be annexed into the City of Castroville.



Exhibit H
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Improvement Area #1 Bond Sizing
May 27, 2025

Sources:

Gross Bond Amount (6.00% Interest Rate) \$ 4,113,000

Uses:

Reserve Fund (Maximum Annual Debt Service)	299,200	
Administrative Expenses	35,000	
Capitalized Interest (0 months)	-	
Underwriter Discount/Underwriter's Counsel Fee (3%)	123,390	
Cost of Issuance (7.00%)	287,910	
Net Bond Proceeds	\$ 3,367,500	

PID Equivalent Tax Rate	\$	0.4764
Average Installment	\$	360,475
Minimum Debt Service Coverage		1.00

Bond Issuance Date: October 1 2025

Annual Installment Due 1/31	Principal	Interest Rate	Annual Interest Due	Principal + Interest	Administrative Expenses [a]	Additional Interest Reserve [b]	P & I + Admin + Reserves	Capitalized Interest [c]	Reserve Fund Releases	PID Annual Installment
2026	52,000	6.00%	246,780	298,780	35,700	20,565	355,045	-	-	355,045
2027	55,000	6.00%	243,660	298,660	36,414	20,305	355,379	-	-	355,379
2028	58,000	6.00%	240,360	298,360	37,142	20,030	355,532	-	-	355,532
2029	62,000	6.00%	236,880	298,880	37,885	19,740	356,505	-	-	356,505
2030	66,000	6.00%	233,160	299,160	38,643	19,430	357,233	-	-	357,233
2031	69,000	6.00%	229,200	298,200	39,416	19,100	356,716	-	-	356,716
2032	74,000	6.00%	225,060	299,060	40,204	18,755	358,019	-	-	358,019
2033	78,000	6.00%	220,620	298,620	41,008	18,385	358,013	-	-	358,013
2034	83,000	6.00%	215,940	298,940	41,828	17,995	358,763	-	-	358,763
2035	88,000	6.00%	210,960	298,960	42,665	17,580	359,205	-	-	359,205
2036	93,000	6.00%	205,680	298,680	43,518	17,140	359,338	-	-	359,338
2037	99,000	6.00%	200,100	299,100	44,388	16,675	360,163	-	-	360,163
2038	105,000	6.00%	194,160	299,160	45,276	16,180	360,616	-	-	360,616
2039	111,000	6.00%	187,860	298,860	46,182	15,655	360,697	-	-	360,697
2040	118,000	6.00%	181,200	299,200	47,105	15,100	361,405	-	-	361,405
2041	125,000	6.00%	174,120	299,120	48,047	14,510	361,677	-	-	361,677
2042	132,000	6.00%	166,620	298,620	49,008	13,885	361,513	-	-	361,513
2043	140,000	6.00%	158,700	298,700	49,989	13,225	361,914	-	-	361,914
2044	148,000	6.00%	150,300	298,300	50,988	12,525	361,813	-	-	361,813
2045	157,000	6.00%	141,420	298,420	52,008	11,785	362,213	-	-	362,213
2046	167,000	6.00%	132,000	299,000	53,048	11,000	363,048	-	-	363,048
2047	177,000	6.00%	121,980	298,980	54,109	10,165	363,254	-	-	363,254
2048	187,000	6.00%	111,360	298,360	55,191	9,280	362,831	-	-	362,831
2049	199,000	6.00%	100,140	299,140	56,295	8,345	363,780	-	-	363,780
2050	211,000	6.00%	88,200	299,200	57,421	7,350	363,971	-	-	363,971
2051	223,000	6.00%	75,540	298,540	58,570	6,295	363,405	-	-	363,405
2052	237,000	6.00%	62,160	299,160	59,741	5,180	364,081	-	-	364,081
2053	251,000	6.00%	47,940	298,940	60,936	3,995	363,871	-	-	363,871
2054	266,000	6.00%	32,880	298,880	62,155	2,740	363,775	-	-	363,775
2055	282,000	6.00%	16,920	298,920	63,398	1,410	363,728	-	363,728	-
Totals	\$ 4,113,000	6.00%	\$ 4,851,900	\$ 8,964,900	\$ 1,448,280	\$ 404,325	\$ 10,817,505	\$ -	\$ 363,728	\$ 10,453,778

Footnotes:

[a] Preliminary estimate. Assumes Administrative Expenses escalate at 2.00% per year.

[b] Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.50% higher than the actual interest rate on the bonds to fund interest related to delinquencies and the prepayment of assessments. Unused funds will be applied to the final year's debt service payment and/or credited back to the landowners.

[c] Assumes 0 months capitalized interest.



Exhibit I
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Improvement Area #2 Bond Sizing
May 27, 2025

Section IX, Item f.

Sources:

Gross Bond Amount (6.00% Interest Rate) \$ 9,067,000

Uses:

Reserve Fund (Maximum Annual Debt Service)	659,120	
Administrative Expenses	35,000	
Capitalized Interest (0 months)	-	
Underwriter Discount/Underwriter's Counsel Fee (3%)	272,010	
Cost of Issuance (7.00%)	634,690	
Net Bond Proceeds	\$ 7,466,180	

PID Equivalent Tax Rate	\$	0.4763
Average Installment	\$	737,029
Minimum Debt Service Coverage		1.00

Bond Issuance Date: October 1 2026

Annual Installment Due 1/31	Principal	Interest Rate	Annual Interest Due	Principal + Interest	Administrative Expenses [a]	Additional Interest Reserve [b]	P & I + Admin + Reserves	Capitalized Interest [c]	Reserve Fund Releases	PID Annual Installment
2027	115,000	6.00%	544,020	659,020	35,700	45,335	740,055	-	-	740,055
2028	122,000	6.00%	537,120	659,120	36,414	44,760	740,294	-	-	740,294
2029	129,000	6.00%	529,800	658,800	37,142	44,150	740,092	-	-	740,092
2030	137,000	6.00%	522,060	659,060	37,885	43,505	740,450	-	-	740,450
2031	145,000	6.00%	513,840	658,840	38,643	42,820	740,303	-	-	740,303
2032	153,000	6.00%	505,140	658,140	39,416	42,095	739,651	-	-	739,651
2033	163,000	6.00%	495,960	658,960	40,204	41,330	740,494	-	-	740,494
2034	172,000	6.00%	486,180	658,180	41,008	40,515	739,703	-	-	739,703
2035	183,000	6.00%	475,860	658,860	41,828	39,655	740,343	-	-	740,343
2036	194,000	6.00%	464,880	658,880	42,665	38,740	740,285	-	-	740,285
2037	205,000	6.00%	453,240	658,240	43,518	37,770	739,528	-	-	739,528
2038	218,000	6.00%	440,940	658,940	44,388	36,745	740,073	-	-	740,073
2039	231,000	6.00%	427,860	658,860	45,276	35,655	739,791	-	-	739,791
2040	245,000	6.00%	414,000	659,000	46,182	34,500	739,682	-	-	739,682
2041	259,000	6.00%	399,300	658,300	47,105	33,275	738,680	-	-	738,680
2042	275,000	6.00%	383,760	658,760	48,047	31,980	738,787	-	-	738,787
2043	291,000	6.00%	367,260	658,260	49,008	30,605	737,873	-	-	737,873
2044	309,000	6.00%	349,800	658,800	49,989	29,150	737,939	-	-	737,939
2045	327,000	6.00%	331,260	658,260	50,988	27,605	736,853	-	-	736,853
2046	347,000	6.00%	311,640	658,640	52,008	25,970	736,618	-	-	736,618
2047	368,000	6.00%	290,820	658,820	53,048	24,235	736,103	-	-	736,103
2048	390,000	6.00%	268,740	658,740	54,109	22,395	735,244	-	-	735,244
2049	413,000	6.00%	245,340	658,340	55,191	20,445	733,976	-	-	733,976
2050	438,000	6.00%	220,560	658,560	56,295	18,380	733,235	-	-	733,235
2051	464,000	6.00%	194,280	658,280	57,421	16,190	731,891	-	-	731,891
2052	492,000	6.00%	166,440	658,440	58,570	13,870	730,880	-	-	730,880
2053	522,000	6.00%	136,920	658,920	59,741	11,410	730,071	-	-	730,071
2054	553,000	6.00%	105,600	658,600	60,936	8,800	728,336	-	-	728,336
2055	586,000	6.00%	72,420	658,420	62,155	6,035	726,610	-	-	726,610
2056	621,000	6.00%	37,260	658,260	63,398	3,105	724,763	-	724,763	-
Totals	\$ 9,067,000	6.00%	\$ 10,692,300	\$ 19,759,300	\$ 1,448,280	\$ 891,025	\$ 22,098,605	\$ -	\$ 724,763	\$ 21,373,843

Footnotes:

[a] Preliminary estimate. Assumes Administrative Expenses escalate at 2.00% per year.

[b] Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.50% higher than the actual interest rate on the bonds to fund interest related to delinquencies and the prepayment of assessments. Unused funds will be applied to the final year's debt service payment and/or credited back to the landowners.

[c] Assumes 0 months capitalized interest.



Exhibit J
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Improvement Area #3 Bond Sizing
May 27, 2025

Section IX, Item f.

Sources:

Gross Bond Amount (6.00% Interest Rate) \$ 6,224,000

Uses:

Reserve Fund (Maximum Annual Debt Service)	452,700	
Administrative Expenses	35,000	
Capitalized Interest (0 months)	-	
Underwriter Discount/Underwriter's Counsel Fee (3%)	186,720	
Cost of Issuance (7.00%)	435,680	
Net Bond Proceeds	\$ 5,113,900	

PID Equivalent Tax Rate	\$	0.4763
Average Installment	\$	520,963
Minimum Debt Service Coverage		1.00

Bond Issuance Date: October 1 2027

Annual Installment Due 1/31	Principal	Interest Rate	Annual Interest Due	Principal + Interest	Administrative Expenses [a]	Additional Interest Reserve [b]	P & I + Admin + Reserves	Capitalized Interest [c]	Reserve Fund Releases	PID Annual Installment
2028	79,000	6.00%	373,440	452,440	35,700	31,120	519,260	-	-	519,260
2029	84,000	6.00%	368,700	452,700	36,414	30,725	519,839	-	-	519,839
2030	88,000	6.00%	363,660	451,660	37,142	30,305	519,107	-	-	519,107
2031	94,000	6.00%	358,380	452,380	37,885	29,865	520,130	-	-	520,130
2032	99,000	6.00%	352,740	451,740	38,643	29,395	519,778	-	-	519,778
2033	105,000	6.00%	346,800	451,800	39,416	28,900	520,116	-	-	520,116
2034	112,000	6.00%	340,500	452,500	40,204	28,375	521,079	-	-	521,079
2035	118,000	6.00%	333,780	451,780	41,008	27,815	520,603	-	-	520,603
2036	125,000	6.00%	326,700	451,700	41,828	27,225	520,753	-	-	520,753
2037	133,000	6.00%	319,200	452,200	42,665	26,600	521,465	-	-	521,465
2038	141,000	6.00%	311,220	452,220	43,518	25,935	521,673	-	-	521,673
2039	149,000	6.00%	302,760	451,760	44,388	25,230	521,378	-	-	521,378
2040	158,000	6.00%	293,820	451,820	45,276	24,485	521,581	-	-	521,581
2041	168,000	6.00%	284,340	452,340	46,182	23,695	522,217	-	-	522,217
2042	178,000	6.00%	274,260	452,260	47,105	22,855	522,220	-	-	522,220
2043	189,000	6.00%	263,580	452,580	48,047	21,965	522,592	-	-	522,592
2044	200,000	6.00%	252,240	452,240	49,008	21,020	522,268	-	-	522,268
2045	212,000	6.00%	240,240	452,240	49,989	20,020	522,249	-	-	522,249
2046	225,000	6.00%	227,520	452,520	50,988	18,960	522,468	-	-	522,468
2047	238,000	6.00%	214,020	452,020	52,008	17,835	521,863	-	-	521,863
2048	252,000	6.00%	199,740	451,740	53,048	16,645	521,433	-	-	521,433
2049	268,000	6.00%	184,620	452,620	54,109	15,385	522,114	-	-	522,114
2050	284,000	6.00%	168,540	452,540	55,191	14,045	521,776	-	-	521,776
2051	301,000	6.00%	151,500	452,500	56,295	12,625	521,420	-	-	521,420
2052	319,000	6.00%	133,440	452,440	57,421	11,120	520,981	-	-	520,981
2053	338,000	6.00%	114,300	452,300	58,570	9,525	520,395	-	-	520,395
2054	358,000	6.00%	94,020	452,020	59,741	7,835	519,596	-	-	519,596
2055	380,000	6.00%	72,540	452,540	60,936	6,045	519,521	-	-	519,521
2056	402,000	6.00%	49,740	451,740	62,155	4,145	518,040	-	-	518,040
2057	427,000	6.00%	25,620	452,620	63,398	2,135	518,153	-	518,153	-
Totals	\$ 6,224,000	6.00%	\$ 7,341,960	\$ 13,565,960	\$ 1,448,280	\$ 611,830	\$ 15,626,070	\$ -	\$ 518,153	\$ 15,107,918

Footnotes:

[a] Preliminary estimate. Assumes Administrative Expenses escalate at 2.00% per year.

[b] Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.50% higher than the actual interest rate on the bonds to fund interest related to delinquencies and the prepayment of assessments. Unused funds will be applied to the final year's debt service payment and/or credited back to the landowners.

[c] Assumes 0 months capitalized interest.



Exhibit K
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Improvement Area #4 Bond Sizing
May 27, 2025

Section IX, Item f.

Sources:

Gross Bond Amount (6.00% Interest Rate) \$ 5,596,000

Uses:

Reserve Fund (Maximum Annual Debt Service) 407,040

Administrative Expenses 35,000

Capitalized Interest (0 months) -

Underwriter Discount/Underwriter's Counsel Fee (3%) 167,880

Cost of Issuance (7.00%) 391,720

Net Bond Proceeds \$ 4,594,360

PID Equivalent Tax Rate \$ 0.4763
Average Installment \$ 473,233
Minimum Debt Service Coverage 1.00

Bond Issuance Date: October 1 2028

Annual Installment Due 1/31	Principal	Interest Rate	Annual Interest Due	Principal + Interest	Administrative Expenses [a]	Additional Interest Reserve [b]	P & I + Admin + Reserves	Capitalized Interest [c]	Reserve Fund Releases	PID Annual Installment
2029	71,000	6.00%	335,760	406,760	35,700	27,980	470,440	-	-	470,440
2030	75,000	6.00%	331,500	406,500	36,414	27,625	470,539	-	-	470,539
2031	79,000	6.00%	327,000	406,000	37,142	27,250	470,392	-	-	470,392
2032	84,000	6.00%	322,260	406,260	37,885	26,855	471,000	-	-	471,000
2033	89,000	6.00%	317,220	406,220	38,643	26,435	471,298	-	-	471,298
2034	95,000	6.00%	311,880	406,880	39,416	25,990	472,286	-	-	472,286
2035	100,000	6.00%	306,180	406,180	40,204	25,515	471,899	-	-	471,899
2036	106,000	6.00%	300,180	406,180	41,008	25,015	472,203	-	-	472,203
2037	113,000	6.00%	293,820	406,820	41,828	24,485	473,133	-	-	473,133
2038	120,000	6.00%	287,040	407,040	42,665	23,920	473,625	-	-	473,625
2039	127,000	6.00%	279,840	406,840	43,518	23,320	473,678	-	-	473,678
2040	134,000	6.00%	272,220	406,220	44,388	22,685	473,293	-	-	473,293
2041	142,000	6.00%	264,180	406,180	45,276	22,015	473,471	-	-	473,471
2042	151,000	6.00%	255,660	406,660	46,182	21,305	474,147	-	-	474,147
2043	160,000	6.00%	246,600	406,600	47,105	20,550	474,255	-	-	474,255
2044	170,000	6.00%	237,000	407,000	48,047	19,750	474,797	-	-	474,797
2045	180,000	6.00%	226,800	406,800	49,008	18,900	474,708	-	-	474,708
2046	191,000	6.00%	216,000	407,000	49,989	18,000	474,989	-	-	474,989
2047	202,000	6.00%	204,540	406,540	50,988	17,045	474,573	-	-	474,573
2048	214,000	6.00%	192,420	406,420	52,008	16,035	474,463	-	-	474,463
2049	227,000	6.00%	179,580	406,580	53,048	14,965	474,593	-	-	474,593
2050	241,000	6.00%	165,960	406,960	54,109	13,830	474,899	-	-	474,899
2051	255,000	6.00%	151,500	406,500	55,191	12,625	474,316	-	-	474,316
2052	270,000	6.00%	136,200	406,200	56,295	11,350	473,845	-	-	473,845
2053	287,000	6.00%	120,000	407,000	57,421	10,000	474,421	-	-	474,421
2054	304,000	6.00%	102,780	406,780	58,570	8,565	473,915	-	-	473,915
2055	322,000	6.00%	84,540	406,540	59,741	7,045	473,326	-	-	473,326
2056	341,000	6.00%	65,220	406,220	60,936	5,435	472,591	-	-	472,591
2057	362,000	6.00%	44,760	406,760	62,155	3,730	472,645	-	-	472,645
2058	384,000	6.00%	23,040	407,040	63,398	1,920	472,358	-	472,358	-
Totals	\$ 5,596,000	6.00%	\$ 6,601,680	\$ 12,197,680	\$ 1,448,280	\$ 550,140	\$ 14,196,100	\$ -	\$ 472,358	\$ 13,723,743

Footnotes:

[a] Preliminary estimate. Assumes Administrative Expenses escalate at 2.00% per year.

[b] Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.50% higher than the actual interest rate on the bonds to fund interest related to delinquencies and the prepayment of assessments. Unused funds will be applied to the final year's debt service payment and/or credited back to the landowners.

[c] Assumes 0 months capitalized interest.

DRAFT

Exhibit L
King Fish Development
Flat Creek PID - Annexed - 6% Reimbursement Bonds - Max Proceeds \$25M
Assumptions
May 27, 2025

Section IX, Item f.

Project Specifics	Assumption	Source
Annual Inflation	2%	DPFG
Contingency	10%	DPFG

PID Bond	Assumptions	Source
Max Assessment	\$ 25,000,000	PID Petition
Target PID Rate	\$ 0.4764	Client
PID Term	30	Market
PID Term - City Bond	10	DPFG
IA #1 Assessment Levy Date	10/1/2025	DPFG
IA #2 Assessment Levy Date	10/1/2026	DPFG
IA #3 Assessment Levy Date	10/1/2027	DPFG
IA #4 Assessment Levy Date	10/1/2028	DPFG
IA #1 Bond Issuance Date	10/1/2025	DPFG
IA #2 Bond Issuance Date	10/1/2026	DPFG
IA #3 Bond Issuance Date	10/1/2027	DPFG
IA #4 Bond Issuance Date	10/1/2028	DPFG
Interest Rate	6.00%	DPFG
Capitalized Interest (Months) IA#1-IA#4	-	Client
Costs of Issuance	7.00%	Market
Underwriter's Discount	3.00%	Underwriter
Reserve Fund Earnings	0.00%	Market
Debt Service Escalator	0.00%	Market
Additional Interest Reserve	0.50%	Market
Administrative Expenses Escalator	2.00%	Market
Administrative Expenses	\$ 35,000	Market
Appraisal Discount	10%	Market



CITY COUNCIL AGENDA REPORT

AGENDA OF: August 26, 2025
DEPARTMENT: Community Development
SUBJECT: Preliminary Plat – Country Village Estates, Phase II

RECOMMENDATION:

City Staff recommends approval of the preliminary plat of Country Village Estates, Phase II

BACKGROUND:

Engineer/Surveyor: BGE, INC.
Property Owner: CV Country Lane, LLC – Jack Uptmore
Description: Approximately 11.978 acres, remaining portion of Magnolia Subdivision, Lot 1
Location: North and East of the existing Castroville's Country Village Subdivision
Current Zoning: R-A (One-Family Dwelling District)

The attached application is a request for approval of a preliminary plat for approximately 11.978 acres. The request includes the vacation of the remaining Magnolia Subdivision and the platting of the property as *Country Village Estates, Phase II*, to create 32 new single-family residential lots.

To satisfy parkland dedication requirements, the applicant will provide a payment of a fee in lieu of parkland dedication, as permitted under Chapter 100 of the City Code.

In compliance with Article VII, Section 1 of the Subdivision Ordinance, the applicant is required to provide either transferable water rights or funding for the City to acquire water rights. The City of Castroville has made clear that it will only be acceptable to a water right transfer and payment will not be acceptable. Ample water supply equates to 0.612 acre-feet per lot, which will be provided prior to final plat recordation.

The proposed subdivision lies entirely within the Castroville city limits and falls within the City's Water and Wastewater Certificate of Convenience and Necessity (CCN). As such, the development is subject to City utility service and applicable water and wastewater impact fees.

DISCUSSION:

The City Engineer and Community Development Department have reviewed the preliminary plat and determined that the submittal complies with the requirements of Chapter 100 of the City Code (Subdivision Ordinance) and the Comprehensive Zoning Ordinance (CZO).

ATTACHMENTS/ADDITIONAL INFORMATION:

- Planning and Zoning Board Action
- Preliminary Plat of Country Village Estates, Phase II
- City Engineer's Final Project Review Letter

CITY OF CASTROVILLE
PLANNING AND ZONING COMMISSION ACTION


August 13, 2025

The City of Castroville Planning and Zoning Commission is considering the following:

Discussion and possible action on the Country Village Phase II - Preliminary Plat.

RECOMMENDATION:

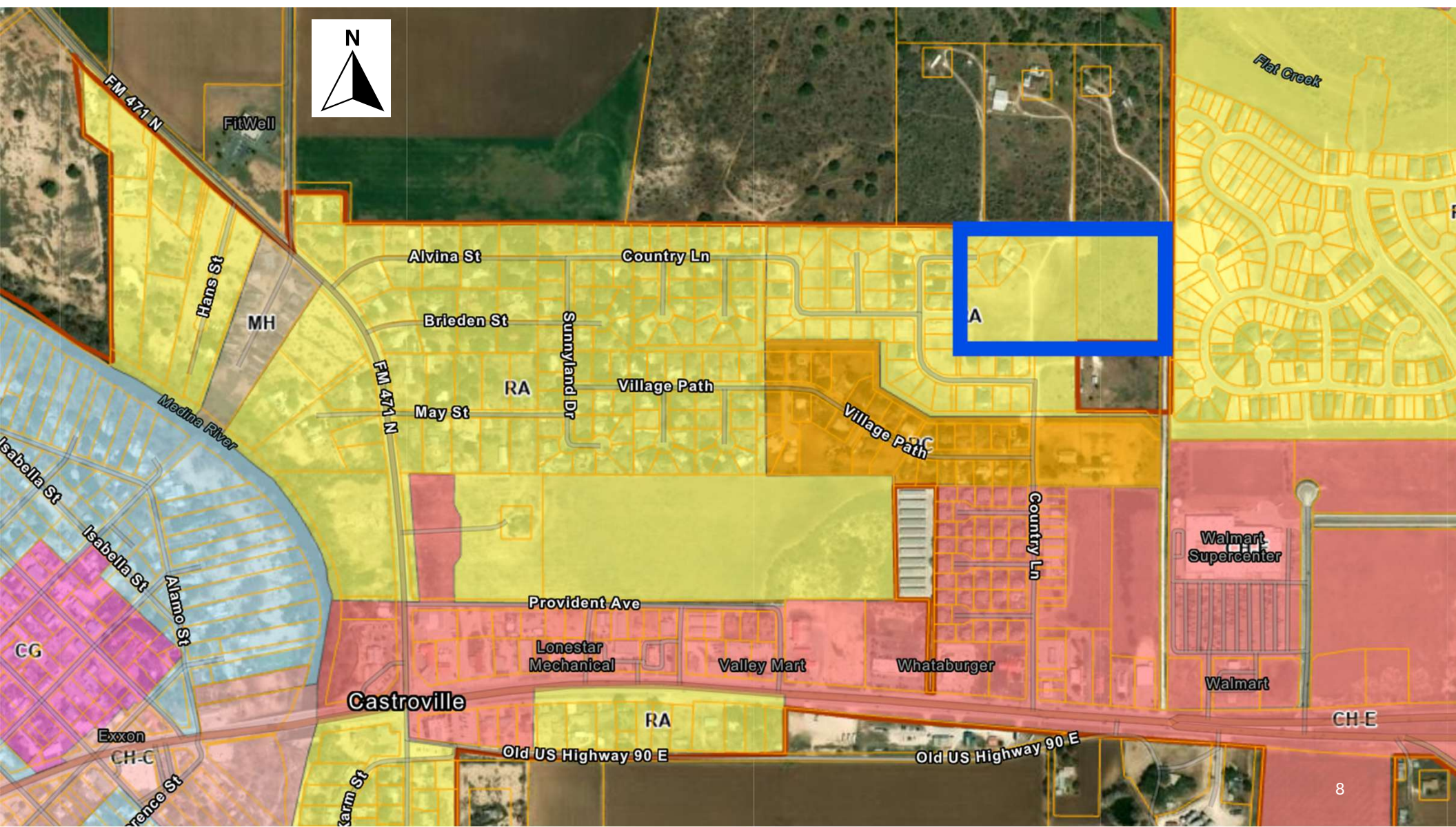
Approval.

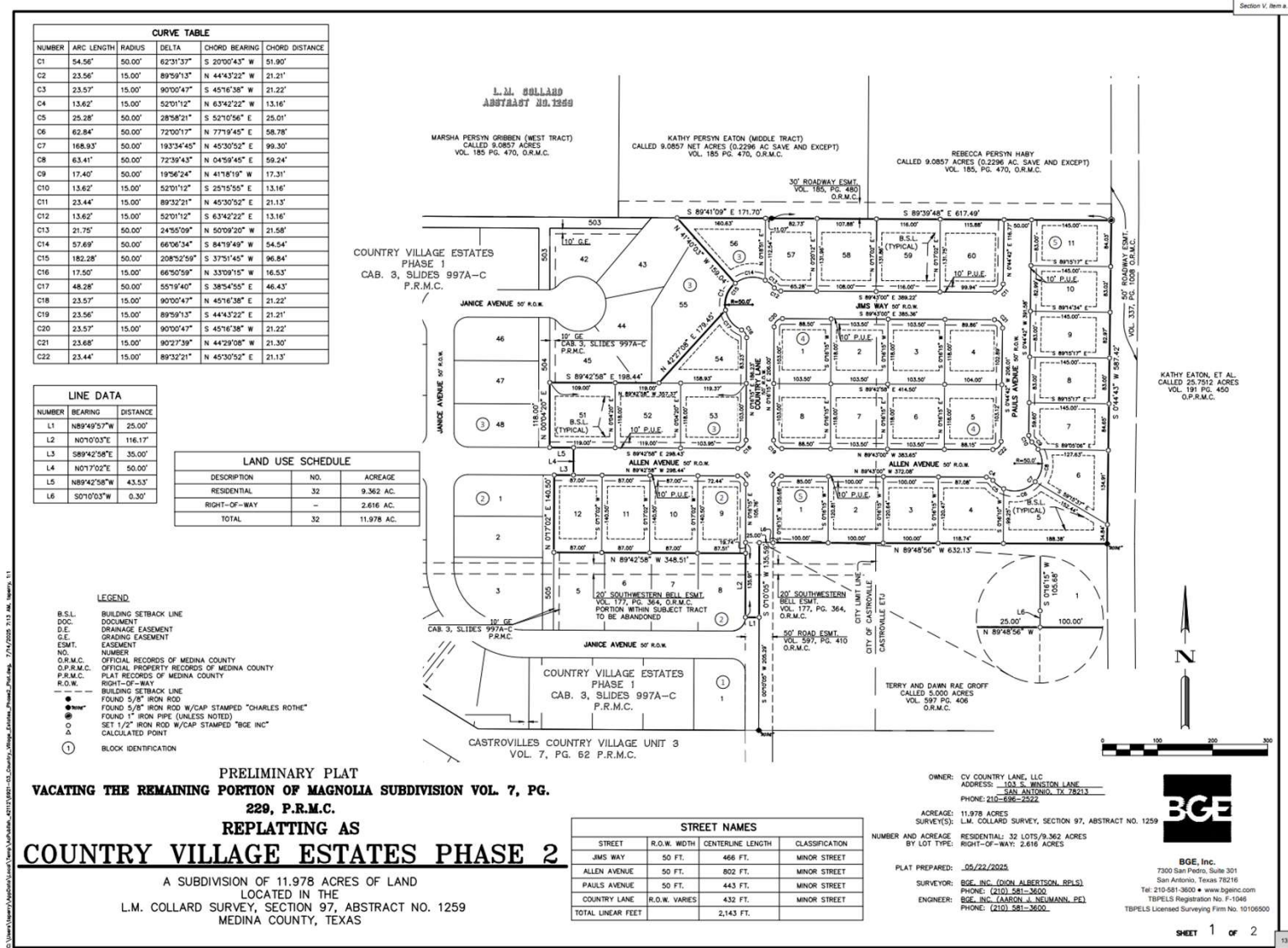


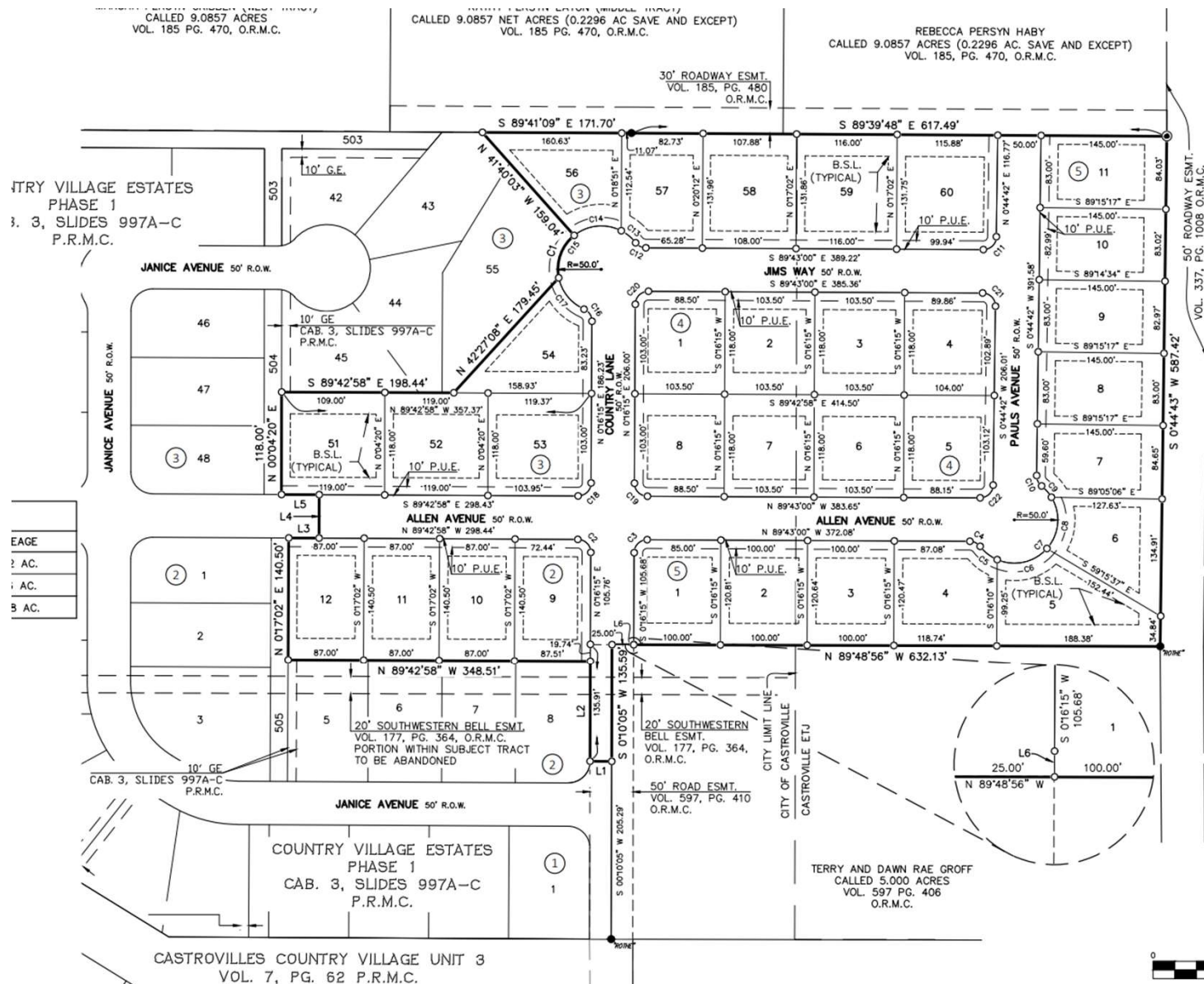
Chairperson
Planning and Zoning Commission

8/13/25

Date







General Information

- R-A Single Family District
- Approximately 11.978 Acres
- 32 Lots
- Setbacks
 - Front – 20'
 - Side – 10', 15' Adjacent to ROW
 - Rear – 25'
- No Variances Requested
- 19.584 AF of water due at time of final platting
- Fee in lieu of parkland dedication
- City Engineer has reviewed and approved the preliminary plat and plans



City of Castroville

2nd Tax Rate Public Hearing

August 26, 2025

Residence Homestead Exemptions

Exemption	Tax Code Section	Taxing Unit	Total or Partial	Mandatory or Local	Amount
General Residence Homestead	11.13(b)	School Districts	Partial	Mandatory	\$ 100,000
General Residence Homestead	11.13(n)	Cities, Counties, School Districts or Special Districts	Partial	Local Option	An amount up to 20% of the property value, but not less than \$ 5,000
Farm-to-Market Roads or Flood Control (if collected)	11.13(a)	Counties	Partial	Mandatory (if collected)	\$ 3,000
Age 65 or Older or Disabled	11.13(c)	School Districts	Partial	Mandatory	\$ 10,000
Age 65 or Older of Disabled	11.13(d)	Cities, Counties, School Districts or Special Districts	Partial	Local Option	An amount adopted by the taxing unit, but no less than \$ 3,000
Disabled Veterans	11.22	Cities, Counties, School Districts & Special Districts	Partial	Mandatory	An amount determined by the percentage of service-connected disability
Disabled Veterans with Homes Donated by Charitable Organizations	11.132	Cities, Counties, School Districts & Special Districts	Partial	Mandatory	An amount determined by the percentage of service-connected disability
100% Disabled Veterans	11.131	Cities, Counties, School Districts & Special Districts	Total	Mandatory	100% of the property value
Surviving Spouse of U.S. Armed Services Member Killed in Action	11.133	Cities, Counties, School Districts & Special Districts	Total	Mandatory	100% of the property value
Surviving Spouse of First Responder Killed or Fatally Injured in the Line of Duty	11.134	Cities, Counties, School Districts & Special Districts	Total	Mandatory	100% of the property value

Medina County 2024

Partial Exemption Totals

Taxing Unit	OA: Over 65	DP: Disabled Person	HS: Homestead Exemption
City of Castroville	\$ 10,000 (Freeze)	\$ 10,000	
City of Devine	\$ 15,000	\$ 15,000	
City of Hondo	\$ 15,000		
City of Lytle	\$ 10,000		
Medina County	\$ 15,000		
Devine ISD	\$ 10,000	\$ 10,000	\$ 100,000
D'Hanis ISD	\$ 10,000	\$ 10,000	\$ 100,000
Hondo ISD	\$ 10,000	\$ 10,000	\$ 100,000
Lytle ISD	\$ 10,000	\$ 10,000	\$ 100,000
Medina Valley ISD	\$ 10,000	\$ 10,000	\$ 100,000
Natalia ISD	\$ 10,000	\$ 10,000	\$ 100,000
Northside ISD	\$ 23,330	\$ 23,330	\$ 100,000
Utopia ISD	\$ 10,000	\$ 10,000	\$ 100,000

Medina County 2024 Partial Exemption Totals

Disabled Veteran Exemptions

Disabled Veteran Exemption	Disability Rating	Exemption Amount Up To
DV1	10 – 29%	\$ 5,000 off the value of the property
DV2	30 – 49%	\$ 7,500 off the value of the property
DV3	50 – 69%	\$ 10,000 off the value of the property
DV4	70 – 100%	\$ 12,000 off the value of the property
DVHS	100% unemployable	100%

Medina County Appraisal District

Taxable Value – Average Home Value

City	2020	2021	2022	2023	2024
City of Castroville	\$ 203,192	\$ 222,940	\$ 247,717	\$ 276,064	\$ 300,405
City of Devine	\$ 108,733	\$ 120,618	\$ 136,650	\$ 153,942	\$ 170,364
City of Hondo	\$ 114,065	\$ 127,681	\$ 143,944	\$ 162,139	\$ 178,551
City of La Coste	\$ 89,938	\$ 101,263	\$ 111,218	\$ 120,831	\$ 135,806
City of Natalia	\$ 63,582	\$ 70,878	\$ 83,714	\$ 102,641	\$ 117,153

2024 Tax Rates

Taxing Entity	M&O	I&S	Total
Medina Valley ISD	0.6669	0.5000	1.1669
City of Castroville	0.3487	0.1746	0.5233
City of La Coste	0.5800	0.00	0.5800
Hondo ISD	0.6669	0.2600	.9269
City of Hondo	0.3170	0.1630	0.4800
Devine ISD	0.6969	0.2400	.9369
City of Devine	0.4864	0.1036	0.5900
D'Hanis ISD	0.8019	0.1196	.9215
Natalia ISD	0.7552	0.3995	1.1547
City of Natalia	0.4777	0.00	0.4777
Northside ISD	0.6694	0.3355	1.0049
Lytle ISD	0.7552	0.4347	1.1899
City of Lytle	0.3268	0.0714	0.3983

City of Castroville Tax Rate History

Tax Year	M&O	I&S	Total Rate
2024	\$ 0.3487	\$ 0.1746	\$ 0.5233
2023	\$ 0.3680	\$ 0.1553	\$ 0.5233
2022	\$ 0.3970	\$ 0.1263	\$ 0.5233
2021	\$ 0.4385	\$ 0.0848	\$ 0.5233
2020	\$ 0.463333	\$ 0.031845	\$ 0.495178

Calculation Tax Rates

No-New-Revenue Tax Rate (Effective Tax Rate)	\$.5286
Voter-Approval Tax Rate (Rollback Rate)	\$.5982
De Minimis Rate	\$.6289
* Source: 2025 Tax Rate Calculation Worksheet	

The No-New Revenue Tax Rate (NNR) enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The Voter-Approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into separate rates: Maintenance and Operations Tax Rate and Debt Rate

The de minimis rate is the rate equal to the sum of the no-new revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.

Proposed Tax Rate

	Current Tax Rate (24/25)	Proposed Tax Rate (25/26) MIN	Voter Approval Rate (25/26)MAX
Maintenance & Operations	\$ 0.3487	\$.4015	\$.4764
Interest & Sinking (Debt Service)	<u>\$ 0.1746</u>	<u>\$.1218</u>	<u>\$.1218</u>
Total Tax Rate	\$ 0.5233	\$ 0.5233	\$ 0.5982

Voter Approval Rate = \$135,502 in additional revenue

Tax Rate Options

	Rate with New Debt Issuance \$3.5 million	No New Revenue Tax Rate	Voter Approval Rate (25/26)MAX with additional debt issuance \$3.5 million
Maintenance & Operations	\$ 0.3333	\$.4068	\$.4603
Interest & Sinking (Debt Service)	<u>\$ 0.1900</u>	<u>\$.1218</u>	<u>\$.1900</u>
Total Tax Rate	\$ 0.5233	\$ 0.5286	\$ 0.6503

Calculating Your Tax Rate

$$\text{Taxable Value} \times \text{Tax Rate} / 100 = \text{Property Tax Due}$$

	Average Taxable Value	Tax Rate	City Property Tax Due
Option 1	\$ 300,405	\$.5233	\$ 1,572.01
Option 2 New Debt	\$ 300,405	\$.5233	\$ 1,572.01
Option 3 (VAR)	\$ 300,405	\$.5982	\$ 1,797.02

The Taxable Value does not include any exemptions.

Upcoming Important Dates

- September 9th – City Council Meeting & Budget Public Hearing #2
 - Budget Adoption
 - Tax Rate Adoption
- September 23rd – City Council Meeting
 - Adopt Comprehensive Fee Schedule
 - Adopt Investment Policy
 - Adopt Financial Policy



CITY COUNCIL AGENDA REPORT

DATE: August 15, 2025

AGENDA OF: August 26, 2025

DEPARTMENT: Finance

SUBJECT: Presentation on Budget Hearing #1

RECOMMENDATION:

BACKGROUND/DISCUSSION:

For your review is the 2025-2026 Proposed Budget for the General, Enterprise and Airport Funds. Included in this presentation are the proposed revenues and expenditures along with upcoming important dates.

DISCUSSION:

More discussion to follow at the council meeting.

Next Steps:

Fiscal Impact:

☐ Budgeted ☐ Requires Budget Amendment

Source of Funding:

Attachments: Budget Hearing #1 Presentation

Urgency (0-5 = Low Urgency to High Urgency): 5
Impact (0-5 = Low Impact to High Impact): 5

Submitted by: Leroy Vidales

City of Castroville

Budget Hearing #1

August 26, 2025

Agenda



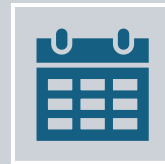
Review Proposed Revenues for FY 2026

General Fund Revenues
Enterprise Fund Revenues
Airport Fund Revenues



Review requested Expenditures for FY 2026

General Fund Expenditures
Enterprise Fund Expenditures
Airport Fund Expenditures



Important Dates

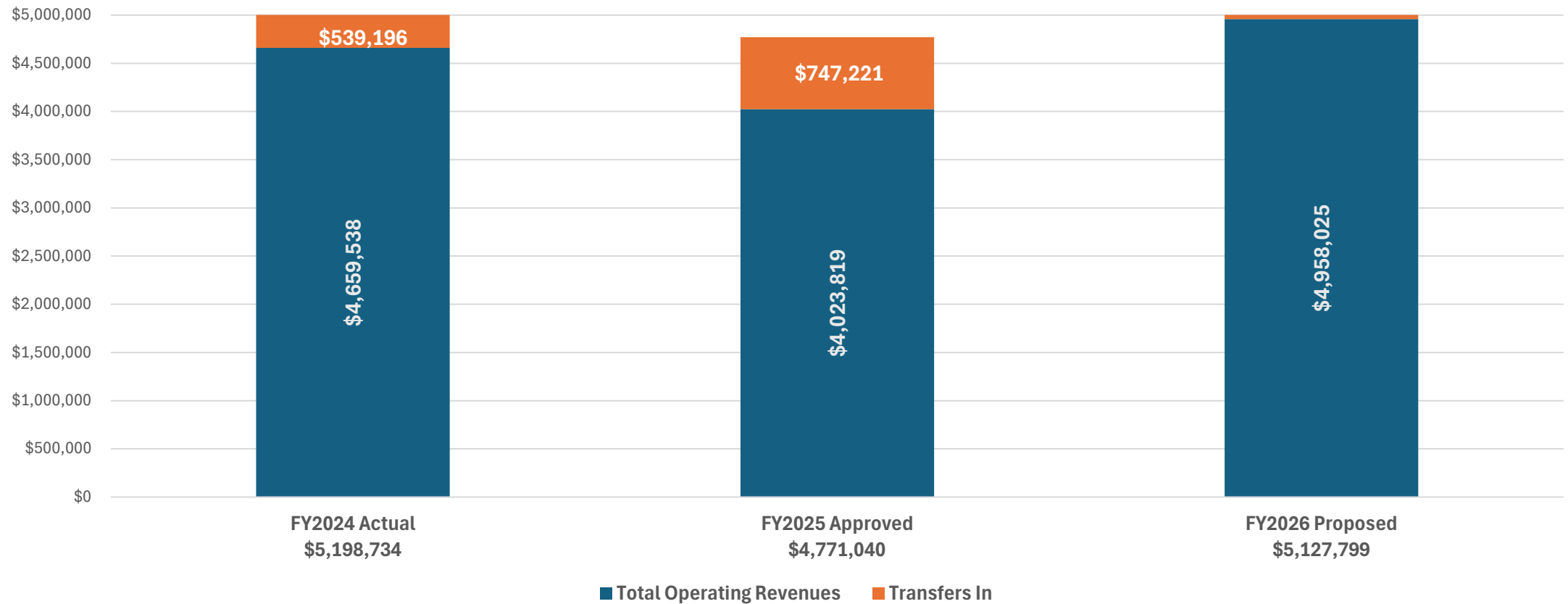
Proposed General Fund Revenues FYR 2026



General Fund Proposed Revenues 2025-2026

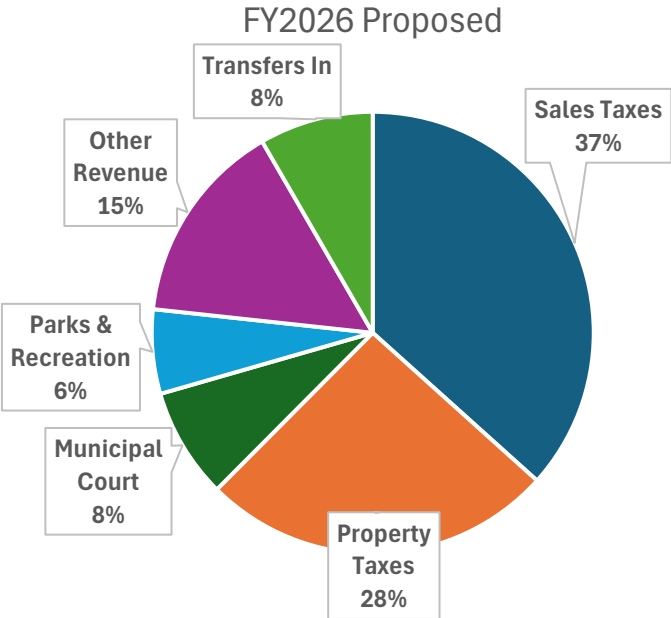
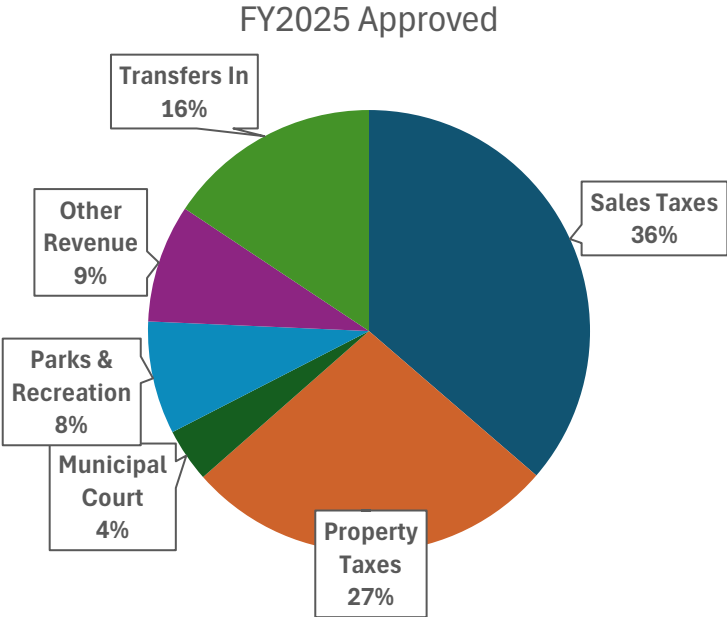
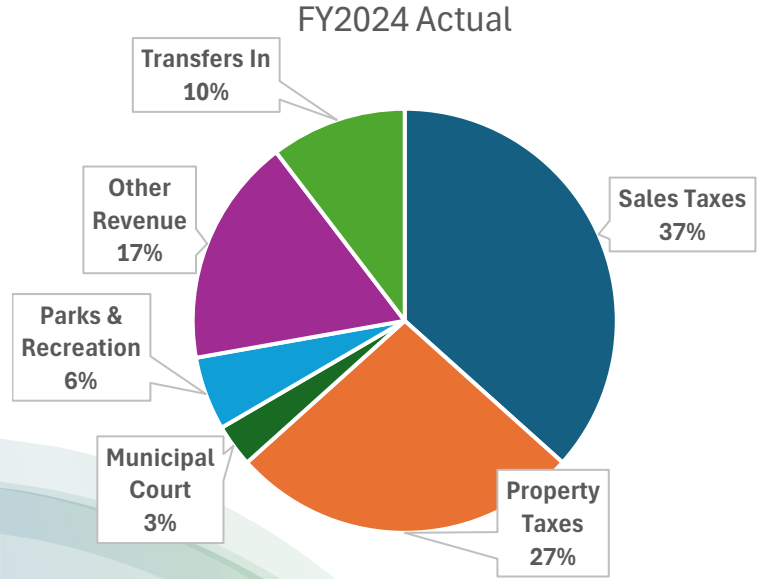
Revenue	Actual FY 2024	Approved FY 2025	Proposed FY 2025
Sales Taxes	\$ 1,904,998	\$ 1,733,299	\$ 1,982,794
Property Taxes	1,388,158	1,297,088	1,395,825
Municipal Court	168,699	187,230	437,230
Parks & Recreation	291,986	393,800	333,550
Other Revenue	905,698	412,402	808,626
Total Operating Revenues	\$ 4,659,539	\$ 4,023,819	\$ 4,958,025
Transfers In	539,196	747,221	527,000
Total Revenue	\$ 5,198,735	\$ 4,771,040	\$ 5,485,025

General Fund Revenues

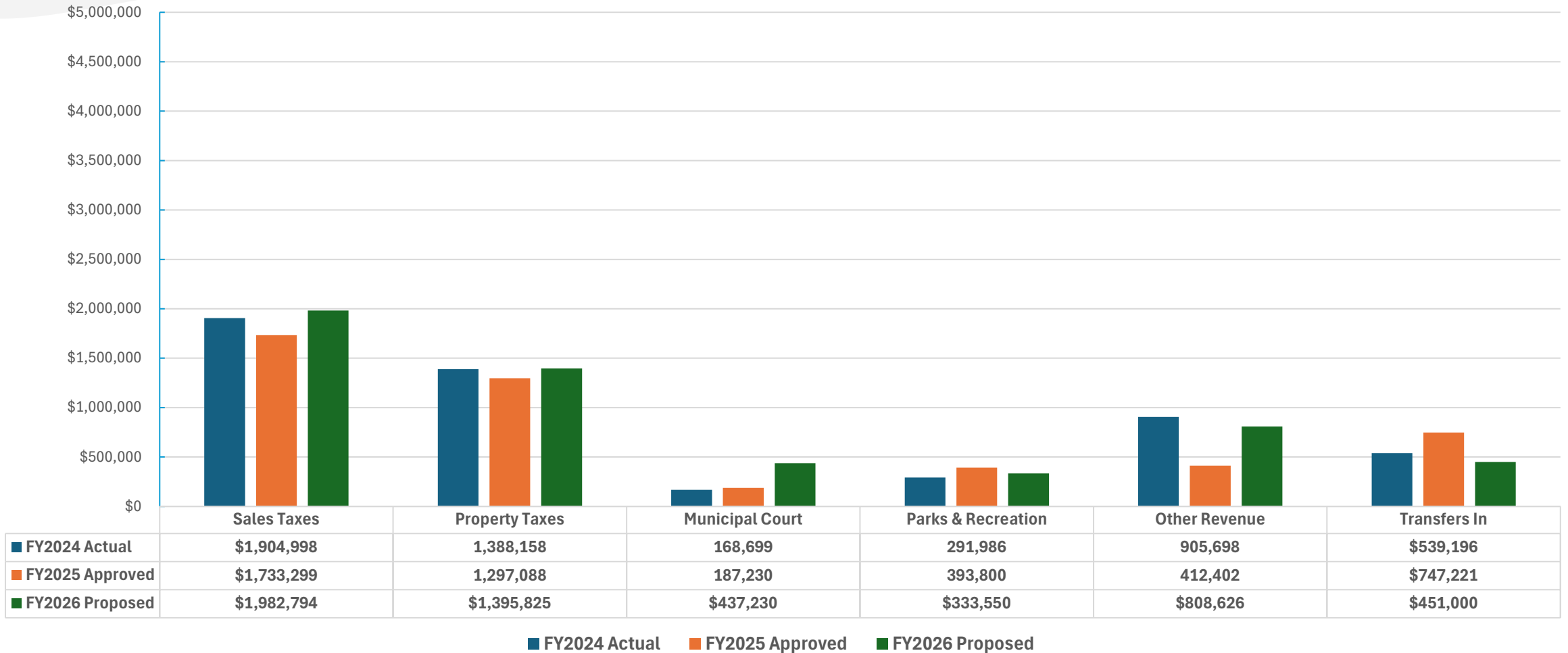




General Fund Revenue – 2023 Actual, 2024 Approved and 2025 Proposed



General Fund Revenues



Requested General Fund Expenditures FYR 2026

General Fund Proposed Expenditures 2025-2026

Expenditures	Actual 2024	Approved 2025	Proposed 2026	Increase/Decrease % Change	Increase/Decrease Amount Change
City Council	\$ 70,048	\$ 76,606	\$ 66,646	-13%	-\$9,960
City Administrator	256,677	232,418	183,323	-21%	-\$49,095
City Secretary	102,181	111,998	115,767	3%	\$3,769
Finance	232,027	213,385	227,574	7%	\$14,189
Library	307,122	289,897	287,200	-1%	-\$2,697
Police	1,347,967	1,341,322	1,609,351	20%	\$268,029
Emergency Management	18,843	14,700	14,700	-	-
Municipal Court	133,213	133,979	305,472	128%	\$171,493
Community Development	380,570	320,767	385,391	20%	\$64,624
Streets	442,658	456,851	645,388	41%	\$188,537

General Fund Proposed Expenditures 2025-2026

Expenditures (continued)	Actual 2024	Approved 2025	Proposed 2026	Increase/ Decrease % Change	Increase/ Decrease Amount Change
Parks & Recreation	778,142	459,654	495,440	8%	\$35,786
RV Park	32,711	40,900	43,400	6%	\$2,500
Swimming Pool	179,365	173,008	167,708	-3%	-\$5,300
Animal Services/Code Enforcement	184,794	177,632	238,475	34%	\$60,843
Information Technology	291,645	246,000	249,500	1%	\$3,500
Non-Departmental	227,545	195,200	194,200	-1%	-\$1,000
Economic Development	1,679	12,100	-	-	-
Tourism & Business Dev.	215,955	256,285	179,489	-30%	-76,796
TOTAL OPERATING EXPENDITURES	\$ 5,173,951	\$ 4,752,701	\$ 5,409,025	6%	\$ 296,324
Transfer Out	-	-	-		
TOTAL EXPENDITURES	\$5,173,951	\$ 4,752,701	\$ 5,409,025	6%	\$ 296,324



General Fund Summary

	Proposed Revenue			Proposed Expenditures
General Fund Revenues	\$ 4,958,025			\$ 5,409,025
Transfer In	\$ <u>527,000</u>		Transfer Out	\$ <u>0</u>
Total Proposed Revenues	\$ 5,485,025		Total Proposed Expenditures	\$ 5,409,025
Net Position: \$76,000				

Major Changes To Proposed 2026 General Fund Budget

	Approved 2024-2025	Proposed 2025-2026	Increase/Decrease
*Salaries	\$ 2,901,196	\$ 3,413,214	\$ 512,018
Supplies	473,800	441,190	-32,610
Purchased Services	279,430	265,580	-13,850
Contracted Services	587,424	629,640	42,216
Education & Training	83,800	71,400	-12,400
Technology	146,650	145,700	-950
Repairs & Maintenance	186,150	379,400	193,250
Miscellaneous	94,250	62,900	-31,350
TOTAL	\$ 4,752,700	\$ 5,409,024	\$ 656,324

*Includes 3% COLA increase for all part-time and full-time employees

Proposed Enterprise Fund Revenues FYR 2026

Enterprise Fund Proposed Revenues 2025-2026

Section XII, Item b.

Revenue	Actual FY 2024	Approved FY 2025	YTD FY 2025 <small>(as of 07/31/25)</small>	Proposed FY 2026
Utility Sales	\$ 7,595,027	\$ 8,211,064	\$ 6,680,987	\$ 8,633,500
Utility Services	127,645	90,470	98,027	88,000
Other Revenue	222,134	25,070	179,157	90,300
Use of Fund Balance	-	376,188	0	502,515
TOTAL REVENUES	\$ 7,944,506	\$8,702,792	\$6,958,171	\$9,314,315

Requested Enterprise Fund Expenditures FYR 2025



Enterprise Funds Proposed Expenditures 2025-2026

Expenditures	Actual 2024	Approved 2025	Proposed 2026	% Change	Increase/Decrease Amount Change
Utility Administration	*\$1,397,314	\$1,389,163	-	-	-
Gas Department	528,814	539,852	1,133,529	110%	\$593,677
Sewer Department	1,037,885	1,665,405	1,962,495	18%	\$297,090
Electric Department	3,047,026	3,249,083	3,885,287	20%	\$636,204
Water Department	1,051,759	1,485,136	1,826,895	23%	\$341,759
Refuse Department	401,089	377,152	506,109	34%	\$128,957
TOTAL EXPENDITURES	\$8,319,898	\$8,702,791	\$ 9,314,315	7%	\$611,524

**This amount does not include depreciation cost of \$856,011 (Audit adjusting Entry)*

2025-2026 Administrative Expenses (\$1,439,098) are now embedded within the Enterprise Budget by percentage

Enterprise Fund

5-year Historical Budget

	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Approved FY 2025	Proposed FY2026
Administration	\$ 662,375	\$ 872,983	\$ 1,468,519	\$ 1,487,962	\$ 1,397,314	\$ 1,389,163	-
Gas	\$ 378,911	\$ 593,056	\$ 553,100	\$ 476,432	\$ 528,814	\$ 539,852	\$ 1,133,529
Wastewater	\$ 950,855	\$ 883,152	\$ 1,365,262	\$ 1,021,111	\$ 1,037,885	\$ 1,665,405	\$ 1,962,495
Electric	\$ 2,489,443	\$ 2,540,588	\$ 2,501,461	\$ 2,770,717	\$ 3,047,026	\$ 3,246,083	\$ 3,885,287
Water	\$ 1,005,060	\$ 830,692	\$ 1,038,004	\$ 928,886	\$ 1,051,759	\$ 1,485,136	\$ 1,826,895
Garbage	\$ 471,368	\$ 554,028	\$ 630,845	\$ 322,715	\$ 401,089	\$ 377,152	\$ 506,109

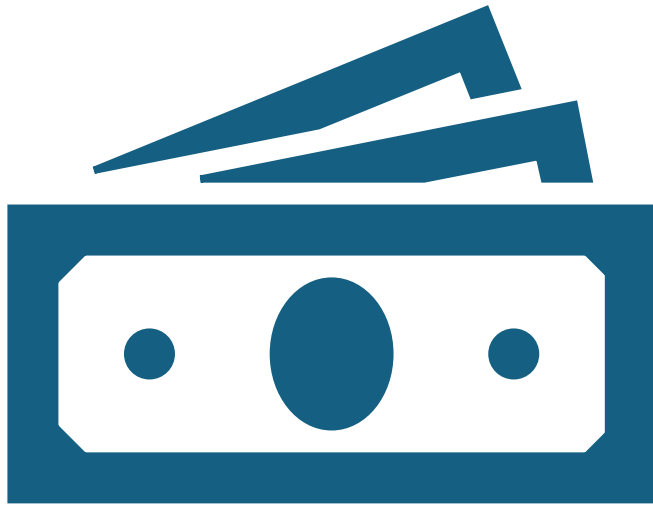
Actual amounts for Administration do not include Depreciation costs (Auditor's Adjusting Entry)

Transfers Out

	Amount	Description	Department
	\$ 170,000	Right of Way Maintenance	Enterprise
	451,221	Franchise Fee	Enterprise
Total Transfers	\$ 621,221		


Enterprise Fund Summary

	Proposed Revenue			Proposed Expenditures
Enterprise Fund Revenues	\$ 8,811,800			\$ 9,314,315
Use of Fund Balance	\$ <u>502,515</u>			
Total Proposed Revenues	\$ 9,314,315		Total Proposed Expenditures	\$ 9,314,315
Balanced Budget				



Airport Fund

Airport Proposed Revenues 2025-2026



Revenue	Actual FY 2024	Approved FY 2025	Proposed FY 2026
*Facility Rentals	\$ 352,495	\$ 366,076	\$ 373,331
Fuel Sales	409,995	351,000	355,000
Other Revenue	417,600	91,450	91,300
TOTAL OPERATING REVENUES	\$ 1,180,090	\$ 808,526	\$ 819,631



Airport Proposed Expenditures 2025-2026

Expenditures	Actual 2024	Approved 2025	Proposed 2026
Total Operating Expenditures	* \$ 348,251	\$ 411,149	\$ 427,489
Fuel Sales	312,150	300,000	300,000
Debt Service (Bond Series 2021)	31,836	45,225	44,779
Transfers Out	6,000	6,000	82,000
TOTAL EXPENDITURES	\$ 698,237	\$ 762,374	\$ 854,268

**This amount does not include depreciation cost of \$281,454 – Auditors Adjusting Entry*

Airport Fund Summary

	Proposed Revenue			Proposed Expenditures
Airport Fund Revenues	\$819,631			\$ 772,268
			Transfer Out	<u>\$ 82,000</u>
Total Proposed Revenues	\$ 819,631		Total Proposed Expenditures	\$ 854,268
Net Position: -\$34,637				

Upcoming Important Dates

- September 09th – City Council Meeting & Budget Public Hearing #2
 - Budget Adoption
 - Tax Rate Adoption
 - Ratify Tax Rate
- September 23rd – City Council Meeting
 - Adopt Comprehensive Fee Schedule
 - Adopt Investment Policy
 - Adopt Miscellaneous Policies

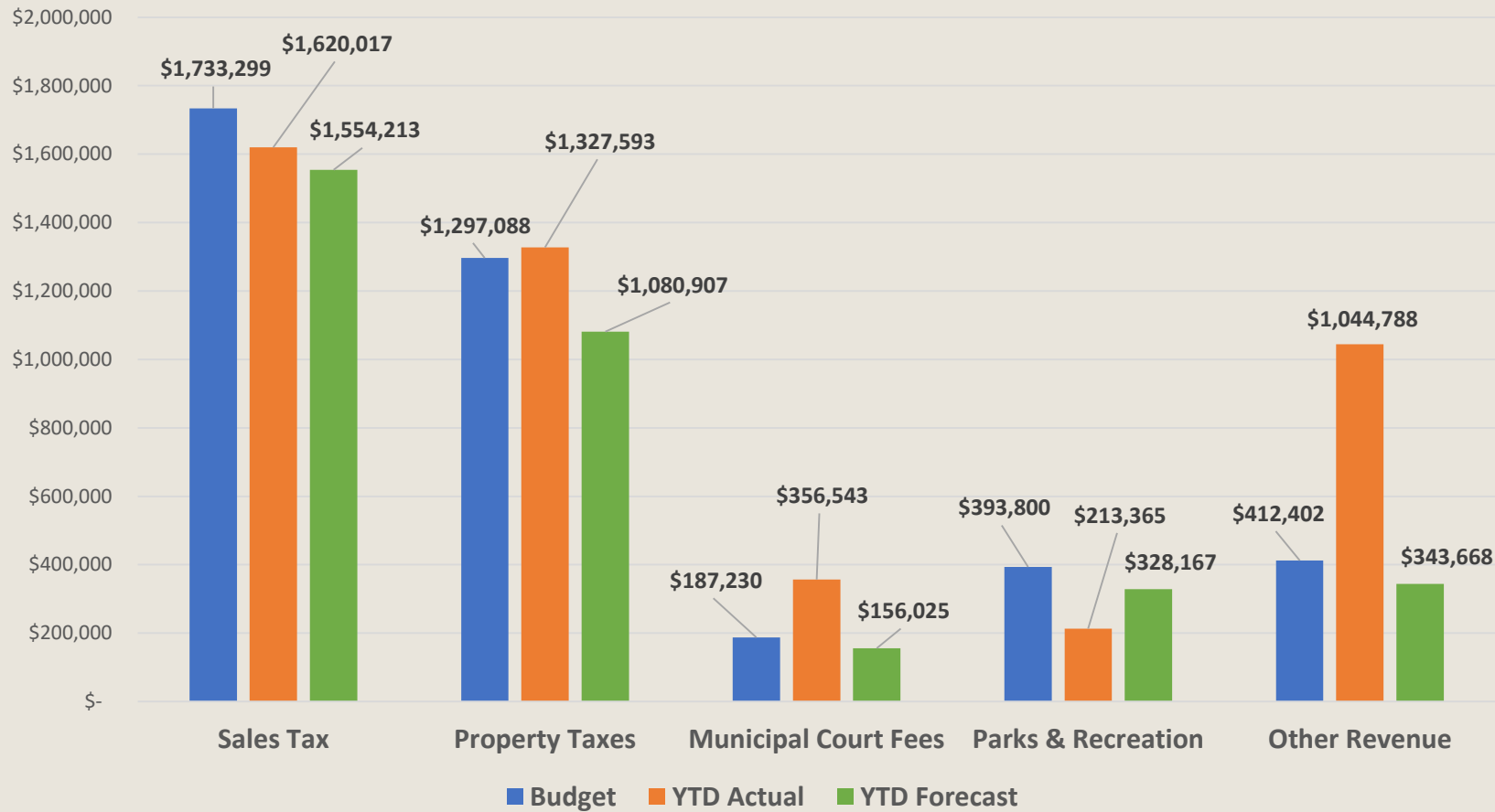
City of Castroville

- **MONTHLY FINANCE REPORT**
- **(ENDING JULY 31, 2025)**
- **General Fund**
- **Enterprise Fund**
- **Airport Fund**
- **Municipal Court Report**



General Fund

Budget to Actual Revenues - July 2025



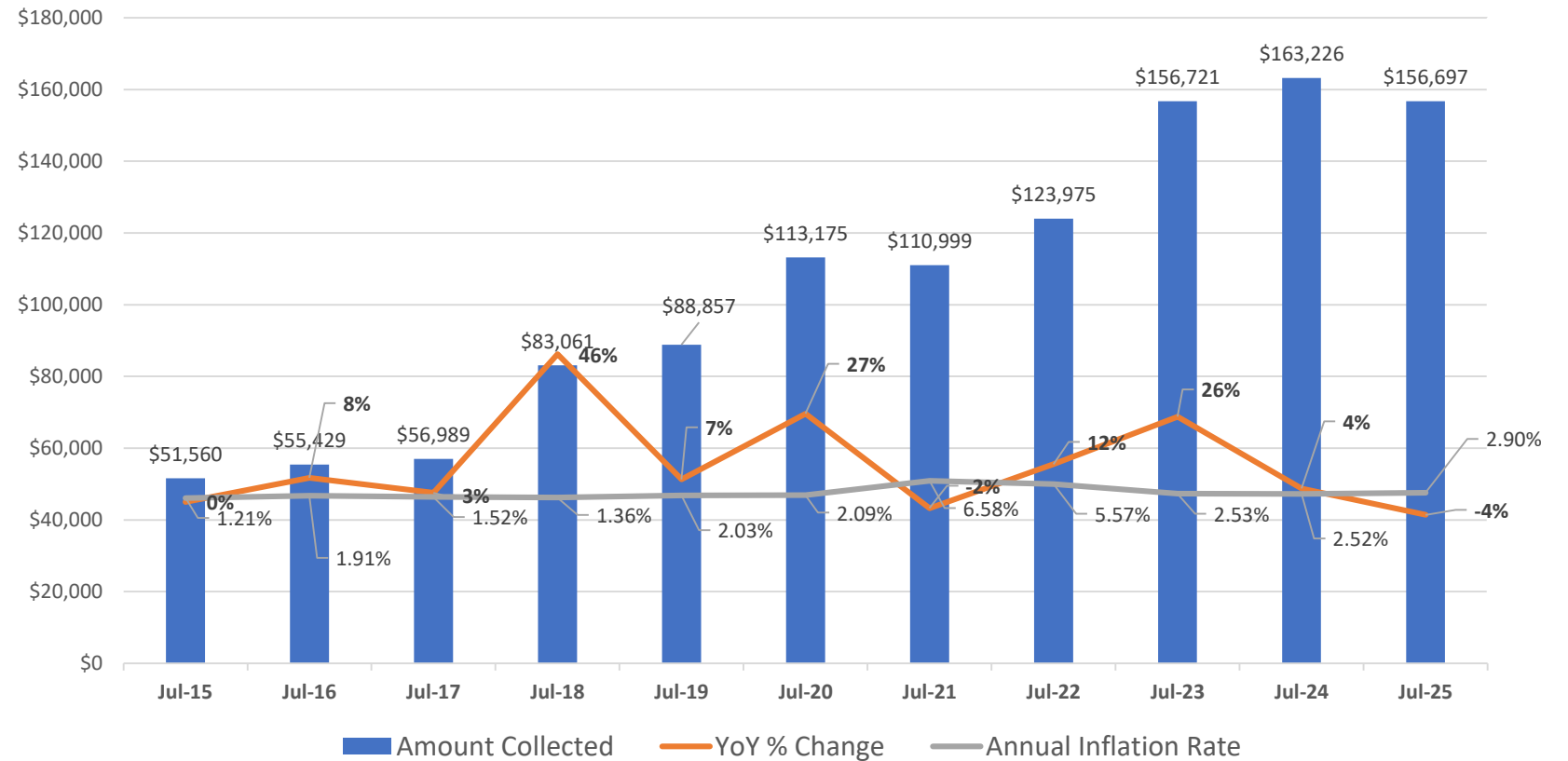
General Fund YTD Comparison

- Sales tax collections for the month of July totaled \$163,272 (includes sales and liquor tax) compared to last year, total collected for the month of July 2024 was \$169,710.
- Property tax collections for the month of July totaled \$6,209 compared to last July 2024, total collected was \$7,009.
- Other Revenue includes municipal court, parks and recreation and other misc. revenue. Court Collection Fees for the month of July totaled \$35,082 compared to last July 2024, total collected was \$16,667.

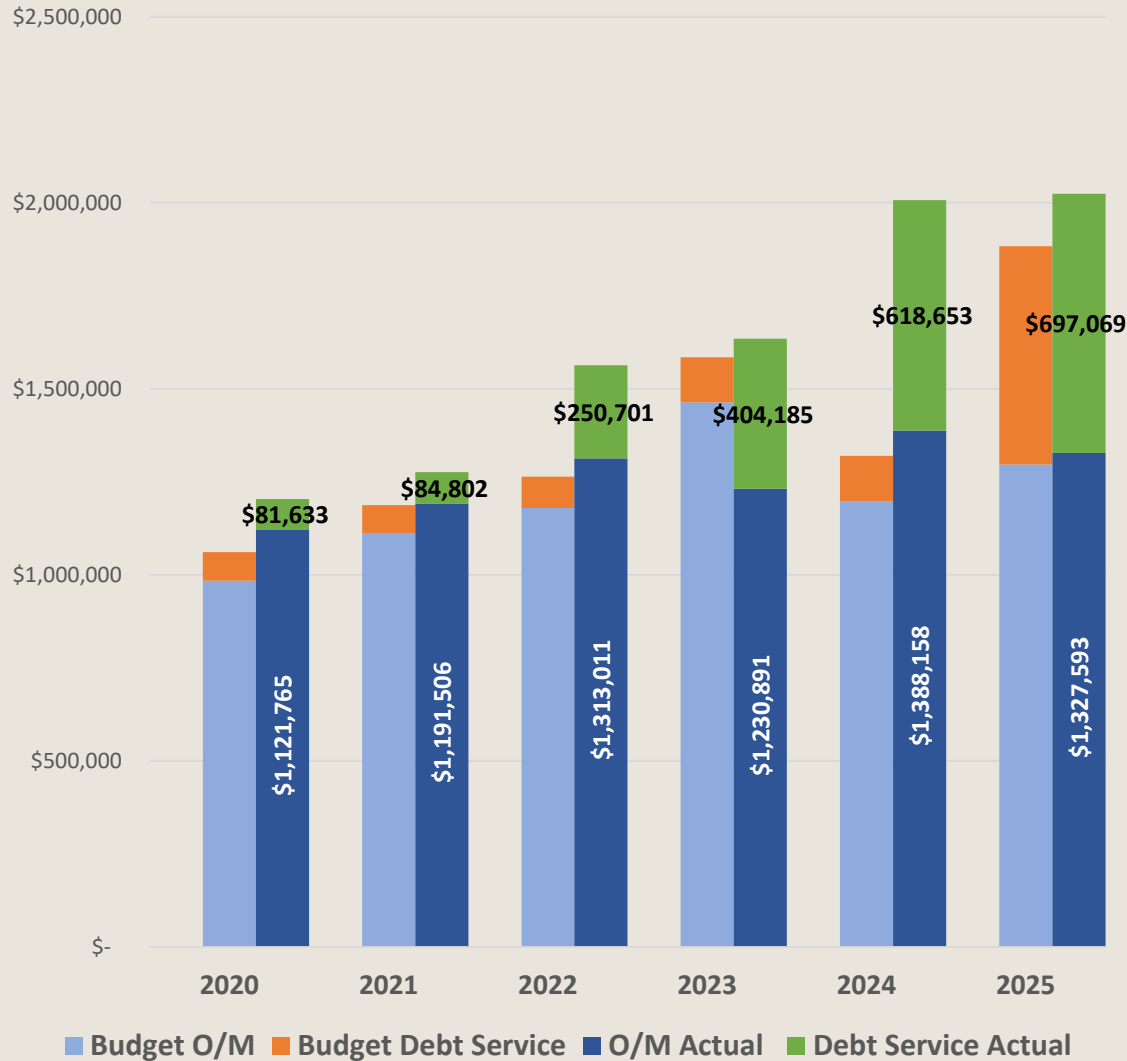
Comparison of Annual Collections for the Month of July.

Sales taxes down 4.0% in July.

- Sales tax collection for the month of July totaled \$156,696.89. This represents a decrease of 4.00%, or \$6,529 compared to last year.
- Through July, sales tax collections are up \$67,491, or 4.53%, from the prior year.
- The 12-month moving average is 4.62% higher than this time last year.
- Collections for this month represent sales that took place in May.



Property Tax Collections

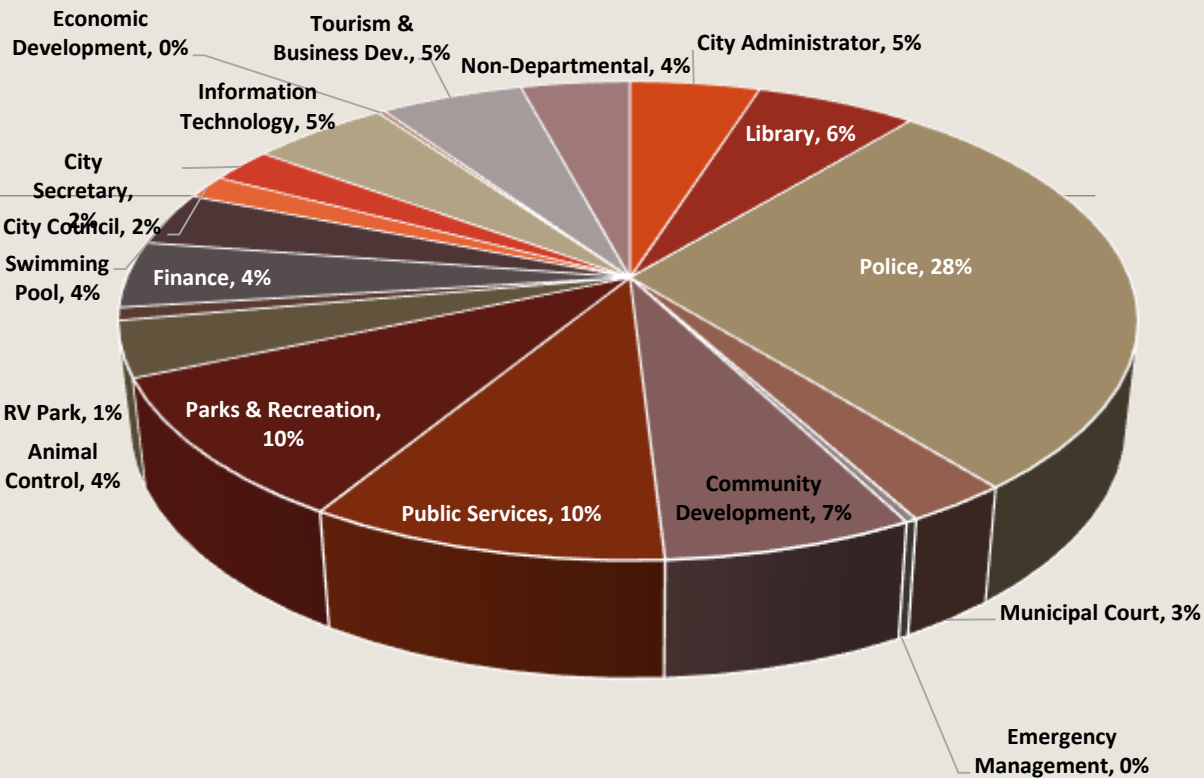


- Current property tax collections are 102.35% of the original budget at this point of the fiscal year. This includes ad valorem, delinquent and penalties and interest. We have collected 98.77% of the total tax levy.
- Taxes become delinquent on February 1st. January is the last month to pay without penalties.
- Delinquent property taxes represent collections on prior year levies. Penalty and interest are being collected on prior year taxes.
- Total property tax collections year to date including prior year collections, as well as penalties and interest for July are \$1,327,593.

General Fund by Department

Section XIII, Item a.

Department	% of Budget	Adopted	Actual YTD
City Administrator	5%	\$ 232,418	\$ 165,616
Library	6%	\$ 289,897	\$ 189,984
Police	28%	\$ 1,341,322	\$ 1,337,666
Municipal Court	3%	\$ 133,979	\$ 204,530
Emergency Management	0%	\$ 14,700	\$ 8,268
Community Development	7%	\$ 320,767	\$ 403,309
Public Services	10%	\$ 456,851	\$ 344,527
Parks & Recreation	10%	\$ 459,653	\$ 681,644
Animal Control	4%	\$ 177,632	\$ 181,551
RV Park	1%	\$ 40,900	\$ 31,657
Finance	4%	\$ 213,385	\$ 210,952
Swimming Pool	4%	\$ 173,008	\$ 159,344
City Council	2%	\$ 76,606	\$ 41,913
City Secretary	2%	\$ 111,998	\$ 84,202
Information Technology	5%	\$ 246,000	\$ 225,511
Economic Development	0%	\$ 12,100	\$ 11,306
Tourism & Business Dev.	5%	\$ 256,286	\$ 213,876
Non-Departmental	4%	\$ 195,200	\$ 255,998
	100%	\$ 4,752,702	\$ 4,751,853



- City Administrator

Municipal Court

Public Services

RV Park

City Council

Economic Development
- Library

Emergency Management

Parks & Recreation

Finance

City Secretary

Tourism & Business Dev.
- Police

Community Development

Animal Control

Swimming Pool

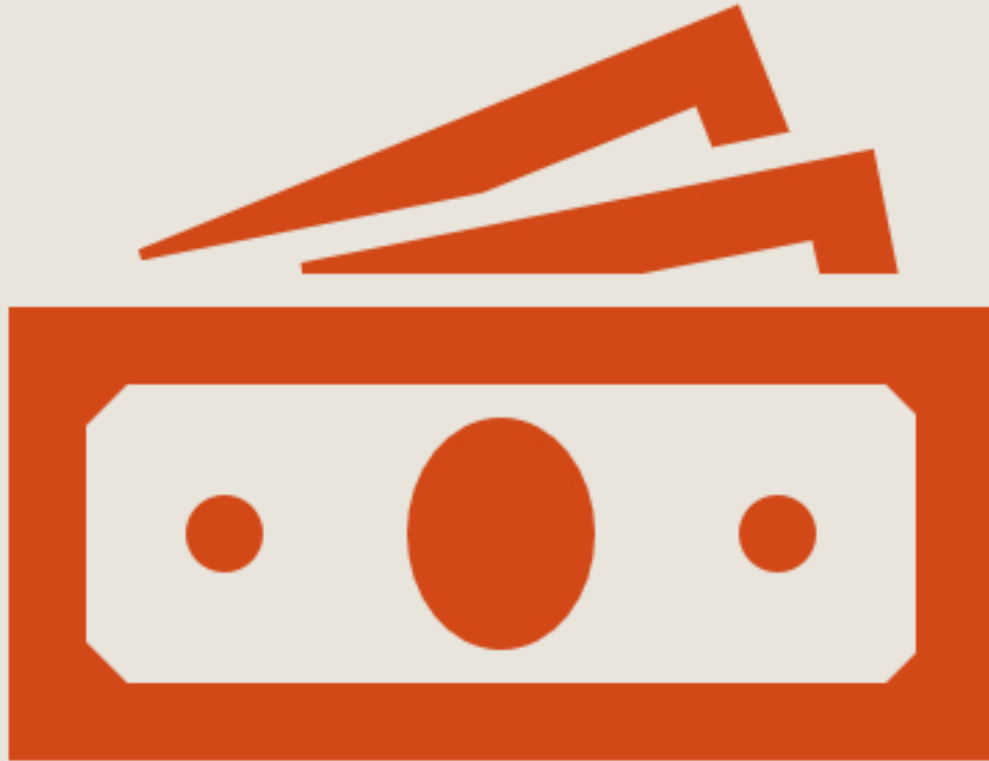
Information Technology

Non-Departmental

- The **Court budget** is over budget primarily because of staffing and operational changes. An additional FTE was added to help manage the higher volume of tickets, and costs for the judge and prosecutor increased as court sessions are now held twice a month rather than once. However, these expenses are being offset by the additional revenue generated from tickets.

- The **Community Development budget** is over due to increased plan review and inspection expenses. These are pass-through costs, fully offset by corresponding revenue.

- The **Parks and Recreation budget** is currently over budget because of Community Center Park Expenses.



Utility Fund

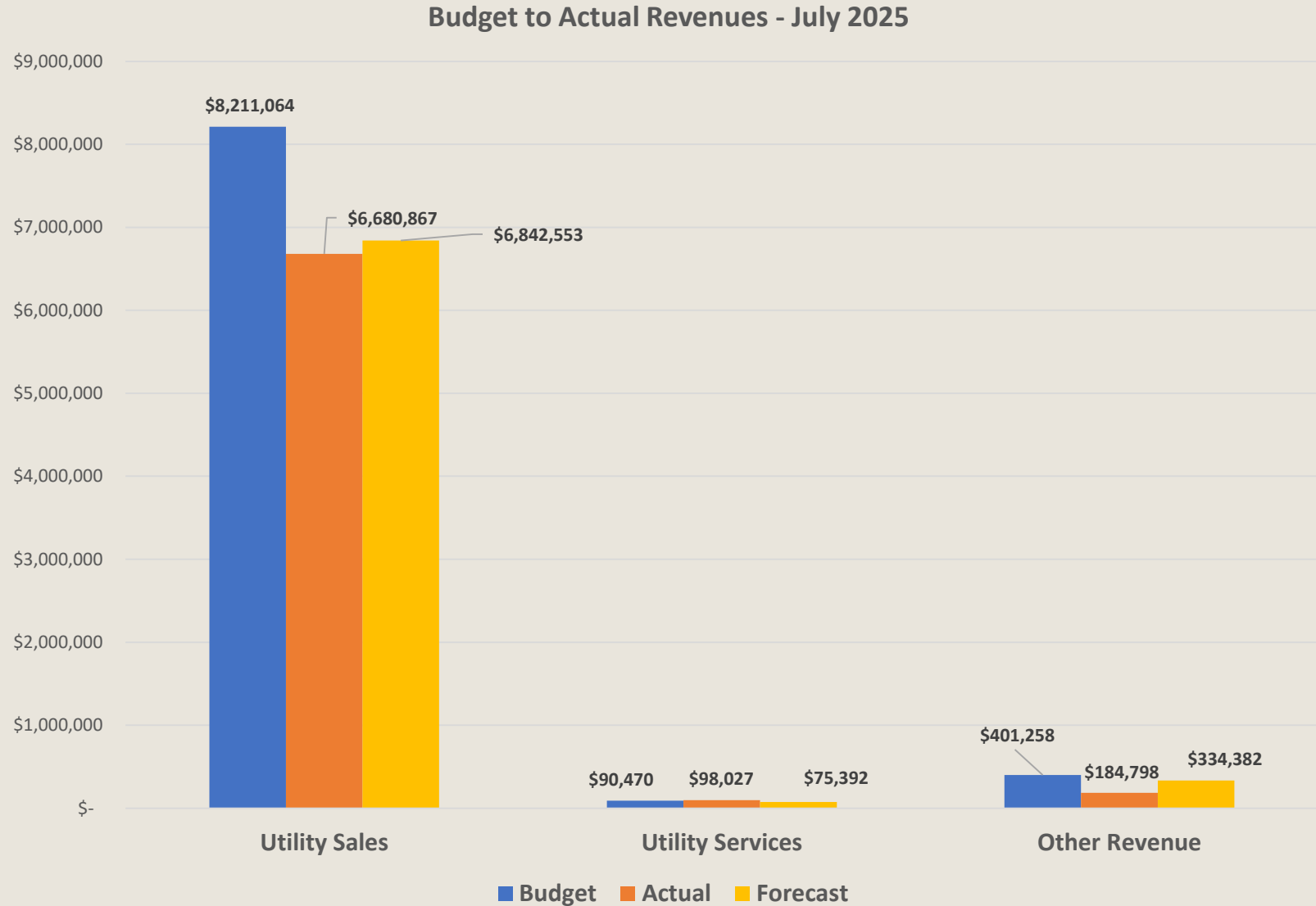
YTD Utility Fund Revenues

		Budget Forecast	ACTUAL	% Change	Over/Under	Forecast (FLAT)	Forecast (-2%)	Forecast (+9%)
October	7.55%	\$ 629,005.97	\$ 681,045	8%	\$ 681,045	\$ 681,045	\$ 681,045	\$ 681,045
November	7.29%	\$ 606,691.59	\$ 669,731	10%	\$ 669,731	\$ 669,731	\$ 669,731	\$ 669,731
December	7.42%	\$ 617,510.61	\$ 631,699	2%	\$ 631,699	\$ 631,699	\$ 631,699	\$ 631,699
January	8.22%	\$ 684,552.45	\$ 811,652	19%	\$ 811,652	\$ 811,652	\$ 811,652	\$ 811,652
February	8.22%	\$ 684,740.90	\$ 719,801	5%	\$ 719,801	\$ 719,801	\$ 719,801	\$ 719,801
March	7.05%	\$ 586,889.22	\$ 633,952	8%	\$ 633,952	\$ 633,952	\$ 633,952	\$ 633,952
April	7.31%	\$ 608,923.47	\$ 667,658	10%	\$ 667,658	\$ 667,658	\$ 667,658	\$ 667,658
May	8.48%	\$ 706,147.45	\$ 740,942	5%	\$ 740,942	\$ 740,942	\$ 740,942	\$ 740,942
June	8.89%	\$ 740,367.46	\$ 703,274	-5%	\$ 703,274	\$ 703,274	\$ 703,724	\$ 703,724
July	8.89%	\$ 740,367.46	\$ 697,618	-6%	\$ 697,618	\$ 697,618	\$ 697,618	\$ 697,618
August	10.01%	\$ 833,167.65	\$ -	0%	\$ -	\$ 833,168	\$ 816,504	\$ 908,153
September	10.15%	\$ 845,381.51	\$ -	0%	\$ -	\$ 845,382	\$ 828,474	\$ 921,466
	99.49%	\$ 8,283,746	\$ 6,957,372	6%	\$ 6,957,372	\$ 8,635,921	\$ 8,602,800	\$ 8,787,441

- YTD Actuals collected \$6,963,692 compared to last year in July 2024, total collected was \$6,344,652 or a 9.76% increase.
- Percentage of budget collected is 80.02%

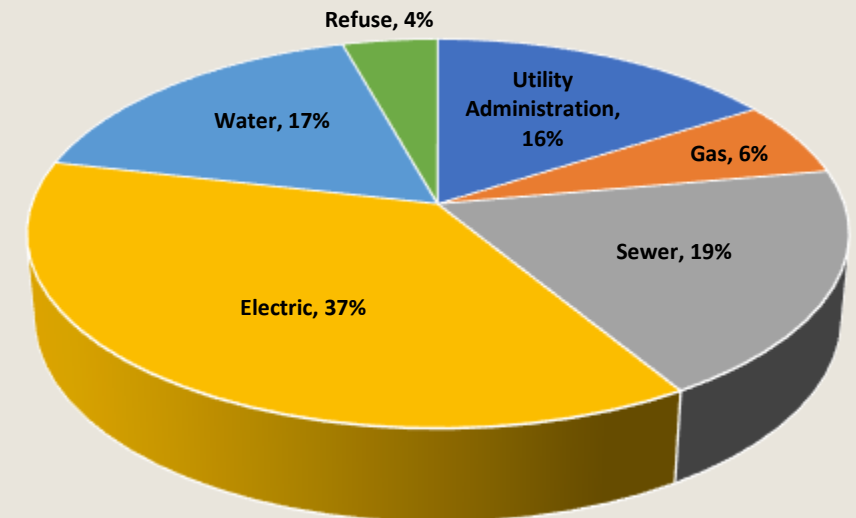
Utility Fund Revenues (July 2025)

- Currently collected \$697,618 in utility revenues for the month of July 2025.
- Total YTD Collections are \$6,963,692. This includes utility sales, utility services and other misc. revenue.
- Last year (2024) total collections during the month of June was \$744,001. This is a 6.23% decrease compared to last year.



Utility Fund Expenditures by Department

Department	% of Budget	Adopted	Actual YTD	Difference
Utility Administration	16%	\$ 1,389,163	\$ 1,246,334	\$ 142,829
Gas	6%	\$ 539,852	\$ 708,229	\$ (168,377)
Sewer	19%	\$ 1,665,406	\$ 1,525,809	\$ 139,597
Electric	37%	\$ 3,246,083	\$ 2,381,814	\$ 864,269
Water	17%	\$ 1,485,137	\$ 1,408,430	\$ 76,707
Refuse	4%	\$ 377,152	\$ 360,827	\$ 16,325
	100%	\$ 8,702,793	\$ 7,631,445	



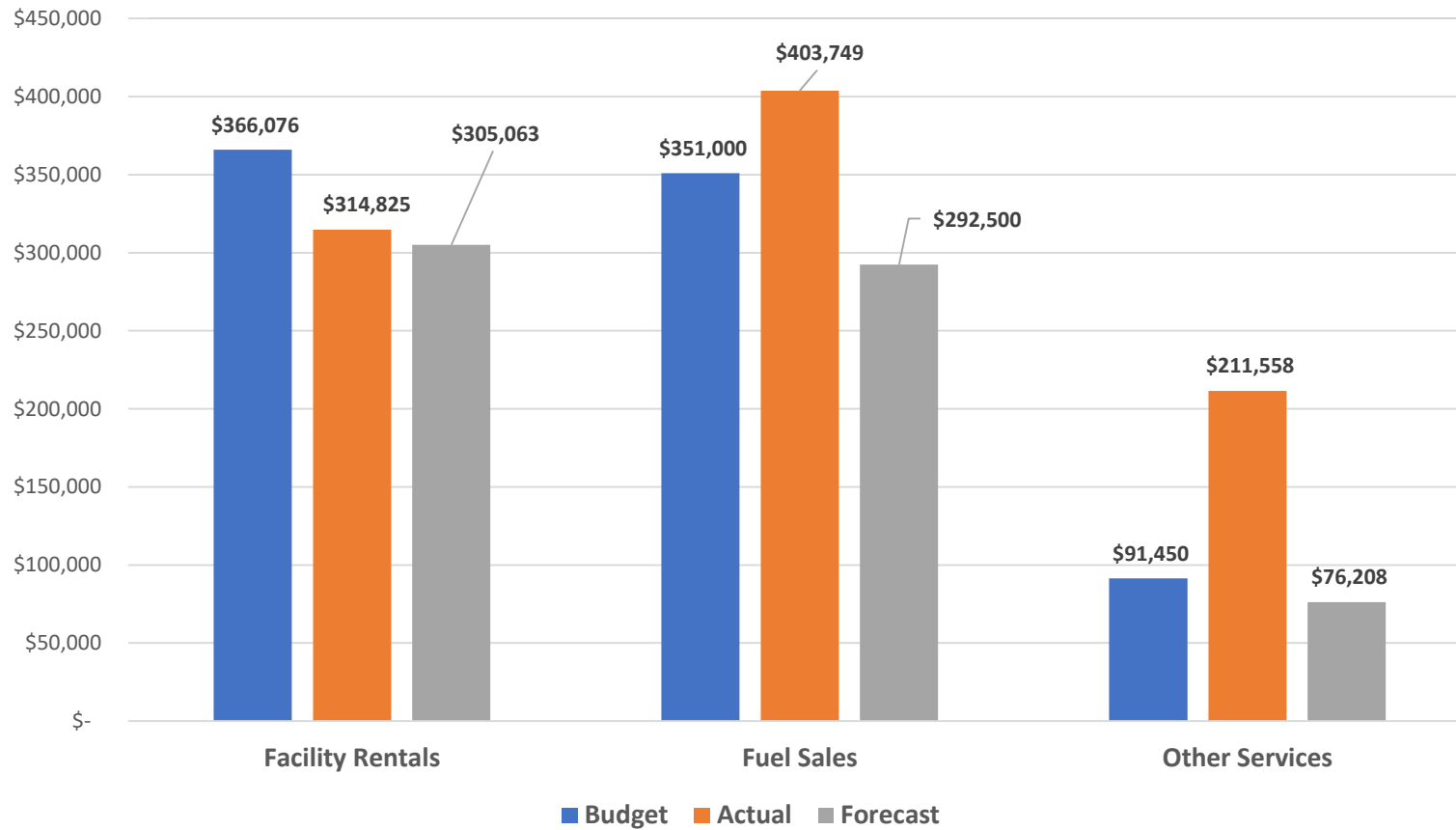
- The above graph represents YTD actual expenditures by department.
- The Utility Fund is performing as expected – all departments are currently under budget with the exception of Gas.
- Gas expenditures are at 131.08%



Airport Fund

Airport Fund YTD Comparison

Budget to Actual Revenues - July 2025



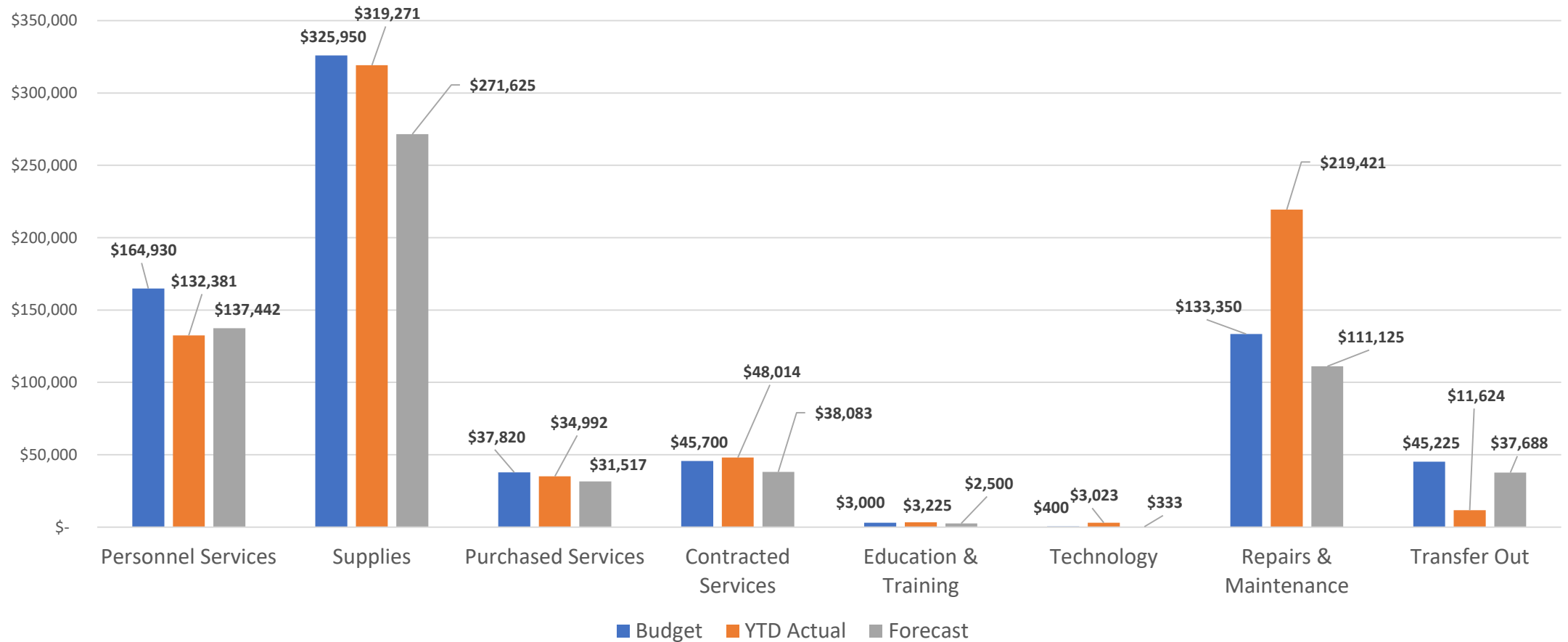
- Currently collected \$60,603 in airport revenues for the month of July 2025.
- Total YTD Collections are \$930,132. This includes facility rentals, fuel sales and other misc. revenue.
- Last year (2024) total collections during the month of July was \$62,879. This is a 3.62% decrease compared to last year.

Airport Fund Expenditures

Budget vs. Actual

July 2025

Section XIII, Item a.

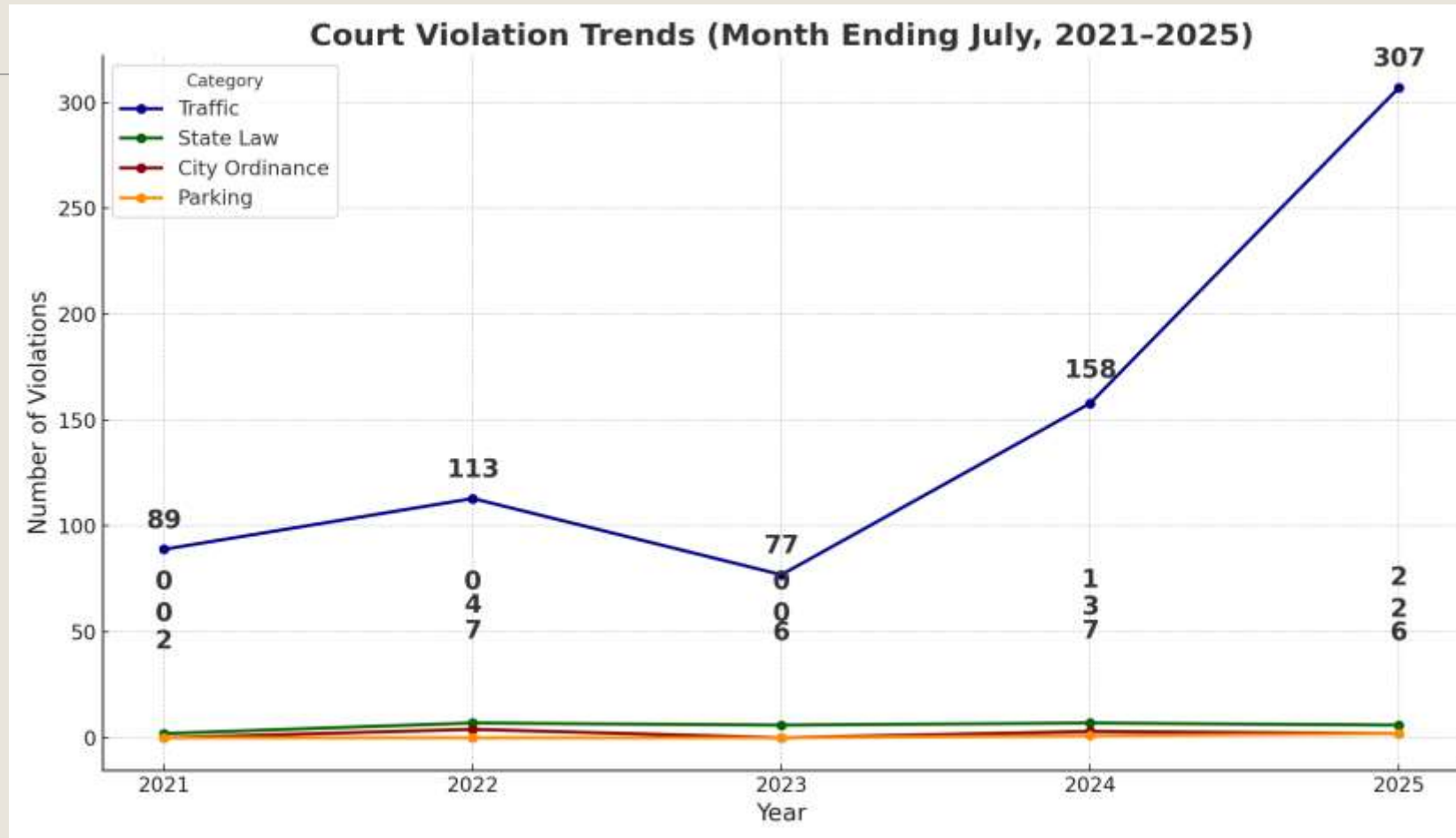




Municipal Court Report

JULY 2025

Court Violation Trends



Overview

This report provides a five-year overview of Municipal Court violations for the month ending July. The data highlights trends across four categories: Traffic, State Law, City Ordinance, and Parking violations. The significant rise in traffic violations and the emergence of new violation types may have operational, enforcement, and budgetary implications.

Key Trends & Observations

1. Major Increase in Traffic Violations

- 2025 recorded 307 traffic violations, more than triple the amount from 2023.
- The steepest rise was from 2024 to 2025 (+149 cases).
- Indicates a strong shift in enforcement activity or growth-related traffic volume.

2. State Law Violations Steady

- Annual counts have ranged between 2 to 7 cases.
- 2025 showed a slight dip from the previous year (6 down from 7).
- Overall stable and manageable category.

3. City Ordinance Enforcement Returns

- No violations in 2023, but small upticks in 2024 (3) and 2025 (2).
- Suggests targeted or renewed enforcement of specific ordinances.

4. Emergence of Parking Violations

- No cases in 2021–2023.
- First seen in 2024 (1 violation), followed by 2 in 2025.
- Reflects new enforcement or changes in community behavior.



CITY COUNCIL AGENDA REPORT

DATE: August 14, 2025

AGENDA OF: August 26, 2025

DEPARTMENT: Finance

SUBJECT: Discussion and appropriate action on 2025 Tax Rates. Review the 2025 No-New Revenue, Voter-Approval, and De Minimus Tax Rate Calculations.

RECOMMENDATION:

Motion to approve by record vote, a PROPOSED tax rate of \$0.5982 for the 2025 tax year consisting of Maintenance and Operations of \$.4764 and Interest and Sinking of \$0.1218. The proposed tax rate will generate an additional \$135,502 in revenue.

BACKGROUND/DISCUSSION:

The 2025 Tax Rates were presented at last week's Tax Rate Hearing #1 on 08/12/2025. Please announce the 2025 Tax Rate will be approved on September 9, 2025, at 6:00 p.m. (City Hall).

DISCUSSION:

More discussion to follow at the council meeting.

Next Steps:

Fiscal Impact:

☐ Budgeted ☐ Requires Budget Amendment

Source of Funding:

Attachments: Agenda Item Voting Results Sheet
Tax Rate Hearing #2 Presentation

Urgency (0-5 = Low Urgency to High Urgency): 5
Impact (0-5 = Low Impact to High Impact): 5

Submitted by: Leroy Vidales

Council Action

Agenda Item Voting Results

Agenda Item Number	
Date	August 26, 2025
Vote Type	ROLL CALL
Description	Motion to approve by record vote, a PROPOSED tax rate of \$0.5982 for the 2025 tax year consisting of Maintenance and Operations of \$.4764 and Interest and Sinking of \$0.1218. The proposed tax rate will generate an additional \$135,502 in revenue.
Results	

Voter		Not Present	Yea	Nay	Abstain	Motion	Second
Bruce Alexander	Mayor						
Sheena Martinez	District 1						
Houston Marchman	District 2						
Phil King	District 3						
David Merz	District 4						
Robert Lee	District 5						

City of Castroville

2nd Tax Rate Public Hearing

August 26, 2025

Residence Homestead Exemptions

Exemption	Tax Code Section	Taxing Unit	Total or Partial	Mandatory or Local	Amount
General Residence Homestead	11.13(b)	School Districts	Partial	Mandatory	\$ 100,000
General Residence Homestead	11.13(n)	Cities, Counties, School Districts or Special Districts	Partial	Local Option	An amount up to 20% of the property value, but not less than \$ 5,000
Farm-to-Market Roads or Flood Control (if collected)	11.13(a)	Counties	Partial	Mandatory (if collected)	\$ 3,000
Age 65 or Older or Disabled	11.13(c)	School Districts	Partial	Mandatory	\$ 10,000
Age 65 or Older or Disabled	11.13(d)	Cities, Counties, School Districts or Special Districts	Partial	Local Option	An amount adopted by the taxing unit, but no less than \$ 3,000
Disabled Veterans	11.22	Cities, Counties, School Districts & Special Districts	Partial	Mandatory	An amount determined by the percentage of service-connected disability
Disabled Veterans with Homes Donated by Charitable Organizations	11.132	Cities, Counties, School Districts & Special Districts	Partial	Mandatory	An amount determined by the percentage of service-connected disability
100% Disabled Veterans	11.131	Cities, Counties, School Districts & Special Districts	Total	Mandatory	100% of the property value
Surviving Spouse of U.S. Armed Services Member Killed in Action	11.133	Cities, Counties, School Districts & Special Districts	Total	Mandatory	100% of the property value
Surviving Spouse of First Responder Killed or Fatally Injured in the Line of Duty	11.134	Cities, Counties, School Districts & Special Districts	Total	Mandatory	100% of the property value

Medina County 2024

Partial Exemption Totals

Taxing Unit	OA: Over 65	DP: Disabled Person	HS: Homestead Exemption
City of Castroville	\$ 10,000 (Freeze)	\$ 10,000	
City of Devine	\$ 15,000	\$ 15,000	
City of Hondo	\$ 15,000		
City of Lytle	\$ 10,000		
Medina County	\$ 15,000		
Devine ISD	\$ 10,000	\$ 10,000	\$ 100,000
D'Hanis ISD	\$ 10,000	\$ 10,000	\$ 100,000
Hondo ISD	\$ 10,000	\$ 10,000	\$ 100,000
Lytle ISD	\$ 10,000	\$ 10,000	\$ 100,000
Medina Valley ISD	\$ 10,000	\$ 10,000	\$ 100,000
Natalia ISD	\$ 10,000	\$ 10,000	\$ 100,000
Northside ISD	\$ 23,330	\$ 23,330	\$ 100,000
Utopia ISD	\$ 10,000	\$ 10,000	\$ 100,000

Medina County 2024 Partial Exemption Totals

Disabled Veteran Exemptions

Disabled Veteran Exemption	Disability Rating	Exemption Amount Up To
DV1	10 – 29%	\$ 5,000 off the value of the property
DV2	30 – 49%	\$ 7,500 off the value of the property
DV3	50 – 69%	\$ 10,000 off the value of the property
DV4	70 – 100%	\$ 12,000 off the value of the property
DVHS	100% unemployable	100%

Medina County Appraisal District

Taxable Value – Average Home Value

City	2020	2021	2022	2023	2024
City of Castroville	\$ 203,192	\$ 222,940	\$ 247,717	\$ 276,064	\$ 300,405
City of Devine	\$ 108,733	\$ 120,618	\$ 136,650	\$ 153,942	\$ 170,364
City of Hondo	\$ 114,065	\$ 127,681	\$ 143,944	\$ 162,139	\$ 178,551
City of La Coste	\$ 89,938	\$ 101,263	\$ 111,218	\$ 120,831	\$ 135,806
City of Natalia	\$ 63,582	\$ 70,878	\$ 83,714	\$ 102,641	\$ 117,153

2024 Tax Rates

Taxing Entity	M&O	I&S	Total
Medina Valley ISD	0.6669	0.5000	1.1669
City of Castroville	0.3487	0.1746	0.5233
City of La Coste	0.5800	0.00	0.5800
Hondo ISD	0.6669	0.2600	.9269
City of Hondo	0.3170	0.1630	0.4800
Devine ISD	0.6969	0.2400	.9369
City of Devine	0.4864	0.1036	0.5900
D'Hanis ISD	0.8019	0.1196	.9215
Natalia ISD	0.7552	0.3995	1.1547
City of Natalia	0.4777	0.00	0.4777
Northside ISD	0.6694	0.3355	1.0049
Lytle ISD	0.7552	0.4347	1.1899
City of Lytle	0.3268	0.0714	0.3983

City of Castroville Tax Rate History

Tax Year	M&O	I&S	Total Rate
2024	\$ 0.3487	\$ 0.1746	\$ 0.5233
2023	\$ 0.3680	\$ 0.1553	\$ 0.5233
2022	\$ 0.3970	\$ 0.1263	\$ 0.5233
2021	\$ 0.4385	\$ 0.0848	\$ 0.5233
2020	\$ 0.463333	\$ 0.031845	\$ 0.495178

Calculation Tax Rates

No-New-Revenue Tax Rate (Effective Tax Rate)	\$.5286
Voter-Approval Tax Rate (Rollback Rate)	\$.5982
De Minimis Rate	\$.6289
* Source: 2025 Tax Rate Calculation Worksheet	

The No-New Revenue Tax Rate (NNR) enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The Voter-Approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into separate rates: Maintenance and Operations Tax Rate and Debt Rate

The de minimis rate is the rate equal to the sum of the no-new revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.

Proposed Tax Rate

	Current Tax Rate (24/25)	Proposed Tax Rate (25/26) MIN	Voter Approval Rate (25/26)MAX
Maintenance & Operations	\$ 0.3487	\$.4015	\$.4764
Interest & Sinking (Debt Service)	<u>\$ 0.1746</u>	<u>\$.1218</u>	<u>\$.1218</u>
Total Tax Rate	\$ 0.5233	\$ 0.5233	\$ 0.5982

Voter Approval Rate = \$135,502 in additional revenue

Tax Rate Options

	Rate with New Debt Issuance \$3.5 million	No New Revenue Tax Rate	Voter Approval Rate (25/26)MAX with additional debt issuance \$3.5 million
Maintenance & Operations	\$ 0.3333	\$.4068	\$.4603
Interest & Sinking (Debt Service)	<u>\$ 0.1900</u>	<u>\$.1218</u>	<u>\$.1900</u>
Total Tax Rate	\$ 0.5233	\$ 0.5286	\$ 0.6503

Calculating Your Tax Rate

$$\text{Taxable Value} \times \text{Tax Rate} / 100 = \text{Property Tax Due}$$

	Average Taxable Value	Tax Rate	City Property Tax Due
Option 1	\$ 300,405	\$.5233	\$ 1,572.01
Option 2 New Debt	\$ 300,405	\$.5233	\$ 1,572.01
Option 3 (VAR)	\$ 300,405	\$.5982	\$ 1,797.02

The Taxable Value does not include any exemptions.

Upcoming Important Dates

- September 9th – City Council Meeting & Budget Public Hearing #2
 - Budget Adoption
 - Tax Rate Adoption
- September 23rd – City Council Meeting
 - Adopt Comprehensive Fee Schedule
 - Adopt Investment Policy
 - Adopt Financial Policy



CITY COUNCIL AGENDA REPORT

DATE: August 19, 2025

AGENDA OF: August 26, 2025

DEPARTMENT: Finance

SUBJECT: Ordinance Adopting the Comprehensive Fee Schedule

RECOMMENDED MOTION: Motion to adopt an Ordinance regarding the Comprehensive Fee Schedule for the City of Castroville for the fiscal year beginning October 1, 2025, and ending September 30, 2026.

BACKGROUND:

Local Government Code provides certain filing fees, permit fees, inspection fees, deposits and conditions of service may from time to time be established or updated. The City Council may adjust these fees as necessary, and have compiled into one comprehensive schedule.

Deletions are in red (strike through) and additions/updates are in blue

FISCAL IMPACT/SOURCE OF FUNDING: ☐ Budgeted ☐ Requires Budget Amendment

ATTACHMENTS: Ordinance XXXX-XXX, Comprehensive Fee Schedule

Urgency (0-5 = Low Urgency to High Urgency): 5

Impact (0-5 = Low Impact to High Impact): 5

Submitted by: **Leroy Vidales, Finance Director**

DRAFT

COMPREHENSIVE FEE SCHEDULE



CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES - Administration****Copies and Fax Fees**

Copies (8 1/2 x 11)	\$0.25 \$0.10 per page
Copies (8 1/2 x 14)	\$0.25 \$0.10 per page
Copies (11 x 17)	\$0.40 \$0.25 per page
Color Copies (any size page)	\$1.50 \$1.00 per page
Certified Copies	\$1.00 per page
Fax Outgoing - Same Area Code	\$1.50 \$0.50 per page
Fax Outgoing - Long Distance	\$1.50 \$1.00 per page
Fax Incoming	\$1.50 \$0.20 per page

Return Check Fee	\$25.00
-------------------------	---------

Occupational Tax:

Retail Beer on Premise (BE) Annual	\$75.00
Beer Retailer Off Premise (BF) Annual	\$30.00
Retail Beer and Wine on Premise (BG) Annual	\$87.50
Retail Beer and Wine off Premise (BQ) Annual	\$30.00
Package Store (P) Annual	\$250.00
Wine Only Package Store (Q) Annual	\$37.50
Wholesale Distributor (W) Annual	\$937.50
Mixed Beverage (MB) Annual	\$375.00
Other Liquor Permits (Tx Alcohol Beverage Code)	1/2 State Fee/yr.
Other Beer Licenses	1/2 State Fee/yr.
Coin operated game machines	\$7.50

Special Events: Application Fee -

On City Property & ROW excluding Regional Park	\$100/event + cost
Litter Pick up Deposit	\$14.00

Banner Placement	\$600 \$150 per banner /hr; 1 hr. minimum
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Sanctioned Event Permit (Ord. 2014-10)	\$20.00
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Permits:

Horse Drawn Carriage	\$100.00
Park Alcohol Permit Fee (for each day of event)	\$20.00
Carnival	\$250
Solicitors (includes background, picture ID)	\$100 organization permit + \$50 each person

General Fees - Moving of any building or structure - for movement of structure on City streets or ROW where city assistance is required.

\$100.00

Extension of Time - Fee may be waived by the City Administrator if the extension is requested prior to any approval expiring & subject to the applicant providing cause for the extension.

\$250/extension

Postponement - When a postponement is requested by an applicant for an item on an agenda for which a public hearing was scheduled. Fee may be waived by City Administrator.

\$200.00

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES - Airport****Airport Terminal Building Lease/Rental Rates - Monthly**

Rates are based on Price per Square Foot depending on size and location and are subject to change due to market conditions as well as upon hangar vacancy. Consult with the Airport Manager or the City Administrator for further details.

Terminal Office 107	\$134.05	\$130.52
Terminal Office 108	\$141.87	\$138.14
Terminal Office 110	\$141.87	\$138.14
Terminal Office 111	\$141.87	\$138.14
Terminal Office 119/120	\$357.68	\$348.27

Ramp Tie Down Fees

Monthly	\$35.00
Daily	\$5.00

Late Fees

Delinquent Rentals	10% of Amount Owed, with a Minimum of \$20.00
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Hangar Lease/Rental - per month:

A1 & A8	\$318.09	\$309.73
A2 – A7	\$275.52	\$268.28
B1 & B8	\$318.09	\$309.73
B2 – B7	\$275.52	\$268.28
C1 – C4	\$325.12	\$316.57
C5	\$383.27	\$373.20
C6	\$617.82	\$601.58
C7 – C10	\$325.12	\$316.57
D1	\$383.27	\$373.20
D2 – D5	\$325.12	\$316.57
D6	\$617.82	\$601.58
D7 – D10	\$325.12	\$316.57
D11 (Airport Storage)	\$122.87	\$119.64
Box - 1 - Box 8	\$406.14	\$395.46
E 1 - E10	\$458.56	\$446.51
E11S & E12S	\$161.84	\$157.59
HS 1 - HS 10	\$147.73	\$143.85
Almond	\$364.31	\$354.73
Lasher 1 – 3	\$194.33	\$189.22

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES - Community Development**

Consultant Fees

Review of construction plans, reports, drainage studies, TIA's, landscape plans, and any other documents associated with plats, site plans, mixed-use concept plans, or special legal instruments or submittals as necessary per application submitted. Fees include professional fees billed by

Actual Cost plus 10% Administrative Fee

Legal Fees

All legal fees incurred by the City in the review preparation and/or amendment of any legal document associated with a development application, such as but not limited to Development Agreement or Public Infrastructure Agreement.

Actual Cost plus 10% Administrative Fee

Plats and Planning

Zoning	Zone Change Request	\$500 + Consultant Fee*
Minor (Ord. No. 2002-003)	Residential	\$200 + \$20/lot+ Consultant Fee*
Minor (Ord. No. 2002-003)	All Other Zoning Districts	\$200 + \$25/acre + Consultant Fee*
Preliminary/Final Plat (Ord. No. 2002-003)	Single and Two Family Residential	\$800 + \$40 / lot + Consultant Fee*
Preliminary / Final Plat (Ord. No. 2002-003)	All Other Zoning Districts	\$800 + \$200 /acre + Consultant Fee*
Planned Unit Development	PUD Plan	\$500 + \$25/acre + Consultant Fee*
Planned Unit Development	Amendment	\$250 + \$25/acre + Consultant Fee*

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE
FY 2026 PROPOSED Annual Operating & Capital Budget
FEES - Community Development (Continued)

PERMITS

Work without a Permit	Double the permit fee
Plan Review Fee	65% of Permit Fee (If Applicable)

COMMERCIAL CONSTRUCTION VALUATION

\$1 to \$100,000 project valuation (p.v.)	\$625
\$100,001 to \$500,000 p.v.	\$625 for 1st \$ 100,000 plus \$6.75 each addtl \$1,000
\$500,001 to \$1,000,000 p.v.	\$3,325 for 1st \$ 500,000 plus \$6.25 each addtl \$1,000
\$1,000,001 to \$5,000,000 p.v.	\$6,450 for 1st \$ 1,000,000 plus \$5.25 each addtl \$1,000
\$5,000,001 and up	\$27,450 for 1st \$ 5,000,000 plus \$5.00 each addtl \$1,000

OTHER CONSTRUCTION VALUATION

PERMIT FEES

\$0 - \$2,000	\$100.00
\$2,001 to \$25,000	\$100 for the first \$2000 plus \$13.75 for each additional \$1,000 or fraction thereof, up to and including \$25,000
\$25,001 to \$50,000	\$391.25 for the first \$25,000 plus \$10.10 for each additional \$1,000 or fraction thereof, up to and including \$50,000
\$50,001 to \$100,000	\$643.75 for the first \$50,000 plus \$7.00 for each additional \$1,000 or fraction thereof, up to and including \$100,000
\$100,001 to \$500,000	\$993.75 for the first \$100,000 plus \$5.60 for each additional \$1,000 or fraction thereof, up to and including \$500,000
\$500,001 to 1,000,000	\$3,233.75 for the first \$500,000 plus \$4.75 for each additional \$1,000 or fraction thereof, up to and including \$1,000,000
\$1,000,001 and up	\$5,608.75 for the first \$1,000,000 plus \$3.15 for each additional \$1,000 or fraction thereof

Commercial Construction

Based on Commercial Construction Valuation*

New Residential Construction	\$0.53 per Square Foot
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Residential Remodel/Addition/Foundation Repair

Base fee \$100, plus \$0.25 per square foot

Burn Permit	\$25.00
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Demolition Permit	Based on Other Construction Valuation*
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Fence Permit	\$25.00
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Fire Prevention Permit	Actual Cost + 5% Administration Fee
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Floodplain Development Permit	\$100.00*
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Site Work Permit	Based on Other Construction Valuation*
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Sign Permit	Based on Other Construction Valuation
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Specific Use Permit	\$300.00*
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CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES - Community Development (Continued)**

Trade Permit – Mechanical, Electrical, and Plumbing	\$100.00 per Trade
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Trade Permit will be based on valuation if:

- 1) is not associated with an existing building permit
- 2) the valuation exceeds \$10,000 .

MISCELLANEOUS

Certificate of Appropriateness	\$100.00
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Certificate of Occupancy	\$100 \$140
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The third-party reviewer cost for this has changed.
The new cost is what they charge plus 10% admin. Fee

Determination-Vested Rights Petition or Development Rights Determination	\$500.00*
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Home Occupation Registration Fee	\$25.00
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Mobile Home Park Annual License Fee	\$100.00
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Verification Letter	\$50.00
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Variance Request/Appeal	\$300.00*
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***Fees that usually have Consultant and/or legal Fees**

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES – Library****Fees and Fines**

Library Card Replacement Fee	\$1.50 \$1.00 / per card
<i>Medina County Patrons –</i>	
<i>MVUSD Service Area 16+</i>	\$5.00
Out-of-area Library Card Fee	\$10.00
Out-of-area Library Card Fee (<i>Counties other than Medina County</i>)	\$25.00
Overdue Book Fine (No Grace Period)	\$0.25 per day / per item OR replacement cost
Lost / Damaged Items	Replacement cost or replacement book in good/ excellent condition title lost; approved by Library Director staff with a \$5.00 Processing Fee per item
Overdue Texana Books (No Grace Period)	\$1.00 per day / per item OR replacement cost
Overdue DVD Fines (No Grace Period)	\$1.00 per day / per item OR replacement cost

Copies & Fax

Black & White Copies / Printouts	\$0.25 \$0.10 / page
Color Copies / Printouts (Any size page)	\$1.50 \$1.00 / page
Scans	\$0.25 \$0.10 / page
Outgoing Fax Service Local	\$1.50 \$1.00 / page
Outgoing Fax Service Long Distance	\$1.50 \$1.00 / page
Outgoing Toll-Free Fax	\$1.50 \$1.00 / page
In-Coming Fax	\$1.50 \$1.00 / page
Lamination	\$2.00 \$1.00 / 8" x 11" page
Postage	Current postage cost

Exam Proctoring

Regular Class Exam per 3 hours	FREE \$10.00
Standardized Test per 3 hours	FREE \$25.00

Inter Library Loan**Cost of book or replacement book with the same ISBN#**

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES – Parks and Recreation**

Fees are related to rental / organized events.

LIONS PARK FEES***Softball Fields***

Per Season Athletic Field Fee	\$500
Daily Fee	\$50
Hourly Fee	\$20

REGIONAL PARK FEES***Athletic Fields***

Per Season <i>Athletic Field</i> Fee	\$20.00 / per participant
Daily Fee (Per Field)	\$100
Hourly Fee	\$20

Volleyball Courts

Per Season <i>Volleyball Court</i> Fee	\$500
Daily Fee (Per Court)	\$50
Hourly Fee	\$20

RV & Camping

Tent Camping	\$20/ tent per day
RV Daily	\$40
RV Weekly	\$200
RV Monthly (30 AMP)	\$475
RV Monthly (50 AMP)	\$525

Late Fee	\$5.00 per day
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Non Sufficient Funds Fee	\$25 / NSF Charge
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RV Rental Discounts – Only one discount can be applied per rental

Military Discount	10%
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Dump Station – Resident use (must present latest utility bill)	\$0
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Dump Station - Non-Resident use	\$20.00
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CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE
FY 2026 PROPOSED Annual Operating & Capital Budget
FEES – Parks and Recreation (continued)

Pavilion & Picnic Areas

\$50.00 refundable cleaning fee deposit on All AREA Rentals

Individual Picnic Table Rental	\$5.00
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***RESIDENT is defined as the City of Castroville taxpayers (Castroville Address or Current Utility Bill)**

Rentals are Full Day: 8 a.m. - 9 p.m.

Area #1 (4 tables)	\$35 Resident* / \$60 Non-Resident
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Area # 2 (6 tables)	\$45 Resident* / \$70 Non-Resident
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Area #3 (8 tables)	\$55 Resident* / \$80 Non-Resident
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Area #4 (4 tables)	\$35 Resident* / \$60 Non-Resident
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Area #5 (4 tables)	\$35 Resident* / \$60 Non-Resident
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Large Pavilion (4 tables)	\$120 Resident* / \$140 Non-Resident
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Small Pavilion (2 tables)	\$100 Resident* / \$110 Non-Resident
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Amphitheater Fees

Class 1: City / FCRP Events	No Fee
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Class 2: Commercial Events with Admission Charge	\$150 per day + Security Deposit
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Class 3: Events / No Admission Fee	\$100 per day + Security Deposit
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Class 4: Non-Profit Events	\$50 per day + Security Deposit
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Security Deposit	\$100 / Refundable deposit
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Administration Fees

Special Event Application	\$100 / refundable if application is denied
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Cancellation Fee	\$15 per reservation / excludes rainchecks or reschedules
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CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE
FY 2026 PROPOSED Annual Operating & Capital Budget
FEES – Parks and Recreation (continued)

PARK: SPECIAL EVENTS & HOLIDAY RATES

Park Entrance Fees

\$5.00 / person / day

Pavilion & Picnic Areas: 3-days, Includes Rental & Associated Rental Fees

Picnic Tables	\$45
Large Pavilion	\$375
Small Pavilion	\$325
Area #1	\$175
Area #2	\$200
Area #3	\$250
Area #4	\$165
Area #5	\$165

VENDOR FEE

\$125/EVENT

Swimming Pool Fees

Admission	\$5 per person (2 yrs. & under are free)
Group Admission – 10+ individuals	\$5 per person (\$0.25 discount per person)
Fitness & Aerobic Swim (Summer)	\$5 per person/per session
Fitness & Aerobic Swim (Winter)	\$8 per person/per session

Swimming Pool Season Pass Fees

Single Person	\$100
Family Pass (maximum of 4 individuals) \$25 each additional	\$150
Fitness Pass (May – October)	\$150/person
Single Combo Pass (includes Fitness & Public Swim)	\$175/person
Swim Lessons (includes 4 hours of instruction)	\$75/person
Swim Lessons Late Registration	\$85/person
Private Pool Parties (Pavilion Included)	\$125 per hour/2 hour minimum
Pool Pavilion Reservations	\$35 per hour + daily fees

Swim Team

\$175 per person

Private Swim Lessons - Fees

1 person, 5 hours of instruction	\$150
2 persons, 5 hours of instruction	\$80 per person
3 persons, 5 hours of instruction	\$80 per person

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE
FY 2026 PROPOSED Annual Operating & Capital Budget
FEES – Community Center

Facility Reservation Fee: \$ (Facility Access and General Usage)

Cleaning Deposit: 20% of Total Rental (Damage or Additional Cleaning)

RENTAL RATE	Sunday - Thursday	Friday & Saturday
Resident	\$75 / Hour \$500/Day	\$100/Hour \$650 / Day
Non-Resident	\$100 / Hour \$650/Day	\$125/Hour \$800 / Day
Non-Profit Rate	\$50 / Hour \$400 / Day	\$75 / Hour \$650 / Day
Security Deposit		\$200
Security Deposit (Rentals w/ Alcohol)		\$300

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES – Animal Services**

Animal Services***Pet License :***

Annual Fee per Animal	\$10.00
Annual Fowl Registration Fee	\$1.00 / Fowl
Neutered Animal Lifetime	\$10.00
Dangerous Animal License (Annual)	\$50.00 Annual
Livestock Registration Fee	\$1.00 / Animal
Replacement Tag	\$2.00

Impoundment (Running-At-Large) *Altered :*

First Impoundment – (1 st Offense)	\$20 / animal + daily boarding fee
Second Impoundment – (2 nd Offense)	\$50 / animal + daily boarding fee
Third Impoundment – (3 rd offense or more)	\$70 / animal + daily boarding fee

Impoundment (Running-At-Large) *Unaltered :*

First Impoundment – (1 st Offense)	\$25 / animal + daily boarding fee
Second Impoundment – (2 nd Offense)	\$55 / animal + daily board fee
Third Impoundment or more – (3 rd Offense)	\$75 / animal + daily board fee
Boarding after Impoundment	Board Fee \$10 / day
Owner Surrender Fee	\$50 Per Animal
Adoption Fee	\$50 Minimum Donation

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE

FY 2026 PROPOSED Annual Operating & Capital Budget

FEES – Police

Reports and Fingerprinting

Past Department Reports	\$15 / hr., 1 hr. Minimum
Accident Report Copy	\$6.00
Accident Report Certified Copy	\$8.00
Police Report Copy	\$0.10 per page
Fingerprinting (up to 2 cards)	\$10.00

REGISTRATION /INSPECTION PERMIT FEE:

Operation of Golf Carts and Off-Highway Vehicles	\$50 Initial One Time Fee/Per Owner
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CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE

FY 2026 PROPOSED Annual Operating & Capital Budget

FEES – Public Works

Utility Fees

Deposit – Residential:

• Electric	\$150.00
• Water	\$100.00
• Gas	\$50.00

Deposit - Commercial	\$500.00
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Utility Re-Connect Fee	\$50.00
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Utility After Hours re-connection Fee (<i>requested by customer</i>)	\$50 flat fee plus additional \$50 for first request in 12-month period and additional \$100 for every request within a 12-month period.
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Manual READ Fee (per occurrence)	\$50.00
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Meter ACCESS Fee	\$50.00
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Temporary Utility Service Connection Fee	\$50.00
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Meter testing (<i>requested by customer</i>)	\$100 per meter plus the actual cost of testing and postage if not found to be defective.
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Meter Exchange Fee	\$175.00
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Meter tampering fee	\$500 per meter for a first offense. \$750 per meter or every offense the after first. Also, may be subject to additional charges for code or criminal violations, as applicable.
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For Monthly Utility Rates (Electric, Gas, Water, Sewer, see Adopted Ordinance 2024-003)

Edwards Aquifer Authority (EAA)	\$5.17 / month/account Pass thru (As set by EAA)
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Inspection Fee	\$115 / hr
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Water Acquisition Fee (WSC- Water Service Charge)

Residential	See Adopted Ordinance No. 2024-003
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Commercial	See Adopted Ordinance No. 2024-003
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Drought Surcharge Rate	\$7.89 per thousand gallons
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CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES – Public Works (continued)****Meter Fees**

Meter Connection		\$100.00
Smart Meter:	Gas	\$300.00
	Electric	\$250.00
	Water - 3/4"	\$175.00
	Water - 1"	\$250.00
	Radio	\$180.00

Water Tap Fee

3/4" Tap Fee	\$2,500.00
Larger than 1"	Cost plus 5% Admin. Fee
Commercial	Cost plus 10% Admin. Fee

Sewer Tap Fee

Residential:(pipe size) -5.5 ft. to 0 ft. - 7 ft depth	\$3,000.00 \$2,500.00
Residential: (pipe size) below 7 ft. 7 ft. - 10 ft. depth	\$2,800.00
Residential Fee	Cost plus 10% 5% Admin. Fee
Commercial Fee	Cost plus 10% Admin. Fee

Electric Service

Residential Overhead service including meter can (may require additional cost related to pole, transformer and/or pad mount)	\$1,200.00
Residential Underground service including meter can (may require additional cost related to pole, transformer and/or pad mount)	\$1,350.00 \$4,000.00
Residential, Pole 30'	\$875.00 \$850.00
Residential, Pole 45'	\$1,260.00 \$1,100.00
Residential, Transformer, single phase overhead (25 kva transformer)	\$2,490.00 \$1,500.00
Residential, Pad mount Transformer , single phase	\$8,760.00 \$2,000.00
Commercial	Cost plus 10% Admin Fee

Gas Service

Residential / Commercial	Cost plus 10% 5% Admin. Fee
Commercial	Cost plus 10% Admin. Fee

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE
FY 2026 PROPOSED Annual Operating & Capital Budget
FEES – Public Works (continued)

IMPACT FEES: (Council Adpoted new rates on 11/08/22)

Water Only

Type and Meter Size

Simple 5/8" x 3/4"	\$4,981.94
Simple 3/4"	\$7,472.91
Simple 1"	\$12,454.85
Simple 1 ½ "	\$24,909.69
Simple 2"	\$39,855.51
Compound 2"	\$39,855.51
Compound 3"	\$79,711.02
Compound 4"	\$124,548.47
Compound 6"	\$249,096.93
Compound 8"	\$398,555.09
Compound 10"	\$572,922.95

Sewer Only

Type and Meter Size

Simple 5/8" x 3/4"	\$5,985.63
Simple 3/4"	\$8,978.44
Simple 1"	\$14,964.06
Simple 1 ½ "	\$29,928.13
Simple 2"	\$47,885.00
Compound 2"	\$47,885.00
Compound 3"	\$95,770.00
Compound 4"	\$149,640.63
Compound 6"	\$299,281.25
Compound 8"	\$478,850.00
Compound 10"	\$688,346.88

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE
FY 2026 PROPOSED Annual Operating & Capital Budget
FEES – Public Works

Backflow

Test Report Processing Fee (per assembly testing)	\$35.00
	<i>Waived only by showing proof of City Notification Letter</i>
Plumbing Permit Fee for Backflow Device-repaired, replaced or installed to existing system	\$100

Right of Way

Right of Way Permit Application Fee	\$500
<i>Small Cell Nodes</i> - Permit application fee for up to five (5) network nodes on City owned Pole	\$500
<i>Small Cell Nodes</i> - Permit application fee for each additional network node beyond five (5) on City Owned Pole	\$100
Annual Right-of-Way fee per City Owned Pole	\$270
<i>Small Cell Nodes</i> – Each new Network Node Support Pole	\$1,000
Annual Right-of-Way fee per support pole	\$270
<i>Small Cell Nodes</i> – Transfer Facility Permit application fee for up to five (5) network nodes	\$500
<i>Small Cell Nodes</i> – Transfer Facility Permit application fee for each additional network node beyond five (5)	\$250
<i>Small Cell Nodes</i> – Annual Right - of – Way fee beyond five (5)	\$28

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget****FEES – Public Works:****Monthly RESIDENTIAL Garbage Collection Service- Per Home**

1 – WM STRD Provide 96 Gal. <i>Trash</i> Cart – Curbside (1/week Collection)	\$33.82
1 – WM STRD Provide 96 Gal. Recycle Cart – Curbside (1/week Collection) ²	Included
At Your Door Household Hazardous Waste Collection (Unlimited)	Included
Brush, Bundles, and Bulky Waste (6 8 CY Allowance)	Included
Each ADDITIONAL WM STRD 96 Gal. <i>Trash/Recycle Cart</i>	\$14.33

Monthly COMMERCIAL Collection Service – Per Container - ~~STRD (Managed by Waste Management)~~

Light Commercial – 96 Gal. <i>Trash Cart</i> (1/week collection)	\$34.34
Light Commercial – 96 Gal. <i>Recycle Cart</i> (1/week collection)	\$34.34
2 Cubic Yard Container – 1/week collection	\$98.52
2 Cubic Yard Container – 2/week collection	\$155.35
3 Cubic Yard Container – 1/week collection	\$142.33
3 Cubic Yard Container – 2/week collection	\$173.17
4 Cubic Yard Container – 1/week collection	\$135.14
4 Cubic Yard Container – 2/week collection	\$268.41
6 Cubic Yard Container – 1/week collection	\$202.69
6 Cubic Yard Container – 2/week collection	\$403.57
8 Cubic Yard Container – 1/week collection	\$268.41
8 Cubic Yard Container – 2/week collection	\$536.80
10 Cubic Yard Container – 1/week collection	\$287.00
10 Cubic Yard Container – 2/week collection	\$439.00
FEL (Front End Loader) Container Lock/ Casters	\$26.25
Extra Pickups (available only on regular service days)	\$154.50

Overages \$162.58

Monthly INDUSTRIAL Collection Services (Per Container)

Roll off Delivery Fee	\$214.56
Roll off Rental Fee (per day)	\$8.58
Roll Off Relocate Fee	\$285.29
Non- Waste Management STRD Roll Off - Fine	Fine = City Franchise Rate of Container
20 Cubic Yard Container (Per Haul)	\$583.61
30 Cubic Yard Container (Per Haul)	\$626.50
40 Cubic Yard Container (Per Haul)	\$686.60
Compactor (includes 6 tons)	\$875.83
Each ADDITIONAL ton	\$75.00
20- Yard Sludge Container -Wastewater treatment sludge	\$771.25

Roll Off Containers include 4 tons, each additional ton will be charged at a rate of \$75.00 per ton

CITY OF CASTROVILLE – COMPREHENSIVE FEE SCHEDULE**FY 2026 PROPOSED Annual Operating & Capital Budget*****FEES –Tourism & Business Development***

Film in Castroville Fee	\$75 per day
Total or disruptive use (regular operating hours) of a public building, park, right of way, or public area	\$600 per day
Partial non-disruptive use of a public building, park, right of way, or public areas	\$300 per day
Total closure or obstruction of public street or right of way, including parking lots and on street parking (for filming purposes)	\$75 per city block/per day
Partial closure or obstruction of public street or right of way, including parking lots and on street parking (for filming purposes)	\$50 per city block/per day
Use of City parking lots, parking areas, and City streets (for the purpose of parking film trailers, buses, catering trucks, and other large vehicles)	\$75 per city block/per day

AN ORDINANCE ADOPTING THE COMPREHENSIVE FEE SCHEDULE FOR THE CITY OF CASTROVILLE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026.

WHEREAS, the Local Government Code provides that certain filing fees, permit fees, inspection fees, deposits, and conditions of service may from time to time be established or updated, and

WHEREAS, the City Council of the City of Castroville has determined that the cost of providing certain services, such as filing fees, permit fees, inspection fees and deposits should be required to pay for materials and special services performed by City staff, are required, where it benefits the individual and not of general benefit, and

WHEREAS, the City Council may adjust fees for certain services from time to time and incorporate all adjusted and/or new fees for services provided into one comprehensive schedule, and.

WHEREAS, the City Council has found it necessary to adjust fees for services, and to maintain a comprehensive document which incorporates most or all fees for services provided by the City into one schedule, and

WHEREAS, the establishment of new fees or revised fees as hereby established in the Comprehensive Fee Schedule as provided for in Exhibit A; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS:

The Comprehensive Fee Schedule is hereby adopted as presented in Exhibit A with an effective date of October 1, 2025, and repealing all Ordinances in conflict herewith. Any previous fee amount which this comprehensive fee schedule now addresses is hereby expressly repealed if it conflicts with the provisions of this ordinance. In the case of a fee listed in another ordinance but not included in this comprehensive fee schedule, the previously listed fee amount shall apply. This ordinance shall then be amended to include the fee.

PASSED AND APPROVED by the City Council of the City of Castroville this the 26th day of August 2025.

Bruce Alexander, Mayor

ATTEST:

DEBRA HOWE, City Secretary



CITY COUNCIL AGENDA REPORT

DATE: August 15, 2025

AGENDA OF: August 26, 2025

DEPARTMENT: Finance

SUBJECT: Consideration and approval of an Ordinance authorizing the City's Combination Tax and Revenue Certificates of Obligation, Series 2025, in the maximum amount of \$7,000,000, for the purposes set forth in the City's Notice of Intention, payable from the proceeds of an annual ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City, and a pledge of certain revenues of the City's Combined Utility System; and other matters in connection therewith.

RECOMMENDATION: I move to approve the City's Certificate of Obligation Ordinance.

BACKGROUND/DISCUSSION: The City Council previously published its Notice of Intention to issue Combination Tax and Revenue Certificates of Obligation, Series 2025, in the maximum principal amount of \$7,000,000. The Certificates will be issued to fund the following projects:

1. Designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City's water and sewer system.
2. Designing, constructing, renovating, expanding, equipping, and improving:
 - Public safety facilities (police station),
 - City parks and recreation facilities that are generally accessible to the public and are a part of the City's park system, and
 - The City-owned library.
3. Designing, acquiring, constructing, renovating, improving, and equipping various City streets, drainage, and sidewalk improvements, including necessary capital maintenance, utilities relocation, landscaping, wayfinding, and monumentation.
4. Designing, constructing, renovating, improving, and equipping an administrative office building housing the governmental functions of the City.
5. Purchasing real property, materials, supplies, equipment, vehicles, information technology, machinery, landscaping, land, and rights-of-way for authorized needs related to the above improvements.
6. Paying professional services related to the acquisition, design, construction, project management, and financing of the above projects, and the costs of issuance.

The Ordinance establishes the terms of issuance, pledges repayment from both ad valorem tax revenues and certain combined utility system revenues, and authorizes all related financing actions.

DISCUSSION:

More discussion to follow at the council meeting along with updated pricing information.

Next Steps:

Fiscal Impact: The total principal amount of the issuance will not exceed \$7,000,000. Debt service payments will be funded from a combination of the City's ad valorem tax revenues and pledged revenues of the City's Combined Utility System.

☐ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding:

Attachments: Ordinance – Combination Tax and Revenue Certificates of Obligation, Series 2025
Notice of Intention (Council Approved on 06/24/2025)

Urgency (0-5 = Low Urgency to High Urgency): 5

Impact (0-5 = Low Impact to High Impact): 5

Submitted by: Leroy Vidales

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF CASTROVILLE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN OFFICIAL BID FORM; COMPLYING WITH THE REQUIREMENTS OF THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENT WITH THE COUNTY’S FINANCIAL ADVISORS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Castroville, Texas (the *City* or the *Issuer*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$_____ for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (i) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s water and sewer system, (ii) designing, constructing, renovating, expanding, equipping, and improving (a) public safety facilities (police station), (b) City parks and recreation facilities that are generally accessible to the public and are a part of the City’s park system, and (c) the City-owned library, (iii) designing, acquiring, constructing, renovating, improving, and equipping various City streets, drainage, and sidewalk improvements, including necessary capital maintenance, utilities relocation, landscaping, wayfinding, and monumentation necessary or incidental thereto, (iv) designing, constructing, renovating, improving, and equipping an administrative office building housing the governmental functions of the City, (v) purchasing real property, materials, supplies, equipment, vehicles information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (vi) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects (collectively, the *Projects*), and for paying all or a portion of the legal, financial and engineering fees in connection with the Projects and the costs of issuance related to such hereinafter defined Certificates. The notice has been duly published in a newspaper hereby found and determined to be of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication of such notice being not less than forty-five (45) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates of obligation, and the notice was also posted with the City’s website continuously for at least forty-five (45) days before the date set for the passage of this Ordinance; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in this notice, signed by at least 5% of the qualified electors of the City, has been presented to or filed with the City Secretary prior to the date tentatively set in such notice for the passage of this Ordinance; and

WHEREAS, the City Council hereby finds and determines that the issuance of the certificates of obligation, under the terms herein specified, is in the best interests of the City and its residents; and

WHEREAS, the City Council hereby finds and determines that certificates of obligation in the principal amount of \$_____ described in such notice should be issued and sold at this time; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS THAT:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of _____ THOUSAND AND NO/100 DOLLARS (\$_____), to be designated and bear the title of "CITY OF CASTROVILLE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025" (the *Certificates*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: : (i) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City's water and sewer system, (ii) designing, constructing, renovating, expanding, equipping, and improving (a) public safety facilities (police station), (b) City parks and recreation facilities that are generally accessible to the public and are a part of the City's park system, and (c) the City-owned library, (iii) designing, acquiring, constructing, renovating, improving, and equipping various City streets, drainage, and sidewalk improvements, including necessary capital maintenance, utilities relocation, landscaping, wayfinding, and monumentation necessary or incidental thereto, (iv) designing, constructing, renovating, improving, and equipping an administrative office building housing the governmental functions of the City, (v) purchasing real property, materials, supplies, equipment, vehicles information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (vi) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned Projects, and for paying all or a portion of the legal, financial and engineering fees in connection with the Projects and the costs of issuance related to such Certificates, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, and Chapter 1502, as amended, Texas Government Code.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Certificate Date. The Certificates are issuable in fully registered form only; shall be dated August 15, 2025 (the *Certificate Date*) and shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity) thereof, and the Certificates shall become due and payable on August 1 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts, from the Certificate Date, or from

the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding, in accordance with the following schedule:

Years of Stated Maturity	Principal Amounts (\$)	Interest Rates (%)
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The Certificates shall bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Certificates shall be payable on February 1 and August 1 in each year (each, an *Interest Payment Date*), commencing February 1, 2026.

SECTION 3: Payment of Certificates - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium if any, and interest on the Certificates shall be without exchange or collection charges to the Holder (hereinafter defined) of the Certificates.

The selection and appointment of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar, for the Certificates is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar

and City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. The Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates (the *Holder* or *Holder*s) appearing on the Security Register maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal thereof upon redemption of the Certificates or at the Certificates' Stated Maturity, and (iii) on any other date for any other purpose. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Certificates, shall be payable only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its corporate trust office. Interest on the Certificates shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth day of the month next preceding an Interest Payment Date for the Certificates (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Certificates shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Certificates was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment

date of the past due interest (the *Special Payment Date*--which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder of a Certificate appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

A. Optional Redemption. The Certificates having Stated Maturities on and after August 1, 2035 shall be subject to redemption prior to Stated Maturity, at the option of the City, on August 1, 2034, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

B. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

C. Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Certificates to be redeemed, provided that if less than the entire principal amount of a Certificate is to be redeemed, the Paying Agent/Registrar shall treat such Certificate then subject to redemption as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificate by \$5,000.

D. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the City and at the City's expense, by the Paying Agent/Registrar to each Holder of a Certificate to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the

portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

E. Transfer/Exchange of Certificates. Neither the City nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Certificate during a period beginning forty-five days prior to the date fixed for redemption of the Certificates, or (2) to transfer or exchange any Certificate selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate which is subject to redemption in part.

SECTION 5: Execution - Registration. The Certificates shall be executed on behalf of the City by its Mayor or Mayor Pro-Tem under the seal of the City reproduced or impressed thereon and attested by its City Secretary. The signature of any of said officers on the Certificates may be manual, electronic or facsimile. Certificates bearing the manual, electronic, or facsimile signatures of individuals who were, at the time of the Certificate Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Certificates to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

SECTION 6: Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Certificates, or if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar

for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate at the corporate trust office of the Paying Agent/Registrar, the City shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates executed on behalf of, and furnished by, the City of authorized denominations and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest, and of like aggregate principal amount as the Certificates surrendered for exchange, upon surrender of the Certificates to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the City shall execute and the Paying Agent/Registrar shall register and deliver the new Certificates executed on behalf of, and furnished by, the City to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered upon such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be *Predecessor Certificates*, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Certificates shall include any Certificate registered and delivered pursuant to Section 25 in lieu of a mutilated, lost, destroyed, or stolen Certificate which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

SECTION 7: Initial Certificate. The Certificates herein authorized shall be issued initially either (i) as a single fully registered Certificate in the total principal amount of \$_____ with principal installments to become due and payable as provided in Section 2 and numbered T-1 (the *Initial Certificate*), or (ii) as one (1) fully registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 upward, and, in either case, the Initial Certificate shall be registered in the name of the Purchasers or the designee thereof. The Initial Certificate shall be the Certificates submitted to the Office of the Attorney General of the State of Texas for approval, certified and

registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the Purchasers. Any time after the delivery of the Initial Certificate to the Purchasers, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or their designee, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts, and bearing applicable interest rates on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity, and shall be lettered "R" and numbered consecutively from one (1) upward, for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Certificates, or any Stated Maturities thereof, are insured, and any reproduction of an opinion of Bond Counsel and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends and any reproduction of an opinion of Bond Counsel hereinafter referenced) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Certificates as evidenced by their execution thereof, but the Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Definitive Certificate.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
County of Medina
CITY OF CASTROVILLE, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2025

Certificate Date:
August 15, 2025

Interest Rate:

Stated Maturity:

CUSIP No.:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Castroville, Texas (the *City*), a body corporate and municipal corporation in the County of Medina, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2026.

Principal, and premium, if any, of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the

address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ (the *Certificates*) pursuant to an Ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose or purposes of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: : (i) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City's water and sewer system, (ii) designing, constructing, renovating, expanding, equipping, and improving (a) public safety facilities (police station), (b) City parks and recreation facilities that are generally accessible to the public and are a part of the City's park system, and (c) the City-owned library, (iii) designing, acquiring, constructing, renovating, improving, and equipping various City streets, drainage, and sidewalk improvements, including necessary capital maintenance, utilities relocation, landscaping, wayfinding, and monumentation necessary or incidental thereto, (iv) designing, constructing, renovating, improving, and equipping an administrative office building housing the governmental functions of the City, (v) purchasing real property, materials, supplies, equipment, vehicles information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (vi) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects (collectively, the *Projects*), and for paying all or a portion of the legal, financial and engineering fees in connection with the Projects and the costs of issuance related to such Certificates, under and in strict conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, and the Certificate of Obligation Act of 1971, as amended, and Texas Local Government Code, Section 271.041 through 271.064.

As provided in the Ordinance, the Certificates having Stated Maturities on and after August 1, 2035 shall be subject to redemption prior to Stated Maturity, at the option of the City, on August 1, 2034, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption; provided, however, that at least thirty (30) days prior written shall be sent to the Holders of the Certificates to be redeemed, given by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Certificate is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/Registrar at its corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price, and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such

payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the City, within the limitations prescribed by law, and are further payable from and secured by a lien on and pledge of the Pledged Revenues (identified and defined in the Ordinance), being a limited amount of the Net Revenues derived from the operation of the City's combined utility system (the *System*), such lien on and pledge of the limited amount of Net Revenues being subordinate and inferior to the lien on and pledge of such Net Revenues securing payment of any Prior Lien Obligations and any Additional Prior Lien Obligations; Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations (all as identified and defined in the Ordinance), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the City may issue Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holder; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained therein, in the Ordinance, may be transferred on the Security Register, upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or

its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of the State of Texas and the Ordinance, and that issuance of the Certificates does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium if any, and interest on the Certificates by the levy of a tax and collection of Pledged Revenues as aforestated. In case any provision in this Certificate or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the City has caused this Certificate to be duly executed under its official seal.

CITY OF CASTROVILLE, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

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C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Certificate Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF	§	
PUBLIC ACCOUNTS	§	
	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Not to Appear on Printed Certificates.

D. *Form of Certificate of Paying Agent/Registrar to Appear on Definitive Certificates Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued under the provisions of the within mentioned Ordinance; the Certificate or Certificates of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:	BOKF, NA, Dallas, Texas, as Paying Agent/Registrar
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_____	By: _____
	Authorized Signature

*NOTE TO PRINTER: Print on Definitive Certificates.

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number): _____
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

Signature guaranteed:

F. Initial Certificate. The Initial Certificate shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

- (1) immediately under the name of the Certificate the headings “Interest Rate _____” and “Stated Maturity _____” shall both be completed “as shown below”;
- (2) the first two paragraphs shall read as follows:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

The City of Castroville, Texas (the *City*), a body corporate and municipal corporation located in the County of Medina, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above stated to mature on the first day of August in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
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(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Certificate Date, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for, to Stated Maturity, at the per annum rates of interest specified above, computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2026.

Principal, and premium, if any, of this Certificate shall be payable to the Holder upon its presentation and surrender, to Stated Maturity or prior redemption, while Outstanding, at the corporate trust office of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Certificate whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Insurance Legend. If bond insurance is obtained by the City or the Purchasers for the Certificates, the Definitive Certificates and the Initial Certificate shall bear an appropriate legend as provided by the insurer.

SECTION 9: Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 27 and 44 of this Ordinance have the meanings assigned to them in such Section, and all such terms, include the plural as well as the singular; (ii) all references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Additional Limited Pledge Obligations* shall mean (i) any bonds; notes, warrants, certificates of obligation or other evidences of indebtedness hereafter issued by the City payable in part from a limited pledge of and lien on Net Revenues of the System being a lien on and pledge of Net Revenues that is subordinate and inferior to the lien thereon and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations and any Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, which pledge of revenues is limited pursuant to Section 1502.052, as amended, Texas Government Code, all as further provided in Section 20 of this Ordinance, and (ii) any obligations issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

B. The term *Additional Prior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the City that are payable, in whole or in part, from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, all as further provided in Section 20 of this Ordinance, and (ii) any obligations hereafter issued to refund the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System as determined by the City Council in accordance with any applicable law.

C. The term *Authorized Officials* shall mean the Mayor, Mayor Pro Tem, City Administrator, City Secretary, or the Finance Director (or any successor to any of the aforementioned persons serving, or any person serving in an interim basis or in an acting position, in the indicated capacity).

D. The term *Certificates* shall mean the \$_____ “CITY OF CASTROVILLE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025” authorized by this Ordinance.

E. The term *Certificate Fund* shall mean the special Fund created and established by the provisions of Section 10 of this Ordinance.

F. The term *City* shall mean the City of Castroville, Texas, located in the County of Medina, Texas and, where appropriate, the City Council of the City.

G. The term *Closing Date* shall mean the date of physical delivery of the Certificates in exchange for the payment of the agreed purchase price for the Certificates.

H. The term *Collection Date* shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad, valorem taxes levied each year by the City become delinquent.

I. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

J. The term *Depository* shall mean an official depository bank of the City.

K. The term *Fiscal Year* shall mean the annual financial accounting period for the System ending on September 30th of each year; provided, however, the City Council may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

L. The term *Government Securities*, as used herein, shall mean: (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Certificates.

M. The term *Gross Revenues* for any period shall mean all revenue during such period in respect or on account of the operation or ownership of the System, excluding refundable meter deposits, restricted gifts, and grants in aid of construction, but including earnings and income derived from the investment or deposit of money in any special fund or account (except the Certificate Fund) created and established for the payment or security of the Certificates.

N. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Certificate.

O. The term *Interest Payment Date* shall mean the date interest is payable on the Certificates, being February 1 and August 1 of each year, commencing February 1, 2026, while any of the Certificates remain Outstanding.

P. The term *Junior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System, such pledge being junior and inferior to the lien on and pledge of the Net Revenues of the System that may be pledged to the payment of any currently outstanding Prior Lien Obligations or any Additional Prior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues of the System that are or will be pledged to the payment of the Certificates, or any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the City all as further provided in Section 20 of this Ordinance and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System as determined by the City Council in accordance with any applicable law.

Q. The term *Limited Pledge Obligations* shall mean (i) the Certificates and the outstanding and unpaid obligations of the City that are payable, in part, from and secured by a subordinate and inferior lien on and pledge of a limited amount of the Net Revenues of the System and obligations hereafter issued to refund any of the foregoing as determined by the City Council in accordance with any applicable law.

R. The term *Maintenance and Operating Expenses* shall mean all current expenses of operating and maintaining the System not paid from the proceeds of the Certificates, including (1) the cost of all salaries, labor, materials, repairs, and extensions necessary to render efficient service, but only if, in the case of repairs and extensions, they are, in the judgment of the City Council (reasonably and fairly exercised), necessary to maintain operation of the System and render adequate service to the City and the inhabitants thereof, or are necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues, (2) payments to pension, retirement, health, hospitalization, and other employee benefit funds for employees of the City engaged in the operation or maintenance of the System, (3) payments under contracts for the purchase of water supply, treatment of sewage, or other materials, goods, or services for the System to the extent authorized by law and the provisions of such contract, (4) payments to auditors, attorneys, and other consultants incurred in complying with the obligations of the City hereunder, and (5) any legal liability of the City arising out of the operation, maintenance, or condition of the System, but excluding any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on the Certificates or other bonds, notes, warrants, or similar obligations of the City payable from Net Revenues.

S. The term *Net Revenues* for any period shall mean the Gross Revenues of the System less the Maintenance and Operating Expenses of the System.

T. The term *Ordinance* shall mean this ordinance as finally passed and adopted by the City Council of the City.

U. The term *Outstanding* when used in this Ordinance with respect to the Certificates shall mean, as of the date of determination, all Certificates issued and delivered under this Ordinance, except:

- (1) those Certificates canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 29 of this Ordinance; and
- (3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 25 of this Ordinance.

V. The term *Pledged Revenues* shall mean, while the Certificates remain Outstanding, an amount of Net Revenues not in excess of \$1,000. The Pledged Revenues shall be deposited, allocated, and expended in accordance with Section 10 of this Ordinance.

W. The term *Pledged Revenue Amount* shall mean the total amount, not to exceed \$1,000 while the Certificates are Outstanding, of Net Revenues that may be transferred in whole or in part by the City in any given Fiscal Year (however, any amounts transferred prior to the final maturity date of the Certificates may not exceed the total amount of \$1,000) to the Certificate Fund.

X. The term *Prior Lien Obligations* shall mean (i) the outstanding and unpaid obligations of the City and any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, all as further provided in Section 20 of this Ordinance, designated as follows:

- (1) City of Castroville, Texas Utility System Revenue Bonds, Series 2015, dated August 1, 2015, issued in the original principal amount of \$3,050,000;
- (2) City of Castroville, Texas Utility System Revenue Bonds, Series 2015A, dated August 1, 2015, issued in the original principal amount of \$3,500,000;
- (3) City of Castroville, Texas Utility System Revenue Bonds, Series 2015B, dated August 1, 2015, issued in the original principal amount of \$9,050,000;
- (4) City of Castroville, Texas Utility System Revenue Bonds, Series 2017, dated August 1, 2017, issued in the original principal amount of \$1,500,000; and
- (5) any obligations hereafter issued to refund the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System as determined by the City Council in accordance with any applicable law.

Y. The term *Purchasers* shall mean the initial purchaser or purchasers of the Certificates named in Section 26 of this Ordinance.

Z. The term *Stated Maturity* shall mean the annual principal payments of the Certificates payable on August 1 of each year the Certificates are Outstanding, as set forth in Section 2 of this Ordinance.

AA. The term *Subordinate Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the City that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Net Revenues of the System, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues of the System that may be pledged to the payment of the currently outstanding Prior Lien Obligations or any Additional Prior Lien Obligations or Junior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the limited amount of the Net Revenues securing, in part, the payment of the Certificates or any Additional Limited Pledge Obligations hereafter issued by the City, all as further provided in Section 20 of this Ordinance and (ii) any obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with any applicable law.

BB. The term *System* shall mean all properties, facilities and plants currently owned, operated, and maintained by the City for the supply, treatment, and transmission of treated potable water, for the collection and treatment of wastewater, together with all future extensions, improvements, replacements and additions thereto, whether situated within or without the limits of the City and the City expressly reserves the right at its sole discretion to include additional utility, telecommunications, technology, or similar enterprise services as components of the System; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of Special Facilities Bonds, which are hereby defined as being special revenue obligations of the City which are not payable from Net Revenues but which are payable from and equally and ratably secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Prior Lien Obligations, including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

SECTION 10: Certificate Fund; Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special fund to be designated "COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025, INTEREST AND SINKING FUND" (the *Certificate Fund*) which fund shall be kept and maintained at the Depository, and money deposited in the Certificate Fund shall be used for no other purpose and shall be maintained as provided in Section 27. Authorized Officials of the City are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the purchase price or the amount of principal of, premium if any, and interest on the Certificates as the same become due and payable, or the purchase price thereof, and shall cause to be transferred to the Paying Agent/Registrar from

money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Certificates.

The City, at its sole discretion, may deposit the Pledged Revenue Amount to the Certificate Fund. The Pledged Revenue Amount, if deposited, shall be expended annually to pay principal and interest on the Certificates as the same become due and payable. This Pledged Revenue Amount shall be accounted for and transferred- to the Paying Agent/Registrar in accordance with the provisions of the previous paragraph of this Section.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund created and established by this Ordinance may, at the option of the City, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 11: Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates, and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current fiscal year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred dollars valuation of taxable property in the City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund and are thereafter pledged to the payment of the Certificates. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the such Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such

purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the City.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

A. Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the ad valorem taxes then to be levied and the Collection Date for the ad valorem taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenues, or any other lawfully available funds, if any, to be appropriated and allocated during such year to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied; and

(3) the amount of Pledged Revenues or other lawfully available funds, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 12: Pledge of Pledged Revenues. The City hereby covenants and agrees that, subject to any prior lien on and pledge of the Net Revenues of the System to the payment and security of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, the Pledged Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates and the pledge of Pledged Revenues herein made for the payment of the Certificates shall constitute a lien on the Pledged Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

SECTION 13: System Fund. The City hereby covenants and agrees that all Gross Revenues derived from the operation of the System shall be kept separate and apart from all other funds, accounts and money of the City and shall be deposited as collected into the "CITY OF CASTROVILLE, TEXAS UTILITY SYSTEM FUND" (the *System Fund*). All money deposited in the System Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown:

- First: to the payment of the reasonable and proper Maintenance and Operating Expenses of the System required by statute or ordinances authorizing the issuance of any indebtedness of the City to be a first charge on and claim against the Gross Revenues of the System;
- Second: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Third: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Junior Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Fourth: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Subordinate Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance; and
- Fifth: To the payment of the amounts that may be deposited in the special funds and accounts established for the payment of the currently outstanding Limited Pledge Obligations, including the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinances authorizing their issuance.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment, security and benefit thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 14: Deposits to Certificate Fund — Surplus Certificate Proceeds. The City hereby covenants and agrees to cause to be deposited in the Certificate Fund prior to a principal and interest payment date for the Certificates, from the Pledged Revenues in the System Fund, after the deduction of all payments required to be made to the special funds or accounts created for the payment, security, and benefit of the (i) currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City; and (ii) the currently outstanding Limited Pledge Obligations, including the Certificates, and any amounts budgeted to be paid therefrom in such Fiscal Year.

Accrued interest, if any, received from the Purchasers of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied and collected for the benefit of the Certificates shall be deposited to the Certificate Fund. In addition, any surplus proceeds, including investment income therefrom, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said fund from ad valorem taxes.

SECTION 15: Security of Funds. All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

SECTION 16: Maintenance of System — Insurance. The City covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance (including a system of self-insurance) on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, are held for the benefit of the holders of the Certificates until and unless the proceeds 'are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the City from doing so.

SECTION 17: Rates and Charges. The City hereby covenants and agrees with the Holders of the Certificates that rates and charges for utility services afforded by the System will be established and maintained to provide Gross Revenues sufficient at all times:

A. to pay, together with any other lawfully available funds, all operating, maintenance, depreciation, replacement, betterment, and other costs incurred in the maintenance and operation of the System, including, but not limited to, Maintenance and Operating Expenses; provided, however, that the City expressly reserves the right to utilize other lawfully available funds to pay the Maintenance and Operating Expenses;

B. to produce Net Revenues sufficient, together with any other lawfully available funds, to pay (i) the interest on and principal of any Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof; (ii) the interest on and principal of any Junior Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, (iii) the interest on and principal of any Subordinate Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, and (iv) the amounts that may be deposited in the special funds established for the payment of the currently outstanding Limited Pledge Obligations, the Certificates, or any Additional Limited Pledge Obligations hereafter issued by the City; and

C. to pay other legally incurred indebtedness payable from the Net Revenues of the System and/or secured by a lien on the System or the Net Revenues thereof.

SECTION 18: Records and Accounts — Annual Audit. The City further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Chapter 1502, as amended, Texas Government Code, or other applicable law. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect the System and all properties comprising the same. The City further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Expenses incurred in making the annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses.

SECTION 19: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Certificates shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 20: Issuance of Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations. The City hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, wholly or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues of the System with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise:

A. Additional Prior Lien Obligations payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System;

B. Junior Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is junior and inferior to the lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the City;

C. Subordinate Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations or Junior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City; and

D. Additional Limited Pledge Obligations secured by a lien on and pledge of a limited amount of the Net Revenues in accordance with the provisions of the following paragraph.

E. Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, if issued, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the holders of the currently outstanding Limited Pledge Obligations and the Certificates) upon such terms and conditions as the City Council may determine. Additional Limited Pledge Obligations, if issued and payable, in whole or in part, from Pledged Revenues (defined in the same or similar terms as provided in Section 9 of this Ordinance), shall not in any event be construed to be payable from the Pledged Revenues authorized by this Ordinance to be budgeted and appropriated for the payment of the Certificates. However, the lien on and pledge of the limited amount of Net Revenues securing, in part, the payment of the Certificates, and any Additional Limited Pledge Obligations shall be subordinate and inferior to the pledge of and lien on the Net Revenues securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations; Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City.

SECTION 21: Special Covenants. The City hereby further covenants that:

A. it has the lawful power to pledge the Pledged Revenues supporting the Certificates and has lawfully exercised said powers under the laws of the State of Texas, including power existing under Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, and Texas Local Government Code, Section 271.041 through Section 271.064;

B. other than for the payment of the currently outstanding Prior Lien Obligations, and the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System;

C. as long as any Certificates or any interest thereon remain Outstanding, the City will not sell, lease or encumber (except in the manner provided in Section 20 of this Ordinance) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System;

D. to the extent that it legally may, the City further covenants and agrees that, so long as any of the Certificates, or any interest thereon, are Outstanding, no franchise shall be granted for the installation or operation of any competing utility systems other than those owned by the

City, and the operation of any such systems by anyone other than the City is hereby prohibited; and

E. no free service of the System shall be allowed, and should the City or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

SECTION 22: Application of the Covenants and Agreements of any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations. It is the intention of the City Council and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administration and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance, especially the priority of rights and benefits conferred thereby to the holders of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City. It is expressly recognized that prior to the issuance of any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, the City must comply with each of the conditions precedent contained in the respective ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and the Certificates, as appropriate.

SECTION 23: Notices to Holders — Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 24: Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may

at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 25: Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Certificate, pay such Certificate.

Upon the issuance of any new Certificate or payment in lieu thereof, under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses and charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the City, whether or not the mutilated; destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Certificates.

SECTION 26: Certificates - Approval Authorization of an Official Bid Form - Official Statement Approval - Use of Certificate Proceeds. The Certificates authorized by this Ordinance are hereby sold by the City to _____, _____, as the as the authorized representative of the initial purchasers of the Certificates at a competitive sale (the *Purchasers*, having all of the rights, benefits, duties, and obligations of a Holder) in accordance with the provisions of an Official Bid Form (the *Official Bid Form*), dated August 26, 2025, attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, at a price of par, plus a [net] reoffering premium of \$_____, less the Purchasers' compensation of \$_____, and no accrued interest. The Initial Certificate shall be registered in the name of _____. It is hereby officially found, determined, and declared that the Purchasers are the lowest bidder for the Certificates and as a result of invitations for competitive bids in compliance with applicable

law. The pricing and terms of the sale of the Certificates are hereby found and determined to be the most advantageous reasonably obtainable by the City.

Furthermore, the City hereby ratifies, confirms, and approves in all respects (i) the City's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by any Authorized Official), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated August 26, 2025, in the reoffering, sale and delivery of the Certificates to the public. The Mayor and of City Secretary of the Governing Body are further authorized and directed to manually, facsimile, or electronically execute and deliver for and on behalf of the Issuer copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually, facsimile, or electronically executed by said officials shall be deemed to be approved by the Governing Body and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

Proceeds derived from the sale of the Certificates (after paying remaining costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Certificates and used to pay costs of such projects. This special construction account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Ordinance.

SECTION 27: Covenants Regarding Tax Exemption of Interest on the Certificates.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the *Code*), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or

indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the “private business use” described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being “federally guaranteed” within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with --

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the certificates are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior certificates to pay debt service on another issue more than 90 days after the date of issue

of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the “Excess Earnings,” within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to establish reasonable expectations to prevent using the proceeds of the Certificates in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a “Rebate Fund” is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the certificate holders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The Issuer understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates and any replacement funds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs any member of the Commissioners Court and any Authorized Official to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (the *Project*) on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the

original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Disposition of Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(g) Written Procedures. Unless superseded by another action of the Issuer, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City Council hereby adopts and establishes the instructions attached hereto as Exhibit C as the Issuer's written procedures.

SECTION 28: Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, and shall take and have charge and control of the Certificates pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Certificates to the Purchasers.

Furthermore, any Authorized Official, either individually or any combination of them, is hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General of the State of Texas and their registration by the Comptroller of Public Accounts of the State of Texas and, together with the City's financial advisors, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the Purchasers and, when requested in writing by the Purchasers, the initial exchange thereof for definitive Certificates.

SECTION 29: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Pledged Revenues under this Ordinance and all

covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amounts thereof, on and prior to the Stated Maturity therefor (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Certificates. In the event of a defeasance of the Certificates, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent accounting firm, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Certificate. As and to the extent applicable, if at all, the City covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 27 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Certificates, or applicable redemption date of the Certificates, such money was deposited and is held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor, subject to the, unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

SECTION 30: Printed Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to their being furnished a final opinion of McCall, Parkhurst & Horton L.L.P., San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Certificates, this opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of this opinion on the reverse side of each of the Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City is hereby approved and authorized.

SECTION 31: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof, and neither the City nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33: Ordinance a Contract Amendments - Outstanding Certificates. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Certificates. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided, however, that, without the consent of all Holders of Outstanding Certificates, no such amendment; addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

SECTION 34: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, Paying Agent/Registrar, and the Holders.

SECTION 35: Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 36: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 37: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provisions.

SECTION 38: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 39: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true; and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council of the City.

SECTION 40: Authorization of Paying Agent/Registrar Agreement. The City Council of the City hereby finds and determines that it is in the best interest of the City to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, registration, and transferability of the Certificates. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 41: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance 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 Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 42: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 43: No Recourse Against City Officials. No recourse shall be had for the payment of principal of, premium if any, or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

SECTION 44: Continuing Disclosure Undertaking.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

MSRB means the Municipal Securities Rulemaking Board.

Rule means SEC Rule 15c2-12, as amended from time to time.

SEC means the United States Securities and Exchange Commission.

B. Annual Reports.

The City shall file annually with the MSRB, within six months after the end of each fiscal year ending in or after 2025, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 26 of this Ordinance being the information described in Exhibit D hereto and if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit D hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available. Under current Texas law, including, but not limited to, Chapter 115, as amended, Texas Local Government Code, the City must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the Finance Director within 180 days after the last day of the City's fiscal year. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the City changes its fiscal year, it will file notice of such change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events.

The City shall file notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificate, or other material events affecting the tax status of the Certificate;
- (7) Modifications to rights of holders of the Certificate, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing payment of the Certificate, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any

other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, and (b) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

D. Limitations, Disclaimers, and Amendments.

The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit that causes the Certificates to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificate, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this

Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificate. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificate, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection B of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference.

The City information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Certificates is subject to the provisions of the Rule and because the potential “underwriters” in a competitive sale of the Certificates or the initial purchasers in a competitive sale of the Certificates may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the Issuer hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the *Policies and Procedures*), attached hereto as Exhibit E, with which the Issuer shall follow to assure

compliance with the Undertaking. The Issuer has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the Issuer's financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the Issuer and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 45: Book-Entry-Only System.

The Certificates shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Certificates shall be issued (following cancellation of the Initial Certificate described in Section 7) in the form of a single definitive Certificate. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit F (the *Representation Letter*).

With respect to the Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Certificates from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Certificates (an *Indirect Participant*). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Certificates, as shown on the Security Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Certificate, of any amount with respect to principal of, premium if any, or interest on the Certificates. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the City to make payments of principal, premium if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter

shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the City shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Certificates shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository's agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Certificates may be registered in whatever name or names the Holders of Certificates transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 46: Further Procedures. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates, the Official Bid Form, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Certificates, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance as described in the Official Statement necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's office. Bond Counsel is further authorized to institute any bond validation suit under Chapter 1205, as amended, Texas Government Code (or any successor statute thereto) related to the Certificates while the Certificates are outstanding and unpaid. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47: Contracts with Financial Advisor. The City Council authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with SAMCO Capital Markets, Inc., as the financial advisor to the City (the *Financial Advisor*). The City understands that under applicable federal securities laws and regulations that the City must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Certificates.

SECTION 48: City's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership

corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the City hereby consents to and authorizes any Authorized Official, Bond Counsel to the City, and/or Financial Advisor to the City to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Certificates.

SECTION 49: Effective Date. Pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, this Ordinance shall be effective immediately upon adoption.

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PASSED AND ADOPTED by the City Council of the City of Castroville, Texas, this the 26th day of August, 2025.

CITY OF CASTROVILLE, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

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INDEX TO EXHIBITS

Exhibit A	Paying Agent/Registrar Agreement
Exhibit B	Official Bid Form
Exhibit C	Written Procedures – Compliance with Federal Tax Certificate
Exhibit D	Description of Annual Financial Information
Exhibit E	General Policies and Procedures Concerning Compliance with the Rule
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EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. ____

EXHIBIT B

Official Bid Form

See Tab No. ____

EXHIBIT C

Written Procedures Relating to Continuing Compliance with Federal Tax Covenants

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Certificates, the Issuer's Finance Director (the *Responsible Person*), will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Certificates will be entered into within six (6) months of the date of delivery of the Certificates (the *Issue Date*);
- (ii) monitor that at least 85% of the proceeds of the Certificates to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Certificates after three (3) years of the Issue Date;
- (iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Certificates does not exceed an amount equal to the debt service on the Certificates in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Certificates for the immediately preceding 12-month period;
- (v) ensure that no more than 50% of the proceeds of the Certificates are invested in an investment with a guaranteed yield for 4 years or more;
- (vi) maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Certificates any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- (vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Certificates are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Certificates the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Certificates are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Certificates are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Certificates are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Certificates are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Certificates are outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Certificates and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Certificates. If any portion of the Certificates is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Certificates. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT D

Description of Annual Financial Information

The following information is referred to in Section 44 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The City's audited financial information for the most recently concluded fiscal year or to the extent the audited financial information is not available, the unaudited financial information of the City.
2. The quantitative financial information and operating data with respect to the City of the general type included in Appendix A of the Official Statement, which is customarily prepared by the City and publicly available.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT E

General Policies and Procedures Concerning Compliance with the Rule

- I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 44 of the Ordinance. “Certificates” refers to the Certificates that are the subject of the Ordinance to which this Exhibit is attached.

- II. As a capital markets participant, the Issuer is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the *Effective Date*), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the Issuer’s compliance with the Rule.

- III. The Issuer is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 44C of the Ordinance, which provisions are a part of the Undertaking.

- IV. The Issuer is aware that “participating underwriters” (as such term is defined in the Rule) of the Certificates must make inquiry and reasonably believe that the Issuer is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

- V. The Issuer now establishes the following general policies and procedures (the *Policies and Procedures*) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the Issuer’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the Issuer’s obligations under the Rule, the advice from and discussions with the Issuer’s internal senior staff (including staff charged with administering the Issuer’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the *Compliance Team*):
 - (1) the Finance Director of the City (the *Compliance Officer*) shall be responsible for satisfying the Issuer’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;

 - (2) the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the Issuer’s information of the type described in Section 44B of the Ordinance;

(3) the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 44C of the Ordinance;

(4) the Compliance Officer shall work with external consultants of the Issuer, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the Issuer and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;

(5) the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the Issuer, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Certificates;

(6) upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any Issuer agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;

(7) the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the Issuer; and

(8) the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the Issuer’s internal staff identified by the Compliance Officer to assist with the Issuer’s satisfaction of the terms and provisions of the Undertaking.

EXHIBIT F

DTC Letter of Representations

See Tab No. __

RESOLUTION NO. R 2025-019

**AUTHORIZING AND APPROVING PUBLICATION AND POSTING OF
NOTICE OF INTENTION TO ISSUE CITY OF CASTROVILLE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF
OBLIGATION IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED \$8,000,000 AND PROVIDING AN EFFECTIVE DATE**

* * * * *

WHEREAS, the City Council (the *Governing Body*) of the City of Castroville, Texas (the *City*) has determined that it is advisable and necessary to issue and sell one or more series of certificates of obligation (the *Certificates*), the interest on which may or may not be included in the gross income of the holders thereof for purposes of federal income taxation, in an aggregate amount not to exceed \$8,000,000 as provided pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through 271.064, for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s water and sewer system, (2) designing, constructing, renovating, expanding, equipping, and improving (a) public safety facilities (police station), (b) City parks and recreation facilities that are generally accessible to the public and are a part of the City’s park system, and (c) the City-owned library, (3) designing, acquiring, constructing, renovating, improving, and equipping various City streets, drainage, and sidewalk improvements, including necessary capital maintenance, utilities relocation, landscaping, wayfinding, and monumentation necessary or incidental thereto, (4) designing, constructing, renovating, improving, and equipping an administrative office building housing the governmental functions of the City, (5) purchasing real property, materials, supplies, equipment, vehicles, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (6) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects; and

WHEREAS, prior to the issuance of the Certificates, the Governing Body is required to publish notice of its intention to issue the Certificates in a newspaper of general circulation and, if the City maintains an Internet website, post such notice of intention on the City’s Internet website, such notice stating: (i) the time and place the City Council tentatively proposes to pass the resolution authorizing the issuance of the Certificates; (ii) the purposes for which the Certificates are to be issued; (iii) the manner in which the City Council proposes to pay the Certificates; (iv) the then-current principal amount of all outstanding ad valorem debt obligations of the City; (v) the then-current combined principal and interest required to pay all outstanding ad valorem debt obligations of the City on time and in full, which may be based on the City’s expectations relative to the interest due on any variable rate ad valorem debt obligations; (vi) the maximum principal amount of the Certificates to be authorized; (vii) the estimated interest rate for the Certificates to be authorized or that the maximum interest rate for the Certificates may not

exceed the maximum legal interest rate; and (viii) the maximum maturity date of the Certificates to be authorized; and

WHEREAS, the Governing Body hereby finds and determines that such documents pertaining to the sale of the Certificates should be approved, and the City should proceed with the giving of notice of intention to issue the Certificates in the time, form, and manner provided by law; and

WHEREAS, the Governing Body hereby finds and determines that the adoption of this Resolution is in the best interests of the residents of the City; **NOW, THEREFORE**,

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

SECTION 1. The City Secretary is hereby authorized to cause to be published notice of the Governing Body's intention to issue the Certificates in one or more series (the interest on which on which may or may not be included in the gross income of the holders thereof for purposes of federal income taxation) and in aggregate amount not to exceed \$8,000,000 for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City's water and sewer system, (2) designing, constructing, renovating, expanding, equipping, and improving (a) public safety facilities (police station), (b) City parks and recreation facilities that are generally accessible to the public and are a part of the City's park system, and (c) the City-owned library, (3) designing, acquiring, constructing, renovating, improving, and equipping various City streets, drainage, and sidewalk improvements, including necessary capital maintenance, utilities relocation, landscaping, wayfinding, and monumentation necessary or incidental thereto, (4) designing, constructing, renovating, improving, and equipping an administrative office building housing the governmental functions of the City, (5) purchasing real property, materials, supplies, equipment, vehicles, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (6) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and additionally from a pledge of and lien on certain revenues derived from the operation of the City's municipally owned combined utility system. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A attached hereto, which notice is incorporated herein by reference as a part of this Resolution for all purposes.

SECTION 2. The City Secretary shall cause the notice described in Section 1 to be published in a newspaper of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication shall be at least forty-seven (47) days prior to the date stated therein for passage of the Resolution authorizing the issuance of the Certificates. Additionally, the City Secretary shall cause the notice described in Section 1 to be posted continuously on the City's website for at least forty-five (45) days prior to the date stated therein for passage of the Resolution authorizing the issuance of the Certificates.

SECTION 3. The City Secretary is directed to maintain a copy of this Resolution in the City's official records in a manner that will allow any member of the general public to review this Resolution during the normal business hours of the City during the period beginning thirty (30) days after the adoption hereof and ending on the date of issuance of the Certificates.

SECTION 4. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.


SECTION 8. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City Council hereby incorporates such recitals as a part of this Resolution.

SECTION 9. This Resolution shall become effective immediately upon passage.

* * *

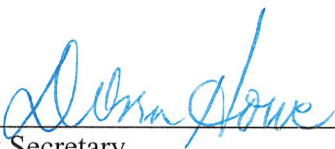
PASSED AND ADOPTED on the 24th day of June, 2025.

CITY OF CASTROVILLE, TEXAS



Mayor

ATTEST:



City Secretary

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EXHIBIT A

**CITY OF CASTROVILLE, TEXAS NOTICE OF INTENTION TO ISSUE
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION**

NOTICE IS HEREBY GIVEN that the City Council of the City of Castroville, Texas will convene at its regular meeting place in the Council Chambers at City Hall, 1209 Fiorella Street, Castroville, Texas 78009 at 5:00 P.M., Castroville, Texas time, on August 26, 2025 (in the event the City Council will be unable to meet at City Hall, the City will post information on its website for attending the meeting by telephone, teleconference, or other electronic means as well as any additional information regarding the meeting should the time, date, or location change), and during such meeting, the City Council will consider the passage of a Resolution and take such actions as may be deemed necessary to authorize the issuance of one or more series of certificates of obligation (the interest on which may or may not be included in the gross income of the holders thereof for purposes of federal income taxation) in an aggregate principal amount not to exceed \$8,000,000 for the purpose or purposes of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to wit: (1) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City's water and sewer system, (2) designing, constructing, renovating, expanding, equipping, and improving (a) public safety facilities (police station), (b) City parks and recreation facilities that are generally accessible to the public and are a part of the City's park system, and (c) the City-owned library, (3) designing, acquiring, constructing, renovating, improving, and equipping various City streets, drainage, and sidewalk improvements, including necessary capital maintenance, utilities relocation, landscaping, wayfinding, and monumentation necessary or incidental thereto, (4) designing, constructing, renovating, improving, and equipping an administrative office building housing the governmental functions of the City, (5) purchasing real property, materials, supplies, equipment, vehicles, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (6) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects (collectively, the "Projects"), and for paying all or a portion of the legal, financial and engineering fees in connection with the Projects and the costs of issuance related to such hereinafter defined Certificates. Each series of certificates (together, the "Certificates") will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and, additionally, from a pledge of and lien on certain revenues derived from the operation of the City's municipally owned combined utility system. In accordance with Section 271.049, as amended, Texas Local Government Code, (i) the current principal amount of all of the City's outstanding public securities secured by and payable from ad valorem taxes is \$15,220,000.00; (ii) the current combined principal and interest required to pay all of the City's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$20,487,906.23; (iii) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$12,385,650.00; (iv) the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the Certificates to be authorized is August 1, 2050. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, and Chapter 1502, Texas Government Code, as amended.

/s/ Debra Howe

City Secretary

City of Castroville, Texas



CITY COUNCIL AGENDA REPORT

DATE: August 20, 2025

AGENDA OF: August 26, 2025

DEPARTMENT: Administration

SUBJECT: Discussion and possible action on the proposed Gas Utility Rate Adjustment Options

RECOMMENDATION: Motion to approve the proposed Gas Utility Rate Adjustment Option _____ as presented.

BACKGROUND/DISCUSSION: The CPS Gas Operations & Maintenance (O&M) contract has been terminated. As a result, the City of Castroville must now manage gas utility operations fully in-house. This transition requires hiring staff, purchasing equipment, and assuming operational responsibilities previously covered under the CPS contract.

To ensure rates are structured appropriately to cover these new costs, staff contracted with Synergy to evaluate the system and develop proposed Gas Utility Rate Adjustment Options for Council consideration.

DISCUSSION: The presentation provides:

- An overview of current gas utility rates.
 - A review of financial impacts from transitioning operations in-house.
 - Option 1: Incremental rate increases over time.
 - Option 2: A one-time rate adjustment.
 - A residential rate comparison with surrounding communities
-

Next Steps:

Fiscal Impact:

☐ Budgeted ☐ Requires Budget Amendment

Source of Funding: The proposed adjustments are designed to offset staffing, equipment, and operational costs previously included in the CPS O&M contract. Fiscal impact will vary depending on whether Council chooses an incremental or one-time adjustment.

Attachments: Gas Rate Update Presentation by Synergy

Urgency (0-5 = Low Urgency to High Urgency): 3
Impact (0-5 = Low Impact to High Impact): 3

Section XIII, Item f.

Submitted by: Leroy Vidales

CITY OF CASTROVILLE

GAS UTILITY RATE DESIGN

WE GIVE YOU THE **POWER TO PERFORM**

SENERGY

POWERED BY SCHNEIDER ENGINEERING

BACKGROUND

- CPS Gas O&M contract terminating
- This is resulting in need for hiring new staff, purchase of equipment, additional expenses
- Historical expenses reported as follows:

Historical Expenses	Expenses FY2023	Expenses FY2024
Gas Utility	\$463,644	\$527,267

CURRENT GAS UTILITY RATES

Gas	Customer Charge	Volume Charge
Residential Inside	\$16.00	\$0.01060
Residential Outside	\$21.00	\$0.01290
Commercial Inside	\$21.00	\$0.01060
Commercial Outside	\$26.00	\$0.01290

Budget/ Revenue Requirement	Adopted Budget FY2025	Proposed Budget FY2026
Gas Utility	\$756,352	\$1,131,481

PROPOSED RATE ADJUSTMENTS

- Option 1: Incremental Rate Increase

	FY 2026		FY 2027		FY 2028	
Gas	Customer Charge	Volume Charge	Customer Charge	Volume Charge	Customer Charge	Volume Charge
Residential Inside	\$25.60	\$0.0170	\$27.30	\$0.01809	\$29.12	\$0.01929
Residential Outside	\$33.60	\$0.0206	\$35.83	\$0.02201	\$38.21	\$0.02347
Commercial Inside	\$33.60	\$0.0170	\$35.83	\$0.01809	\$38.21	\$0.01929
Commercial Outside	\$41.60	\$0.0206	\$44.37	\$0.02201	\$47.32	\$0.02347

- Option 2: One-time Rate Increase

	FY 2026	
Gas	Customer Charge	Volume Charge
Residential Inside	\$29.12	\$0.01929
Residential Outside	\$38.21	\$0.02347
Commercial Inside	\$38.21	\$0.01929
Commercial Outside	\$47.32	\$0.02347

RESIDENTIAL RATE COMPARISON

Utility	Customer Charge	Volume Charge (Incl. GCRF)	Transportation Cost Adder	Total Bill (1800 CF)
Grey Forest	\$9.50	\$15.12		\$24.62
CPS	\$10.36	\$15.74		\$26.10
Boerne	\$15.53	\$22.58		\$38.11
Castroville - Current Rates	\$16.00	\$27.54	\$3.15	\$46.69
Castroville Proposed - FY2026 Incremental	\$25.60	\$39.06	\$3.15	\$67.81
Castroville Proposed - FY2027 Incremental	\$27.30	\$41.02	\$3.15	\$71.47
Castroville Proposed - FY2028 Incremental	\$29.12	\$43.18	\$3.15	\$75.45
Castroville Proposed - FY2026 One-time	\$29.12	\$43.18	\$3.15	\$75.45

QUESTIONS

**PURCHASE AGREEMENT FOR
EDWARDS AQUIFER GROUNDWATER RIGHTS**
(43.0 ac. ft.)

This Purchase Agreement for Groundwater Rights (“Contract”) is made and entered into on this ____ day of _____, 2023 between **Uptmore Family Limited Partnership**, a Texas limited partnership, whose address is 103 S. Winston Ln, San Antonio, Texas, 78213 (“**Seller**”), and City of Castroville, a Texas municipality, whose address is 1209 Fiorella Street, Castroville, Texas 78009 (“**Buyer**”).

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to convey to Buyer, and Buyer agrees to purchase from Seller, the following described water rights upon the following terms and conditions:

1. Water Rights. Seller’s groundwater rights and Seller’s permit rights from the Edwards Aquifer Authority (“EAA”) to withdraw 43.00 acre-feet of unrestricted Edwards Aquifer groundwater per calendar year (the “Water Rights”), derived from EAA Permit Number P100-498(BE00206) recorded as document no. 20080221556 in the Official Public Records of Bexar County, Texas (the “Groundwater Withdrawal Permit”), including all successor rights of or relating to the Groundwater Withdrawal Permit or the groundwater withdrawal rights and all other real or personal property rights appurtenant to the Groundwater Withdrawal Permit and groundwater withdrawal rights. The term “Groundwater Withdrawal Permit” has the meaning given to it under EAA Rules 702.1(84), as amended. This sale does not include (i) any right, title, interest, or claim in or to the real property (“Real Property”) or well or point of withdrawal described in any EAA permit from which the Groundwater Withdrawal Permit is derived, or (ii) any right to use the surface of the Real Property for any purpose.

2. Earnest Money. Within three (3) business days after this Contract is fully executed and deposited with Mission Title, LP, 16500 San Pedro Ave #212, San Antonio, Texas 78232 (“Title Company”), Buyer shall deposit with the Title Company cash in the amount of \$2,500.00 as earnest money (“Earnest Money”) to bind this sale.

3. Purchase Price. The purchase price to be paid by Buyer to Seller for the Water Rights is \$450,000.00 (the “Total Purchase Price”), which shall be paid as a lump sum in cash to Seller at Closing.

4. Feasibility Period. For a period of thirty (30) days beginning on the Effective Date of this Contract (“Feasibility Period”) and for the payment of a \$100.00 feasibility fee (“Feasibility Fee”) to be credited against the Purchase Price should the Contract close, Buyer will have the right, at its cost, to investigate all aspects of the Water Rights, including without limitation Seller’s title to the Water Rights and the existence of any encumbrances or clouds on Seller’s title to the Water Rights. During the Feasibility Period, if Buyer determines in Buyer’s sole discretion that it is not in the best interest of Buyer to purchase the Water Rights, Buyer may terminate this Contract by written notice to Seller delivered before the end of the Feasibility Period and receive back its Earnest Money, less the Feasibility Fee.

5. Title Policy. Buyer will purchase at Buyer's Expense an Owner's Policy of Title Insurance ("Title Policy") issued by the Title Company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the Title Policy, subject only to: (a) those title exceptions permitted by this Contract or as may approved by Buyer in writing; and (b) the standard printed exceptions contained in the promulgated form of title policy.

6. Title Commitment. Within thirty (30) days after the Effective Date, Seller will furnish Buyer a commitment for title insurance ("Title Commitment") and legible copies of the instruments referenced in the Title Commitment.

7. Buyer's Title Objections. Buyer will have ten (10) days following receipt of the Title Commitment ("Title Objection Deadline") to review the Title Commitment and legible copies of the title instruments referenced in them and notify Seller of Buyer's objections to any of them ("Title Objections"). Buyer will be deemed to have approved all matters reflected by the Title Commitment to which Buyer has made no Title Objection by the Title Objection Deadline. The matters that Buyer either approves or is deemed to have approved are "Permitted Exceptions." If Buyer notifies Seller of any Title Objections, Seller has fifteen (15) days from receipt of Buyer's notice to notify Buyer whether Seller agrees to cure the Title Objections before Closing ("Cure Notice"). If Seller does not timely give its Cure Notice or timely gives its Cure Notice but does not agree to cure all the Title Objections before Closing, Buyer may, within five (5) days after the deadline for the giving of Seller's Cure Notice, notify Seller that either this Contract is terminated or Buyer will proceed to close, subject to Seller's obligations to remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date, and cure only the Title Objections that Seller has agreed to cure in the Cure Notice. At or before Closing, Seller must remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date of this Contract, and cure the Title Objections that Seller has agreed to cure.

8. Information Provided to Buyer. Within five (5) days after the Effective Date of this Contract, Seller shall deliver to Buyer true, correct, and complete copies of the following documents: (a) Seller's current EAA Groundwater Withdrawal Permit; (b) a signed consent, on a form provided by Buyer (attached hereto as Exhibit "A"), granting Buyer access to information maintained by the EAA relating to Seller's Groundwater Withdrawal Permit and to Seller's compliance and/or noncompliance with the EAA Act and Rules; and (c) copies of all contracts and agreements affecting the Water Rights, including without limitation leases, options to buy, rights of first refusal, and all amendments, modifications, and supplements thereto. Up to and through the Closing Date, Seller shall promptly advise Buyer in writing of any changes, deletions, or modifications to any of the documents or materials to be provided by Seller under this paragraph, and provide Buyer true, correct, and complete copies of such changes, deletions or modifications.

9. Closing. Provided that all of the conditions of this Contract have been satisfied, this transaction shall close at the offices of the Title Company on October 10, 2025 ("Closing Date"). Seller will pay Seller's attorney's fees associated with this transaction, and other expenses stipulated to be paid by Seller under other provisions of this Contract. Buyer will pay Buyer's attorney's fees associated with this transaction and other expenses stipulated to be paid by Buyer under other provisions of this Contract. All escrow fees, recording fees for the conveyance, EAA filing fees, and other expenses shall be split by the Buyer and Seller. At Closing, Buyer shall receive credit towards the Total Purchase Price for the amount of the Earnest Money.

10. Documents to be delivered at Closing. At Closing, Buyer shall deliver to Seller the Total Purchase Price, and Seller shall deliver to Buyer the following documents executed and acknowledged by Seller: (a) a special warranty water deed, assignment and bill of sale for the Water Rights conveying good and indefeasible title, free and clear of all restrictions, conditions, liens, and other encumbrances of title, except for encumbrances waived by Buyer in writing, in substantially the same form as the form attached hereto as Exhibit “B”; (b) an EAA Application to Transfer-Sale, or such other form required by the EAA to fully vest title to the Water Rights in Buyer; (c) such other documents, including a HUD settlement statement, as are customarily required by the Title Company.

11. Further Assurances. Seller shall cooperate with Buyer while under this Contract and after the Closing Date and take any and all action necessary to fully vest title to the Water Rights in Buyer, including, without limitation, providing additional information to the EAA, executing and delivering any documents or instruments necessary to effectuate this transaction, and paying any EAA fees, fines, or charges attributable to Seller, which obligations will terminate one year after Closing. Seller does not have any obligations to Buyer with regard to Buyer’s future efforts to change the place or purpose of use of the Water Rights.

12. Prorations. Current EAA fees, if any, on the Water Rights shall be prorated to the Closing Date.

13. Seller’s and Buyer’s Representations and Warranties. Seller and Buyer represent and warrant to one another, that as of the Effective Date, and by closing the transaction contemplated by this Contract represent and warrant to one another as of the Closing Date, each of the following, which representations and warranties will survive the Closing:

13.1 *Seller’s Authority.* Seller is the sole owner of the Water Rights and has all requisite power and authority to enter into this Contract and the other agreements or instruments to be executed and delivered by Seller hereunder (collectively, the “***Seller Transaction Documents***”) and to perform Seller’s obligations under Seller Transaction Documents. The execution and delivery by Seller of the Seller Transaction Documents and the consummation by Seller of the transactions contemplated hereby and thereby do not and will not violate, conflict with, require the consent, waiver, or approval of, result in a breach or default under, or give to others any rights of termination, cancellation, or acceleration with respect to, any organizational document, agreement, instrument, or obligation, including any conditional or special use permit, applicable to Seller. The Seller Transaction Documents to which Seller is a party constitute the legal, valid, and binding obligations of Seller, enforceable in accordance with their terms.

13.2 *No Unlawful Condition.* To the best of Seller’s knowledge, no condition exists with respect to the Water Rights that violates any law or any rule of EAA.

13.3 *Title.* Seller owns good and indefeasible title to the Water Rights and the Water Rights are not, subject to liens, liabilities, or encumbrances that will not be discharged at Closing. There are no options, first refusal rights, or other agreements (except for this Contract)

affecting or involving the Water Rights, and no other person has a preemptive right to acquire the Water Rights or any portion thereof.

13.4 *No Litigation.* There is no litigation, action, claim, proceeding, or governmental investigation pending or, to the current actual knowledge of Seller, threatened against Seller which might affect Seller's ability to perform Seller's obligations under this Contract, and to the knowledge of Seller, there is no basis for any such action.

13.5 *Buyer's Authority.* Buyer has all requisite power and authority to enter into this Contract and the other agreements or instruments to be executed and delivered by Buyer hereunder (collectively, the "**Buyer Transaction Documents**") and to perform Buyer's obligations under the Buyer Transaction Documents. The execution and delivery by Buyer of the Buyer Transaction Documents and the consummation by Buyer of the transactions contemplated hereby and thereby do not and will not violate, conflict with, require the consent, waiver, or approval of, result in a breach or default under, or give to others any rights of termination, cancellation, or acceleration with respect to, any organizational document, agreement, instrument, or obligation, including any conditional or special use permit, applicable to Buyer. The Buyer Transaction Documents to which Buyer is a party constitute the legal, valid, and binding obligations of Buyer, enforceable in accordance with their terms.

14. Obligations and Default. Buyer's obligation to perform under this Contract is expressly conditioned on Buyer's option to terminate this Contract pursuant to the Feasibility Period provision set out in Paragraph 4 of this Contract. If the Closing is not completed by reason of Buyer's breach or other failure to perform all obligations and conditions to be performed by Buyer, Seller's sole remedy will be the payment by the Title Company to Seller of the Earnest Money. The parties agree it is difficult to determine the loss to Seller in the event Buyer does not perform and both agree that the Earnest Money is sufficient liquidated damages. If Seller fails to perform Seller's obligations under this Contract for any reason other than Buyer's failure to perform, Buyer may seek such remedies as may be provided by law, including, without limitation, specific performance and termination of this Contract.

15. Commissions. Buyer or Seller (as the case may be) shall pay any brokerage commission or finder's fee arising out of the conveyance of the Water Rights as such party may have incurred. In the event that any right to a commission or finder's fee is asserted by any party then the Party alleged to have agreed to the payment of such a fee or commission shall have the sole liability and responsibility to defend any such claim and shall indemnify the other party hereto against any fees, costs, damages or attorney's fees incurred in the defense of any action or claim so asserted.

16. Notices. Any notice required or permitted under this Contract must be in writing. Any notice required by this Contract will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Contract. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, electronic mail, or other commercially reasonable means and will be effective when

actually received. Any address for notice may be changed by written notice delivered as provided herein.

SELLER: Uptmore Family Limited Partnership
Attn: Jack Uptmore
103 S. Winston Ln,
San Antonio, Texas, 78213

BUYER: City of Castroville, a Texas municipality
Attn: R, Scott Dixon, MPA
1209 Fiorella Street
Castroville, Texas 78009

17. Miscellaneous.

- a. This Contract incorporates by reference Exhibits A and B attached hereto;
- b. This Contract contains the entire agreement between Buyer and Seller and any agreement not contained herein shall be of no force and effect between the parties;
- c. This Contract shall be governed by Texas law and is performable in Bexar County, Texas;
- d. This Contract shall be binding on and inure to the benefit of the parties and their respective successors and assigns, it being expressly understood that Buyer may assign this Contract to an undisclosed third party or parties after execution;
- e. This Contract may be executed in multiple counterparts;
- f. This Contract shall be binding and effective as of the date the Title Company receives a fully executed Contract (the “Effective Date”);
- g. The provisions of this Contract are severable. If a court of competent jurisdiction finds that any provision of this Contract is unenforceable, the remaining provisions shall remain in effect without the unenforceable parts.
- h. Time is of the essence of this Contract.
- i. Whenever any determination is to be made or action taken on a date specified in this Contract, if such date falls upon a Saturday, Sunday, federal holiday, or other day that is not a business day the date for such determination or action shall be extended to the first business day immediately thereafter.

18. No Presumption Against Drafter. Buyer and Seller, agree, and acknowledge that: (i) this Contract has been freely negotiated by both parties; and (ii) that, in the event of any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this

Contract, or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this

19. Disclosures. Buyer and Seller are hereby advised Buck Benson of Barton Benson Jones will be performing title research for Mission Title for which service Buck Benson will receive a part of the title premium for the Owner Title Policy.

[Signature Page Follows]

SELLER:

Uptmore Family Limited Partnership,
a Texas limited partnership

By: JHU, LLC, a Texas limited liability company,
its General Partner

By: _____
Jack Gerard Uptmore as attorney in fact
for Janice Adele Uptmore, sole manager

BUYER:

City of Castroville, a Texas municipality

By: _____
Name: _____
Title: _____

RECEIPT OF CONTRACT

Receipt of the foregoing fully executed Contract is hereby acknowledged on the following date:
_____, 2025.

Mission Title, LP

BY: _____

NAME PRINTED: _____

TITLE: _____

RECEIPT OF EARNEST MONEY

Receipt of the Earnest Money in the amount of \$_____on _____,
2025 is hereby acknowledged. The undersigned shall hold the Earnest Money in accordance with
the terms of this Contract.

Mission Title, LP

BY: _____

NAME PRINTED: _____

TITLE: _____

EXHIBIT “A”

CONSENT TO REVIEW OF EDWARD AQUIFER AUTHORITY (“EAA”) RECORDS

The undersigned, as the owner or representative acting on behalf of the owner of certain water rights (“Consenting Party”), has entered into a Purchase Agreement for Edwards Aquifer Groundwater Rights with City of Castroville, a Texas municipality (“Buyer”) for the sale of those water rights to the Buyer. In conjunction with the sale, Consenting Party hereby consents to and agrees to allow the review and copying by Buyer of any and all EAA records relating to Consenting Party and the Consenting Party’s EAA Initial Regular Permit No. P100-498(BE00206) as contained in the files of the Edwards Aquifer Authority (“EAA”) at any location of the EAA. The right granted hereby to Buyer includes but is not limited to files relating to permit issuance, amendment, revocation, application, adjudication, or other action affecting such permit or permits, all files relating to compliance or noncompliance with the terms of such permit(s), compliance with EAA enabling legislation, rules and regulations, any and all correspondence by and between Consenting Party and the EAA or involving any third party, all materials relating to fees assessed, paid, adjudicated, or protested with respect to such permit(s), all information relating to water pumped, water measurement, critical period/demand management withdrawal allocation schedules, water usage or non-usage, all files relating to transfers of water rights into and/or out of Consenting Party’s EAA Regular Permit No. P100-502(BE00207B) identified on the attached Exhibit A and any other data or information affecting such permit(s) as contained in the files of the EAA. Consenting Party in addition hereby requests the EAA to allow access to all such files by Buyer and its representatives without further consent or approval from Consenting Party.

This consent is effective until written notice revoking this consent is provided by Consenting Party to both Buyer and to the EAA.

Executed this the ____ day of _____, 2025.

CONSENTING PARTY:

Uptmore Family Limited Partnership,
a Texas limited partnership

By: JHU, LLC, a Texas limited liability company,
its General Partner

By: _____
Jack Gerard Uptmore as attorney in fact
for Janice Adele Uptmore, sole manager

EXHIBIT “B”

Form of Special Warranty Water Deed, Bill of Sale and Partial Assignment of Permit

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE

Special Warranty Water Deed, Bill of Sale and Partial Assignment of Permit

Date: _____ (“Effective Date”)

Grantor (whether one or more): Uptmore Family Limited Partnership, a Texas limited partnership

Grantor's Mailing Address: 103 S. Winston Ln, San Antonio, Texas, 78213

Grantee: City of Castroville, a Texas municipality

Grantee's Mailing Address: 1209 Fiorella Street, Castroville, Texas 78009

Consideration: Ten Dollars (\$10.00) cash, and other good valuable consideration in hand paid by the Grantee to Grantor, the receipt and sufficiency of which Grantor acknowledges.

Groundwater Rights: Grantor's groundwater rights and permit rights from the Edwards Aquifer Authority (“EAA”) to withdraw 43.00 acre-feet per calendar year of unrestricted Edwards Aquifer groundwater per year derived from EAA Permit No. P100-498(BE00206) recorded as document no. 20080221556 in the Official Public Records of Bexar County, Texas as Document No. 20080221556 (“Permit”), including all successor rights of or relating to the Permit or the groundwater withdrawal rights and all other real or personal property rights appurtenant to the Permit and groundwater withdrawal rights (all such rights referred to herein as “Water Rights”).

Reservations from Conveyance: Notwithstanding anything herein contained to the contrary, it is understood and agreed that Grantee, its successors or assigns, shall not enter upon nor use the surface of any of Grantor's land for conducting any surface or drilling operations for groundwater. Any beneficial use of the Water Rights shall be by way of transfer of the permitted withdrawal rights to withdrawal points on lands which do not belong to Grantor.

Exceptions to Conveyance and Warranty:

1. The Water Rights conveyed herein are subject to any existing limitations, restrictions, applicable rules or other conditions now in effect or which may be adopted or imposed by the EAA, including but not limited to the limitations and conditions to the rights to withdraw and

beneficially use Edwards Aquifer water as recited in the Permit.

2. All groundwater rights from any formations or aquifers other than the Edwards Aquifer formation. This conveyance is limited to Groundwater Rights from the Edwards Aquifer formation.
3. Any physical aspect of the water including but not limited to: availability, existence, utility, recoverability, source, quality, condition, potability, chemistry, or other characteristics of water, if any, lying on, under, or over the land or lands or that may be produced or used from the land or lands.
4. Lack of a right of access and use of the well or wells and place of use under the Permit.
5. Any subsequent decrease in the amount of water available for withdrawal under the Permit or the portion conveyed to Grantee that is the result of any pro-rata reduction applied to all holders of permits for withdrawal of Groundwater Rights by the EAA or any governmental entity with authority to restrict Groundwater Rights withdrawals.
6. The terms and conditions of the Permit as recorded in the Official Public Records of Real Property of Bexar County, Texas.
7. The terms and conditions of the “Conditions for Initial Regular Permits” as recorded in Document #20040010963 in the Official Public Records of Real Property of Bexar County, Texas.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, assigns and conveys to Grantee the Water Rights, together with all and singular the rights, whether real or personal, and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee’s successors and assigns forever. Grantor binds Grantor and Grantor’s successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee’s successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

EAA fees on the use of the Water Rights (including groundwater withdrawn under the Permit) prior to the Effective Date will be paid by Grantor and EAA fees for the use of the Water Rights (including groundwater withdrawn under the Permit) after the Effective Date are the responsibility of Grantee.

When the context requires, singular nouns and pronouns include the plural.

[Signature Page Follows]

GRANTOR:

Uptmore Family Limited Partnership,
a Texas limited partnership

By: JHU, LLC, a Texas limited liability company,
its General Partner

By: _____
 Jack Gerard Uptmore as attorney in fact
 for Janice Adele Uptmore, sole manager

STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this _____ day of _____, 2025 by Jack Gerard Uptmore as attorney in fact for Janice Adele Uptmore, sole manager of JHU, LLC, a Texas limited liability company, General Partner of Uptmore Family Limited Partnership, a Texas limited partnership.

Notary Public, State of Texas

City Administrator's Report



To: Mayor Alexander & City Council
CC: Staff
From: R. Scott Dixon, City Administrator
Date: August 15, 2025
Re: City Administrator's Report

Mayor and Council,

The following items are listed in no particular order. If there is anything that you would like an update on that you do not see listed or you have any additional questions or concerns, please contact me.

WWTP Pond Closure

No Change. The final approval that the City was waiting on from TCEQ in order to move forward with the closure of the east pond was granted in an email from the TCEQ on June 18th. Staff will work with Councilman King to develop the project scope, details, and timeframe. Staff anticipates this work to begin in late summer, early Fall once the Geneva Drainage project has been completed.

Geneva Drainage Channel

Per council direction at the August 12th meeting, staff will reach out to Mr. Hancock to request that his fence be relocated out of the city's right-of-way. Staff will also confirm that a minimum of an 11 foot driving lane is available on the west side of the project area as discussed. We will do our best to provide the 12 to 14 feet that was originally discussed with the Dybowskys. We will NOT remove trees or relocate the channel to the eastern edge per the direction that was received.

Garza Creek Drainage Project

Staff has met with one of the owners along the channel and is working to set up appointments with the others to secure the necessary easement to perform the proposed channel improvements.

CPSE Dispute

The mayor recently met the CEO of CPS, Mr. Rudy Garza and has proposed a sit down meeting in Castroville to discuss the ongoing dispute items. Staff will work with Schneider Engineering and our legal consultant to ensure the Mayor and City Administrator are prepared for that meeting. No date for the proposed meeting with CPS has been set yet.

Community Center at Regional Park

NO CHANGE. The community center project continues to make progress. The walls and roof are up, dry-in should take place in the next few weeks. The project is on schedule to be completed by mid January.

Lion's Park Splash Pad

NO CHANGE. Unfortunately, the Lion's Park Splash pad is out of commission until further notice. Staff has provided a brief report of the timeline and identified issues related to the splash pad. Although the installation was completed per the manufacturer's (Vortex) specifications, the ongoing drought has proven to be too much and caused catastrophic failure. The entire installation will need to be removed and replaced. Staff is working with councilman King to review the warranty and proposed repair work.

County Streets Plan

NO CHANGE. A copy of the chip seal overlay projects that have been proposed to Medina County has been included with this report. Staff has discussed these projects with Judge Lutz and Commissioner Sittre. The next step will be to draft an Interlocal agreement for approval by both the city council and county commission.

Streets Improvement Plan

NO CHANGE. Staff is in the process of developing a street improvement and maintenance plan. This plan will be shared at a future meeting for council's input and direction.

AA+ S&P Rating

Staff is pleased to inform council that the city's AA+ credit rating with S&P was confirmed following a brief interview with Standard & Poor representatives and the city's financial advisors, Samco Capital. Please see attached letter from S&P.

There is a lot going on in the City of Castroville! If I have left anything out of this report, it was not intentional. **If there is anything else that is of particular concern to you, please let me know so that I can include it on a future report.** As always, my door is open should you have need to speak with me. It is my pleasure to serve the people of Castroville.

Thank you,



R. Scott Dixon, MPA

City Administrator, Castroville, TX

S&P Global
Ratings

August 14, 2025

City of Castroville
1209 Fiorella Street
Castroville, TX 78009
Attention: Leroy Vidales, Finance Director

Re: *US\$8,000,000 City of Castroville, Texas, (A political subdivision of the State of Texas located in Medina County, Texas), Combination Tax and Revenue Certificates of Obligation, Series 2025, dated: August 15, 2025, due: August 01, 2045*

Dear Leroy Vidales

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

al
enclosures

cc: **Andrew Friedman**
Clay Binford
Danni Breaux
Mark McLiney

S&P Global Ratings
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No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or a credit rating when issued.

Section XIV, Item a.

Research Update:

Castroville, TX's Series 2025 Combination Tax And Revenue Certificates Of Obligation Assigned 'AA+' Rating

August 14, 2025

Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to [Castroville](#), Texas' \$8 million series 2025 combination tax and revenue certificates of obligation (COs).
- At the same time, we affirmed our 'AA+' long-term rating on the city's general obligation (GO) bonds and COs outstanding.
- The outlook is stable.
- The rating is based on our application of our "[Methodology For Rating U.S. Governments](#)," Sept. 9, 2024, on RatingsDirect.

Primary Contact

Alex Louie
 Englewood
 1-303-721-4559
 alex.louie
 @spglobal.com

Secondary Contact

Melissa Banuelos
 Dallas
 1-214-871-1403
 Melissa.Banuelos
 @spglobal.com

Rationale

Security

The bonds and COs are direct obligations of the city, payable from the proceeds of a continuing, direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within its borders. Net revenue of the city's gas system, not to exceed \$1,000, also secures the COs. Given the limited revenue pledge, we rate the certificates based on the city's ad valorem pledge.

The maximum allowable ad valorem tax rate in Texas for general law cities is \$1.50 per \$100 of assessed value (AV) for all purposes with the portion dedicated to debt service limited to \$1. The city's total tax rate is well below the maximum at 52.3 cents, 12.63 cents of which is for debt service. Despite state statutory tax rate limitations, we view the limited-tax GO debt pledge as on par with the city's general creditworthiness. The city does not levy ad valorem taxes on a narrower or distinctly different property tax base, and there are no limitations on the fungibility of resources available for debt service payments.

Officials will use series 2025 certificate proceeds for capital projects throughout the city.

Credit highlights

In our view, the city's stable budgetary performance, very high reserves (over 85% as of fiscal 2024), and rapidly growing economy just to the west of San Antonio support general creditworthiness and offset economic metrics, which lag those of many similarly rated peers. However, given the city's location in the San Antonio metropolitan area, we believe that our metrics slightly underrepresent economic activity.

For fiscal 2025, the city expects to continue a trend of balanced results. With very strong reserves at more than \$4 million, or 87.6% of revenue, the city has significant resources to deal with future capital needs. It has no plans to use fund balances for operations given that it is well in excess of its 120-day target. Management's conservative budgeting practices, and long-term capital planning have contributed to consistent performance, but we note that reserves are nominally low for the rating. Officials are planning for a significant utilities project, and have been conducting staffing studies and addressing growing capital needs.

The 'AA+' rating reflects our view of:

- Low per capita gross county product and personal income . However, the city is undergoing rapid growth and expects 5,000 to 6,000 new homes in the next few years as the San Antonio area continues to expand. In addition, its participation in a strong regional economy, anchored by San Antonio, consistently growing sales tax revenue, and rapidly growing AV (expected to increase 14% in 2025) indicate strong economic activity in the area.
- Typically balanced operating results, as reflected in steady budgetary results in the past four years. Officials expected this to continue into 2025, with no major fund balance spend-downs.
- A 120-day formal fund balance policy supporting reserves, with our expectation that the city will continue to easily meet this requirement though it may spend down some reserves for one-time purposes.
- Very high per capita debt burden, though costs are management, under 14% of total governmental revenue. The city does have \$10 million in debt plans and may work with the Texas Water Development Board for another issuance to support its growing water and solid waste utilities.
- Little expected change in per capita net pension liabilities in the near term given Texas cities' relatively modest contributions toward pension obligations given current state support.
- Conservative budgeting practices with a comprehensive budget package, five-year capital planning, and a team that is considering how to staff and fund capital expenditures related to growth. Castroville also is taking actions to mitigate cybersecurity risks.
- For more information on our institutional framework assessment for Texas municipalities, see ["Institutional Framework Assessment: Texas Local Governments,"](#) Sept. 9, 2024.

Environmental, social, and governance

Environmental, social, and governance factors are neutral within the credit analysis. We note that Castroville, as with many rapidly growing Texas municipalities, is aware of securing water supplies to support additional population growth. The city draws most of its waters from the Edwards aquifer, and is monitoring supply and reviewing its water rights and associated regulations.

Outlook

Our stable outlook reflects our view of the city’s strong economic growth, which will continue to provide growing revenue to accommodate AV and population growth. The outlook further reflects our view of the city's significant reserves, on a percentage basis of general fund revenue, providing cushion against any unexpected near-term financial shocks.

Downside scenario

We could take a negative rating action if the city's reserve position deteriorates, if the city issues debt in a way that materially changes metrics, or if any other credit factors deteriorate.

Upside scenario

We could take a positive rating action if the city continues to see economic growth that pushes metrics to levels commensurate with those of higher-rated peers, if the debt burden moderates, and if reserves continue to grow.

Castroville, Texas--Credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.49
Economy	5.0
Financial performance	2
Reserves and liquidity	1
Management	1.70
Debt and liabilities	2.75

Castroville, Texas--Key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita as % of U.S.	34	--	34	33
County PCPI as % of U.S.	76	--	76	75
Market value (\$000s)	428,385	416,515	362,551	309,828
Market value per capita (\$)	131,851	128,198	115,942	102,933
Top 10 taxpayers as % of taxable value	14.5	16.5	17.0	16.4
County unemployment rate (%)	4.1	4.1	3.9	3.9
Local median household EBI as % of U.S.	121	121	104	98
Local per capita EBI as % of U.S.	102	102	89	94
Local population	3,249	3,249	3,127	3,010
Financial performance				
Operating fund revenue (\$000s)	--	4,681	4,120	4,416
Operating fund expenditures (\$000s)	--	5,126	4,723	3,600
Net transfers and other adjustments (\$000s)	--	441	229	318
Operating result (\$000s)	--	(4)	(374)	1,134
Operating result as % of revenue	--	(0.1)	(9.1)	25.7

Castroville, Texas--Key credit metrics

	Most recent	2024	2023	2022
Operating result three-year average %	--	5.5	11.9	23.2
Reserves and liquidity				
Available reserves as % of operating revenue	--	87.6	111.3	112.3
Available reserves (\$000s)	--	4,099	4,586	4,960
Debt and liabilities				
Debt service cost as % of revenue	--	7.4	7.5	3.0
Net direct debt per capita (\$)	7,147	4,685	4,562	3,269
Net direct debt (\$000s)	23,220	15,220	14,266	9,841
Direct debt 10-year amortization (%)	43	20	47	--
Pension and OPEB cost as % of revenue	--	5	5	5
NPLs per capita (\$)	--	212	309	1
Combined NPLs (\$000s)	--	688	966	3

Financial data may reflect analytical adjustments and is sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

Ratings List

New Issue Ratings	
US\$8.0 mil combination tax and rev certs of oblig ser 2025 dtd 08/15/2025 due 08/01/2045	
Long Term Rating	AA+/Stable
Ratings Affirmed	
Local Government	
Castroville, TX Limited Tax General Obligation and Gas System Subordinate Revenue	AA+/Stable
Castroville, TX Limited Tax General Operating Pledge	AA+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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City of Castroville Parks & Recreation Department

Monthly Report: July 1, 2025- July 31, 2025

Submitted by: Jonah Chang, Director of Parks & Recreation

1. Department Overview & Updates

- Community Center Construction:
 - Community Center construction coming along!!
 - Framing is complete and dry-in is underway.
 - CURRENT RFI's: Tile for restroom & Ice Machine Specs
- Butterfly Garden curbing installed & completed.
 - Currently working on cutting out overgrowth & ensuring irrigation is running properly.

2. Programs & Events

3. Reservation Report

Facility	Bookings
Regional Park- Volleyball Courts	3
Lion's Park- Athletic Field	0
Lion's Park- Softball Field	1
Regional Park- Amphitheater	0
Regional Park- Area Rentals	1
Regional Park- Pavilion Rentals	6
Regional Park Table Rentals	15
City Pool- Parties	24
RV Park Bookings	44
Regional Park- Tent Camping	1

4. Work Orders & Repairs

Department	Problem Code	# of Work Orders
Parks: 127Total	500: City Parks Maintenance	11
	501: City bldg. Maintenance	0
	505: Equipment Repairs & Maintenance	6
	510: Regional Park Maintenance	42
	515: RV Park Maintenance	1
	520: Swimming Pool Maintenance	1
	530: Lions Park Maintenance	8
	535: Splash Pad Maintenance	0
	599: Misc. Facilities & Parks	26
	801: Weeds/Overgrown Brush	0
	802: Mowing & Weed Eating	29
	806: Tree Issue (Trim & Clear)	1
	819: Misc Streets	0
	978: Vehicle & Equipment Maintenance	2
Facilities: 19 Total	500: City Parks Maintenance	1
	501: City Bldg. Maintenance	5
	506: Flags	1
	520: Swimming Pool Maintenance	8
	599: Misc. Facilities & Parks	4
History:	July 2024: 116 Total June 2025: 120 Total July 2025: 146 Total	127/month average

5. Staffing

Type:	Status:
Full-time Staff:	4 positions filled
Part-time Staff:	1 position filled
Temporary Staff:	1 position filled
Pool Staff:	5 positions filled

6. Upcoming Priorities

- Garden of Roots:
 - Tree Placement x3
 - Tree Sign Installation
- Splash Pad Repair Plan
 - Met with Advanced Aquatics, MWF Concrete, and Scott Dixon @ Site on July 31st, to discuss repairs options & next steps.
 - Major sub foundation issues that seem to be attributed to the severe drought that we are in & the soil contents(clay.)
 - Received a quote for demo & replacement of Concrete Pad(approx. \$60k) waiting on plumbing estimate(pipe & labor.)
- Continued monitoring of Community Center construction progress & park access



























Moye Military School, London Street, early 1940s. (MS 355: Z-0310-A-2



Just a reminder that we have online permitting. You can apply, pay fees, and check status! Here is the link. [Citizen Portal \(iworq.net\)](http://CitizenPortal(iworq.net))

Monthly Community Development Report



July 2025



Breana Soto

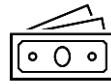
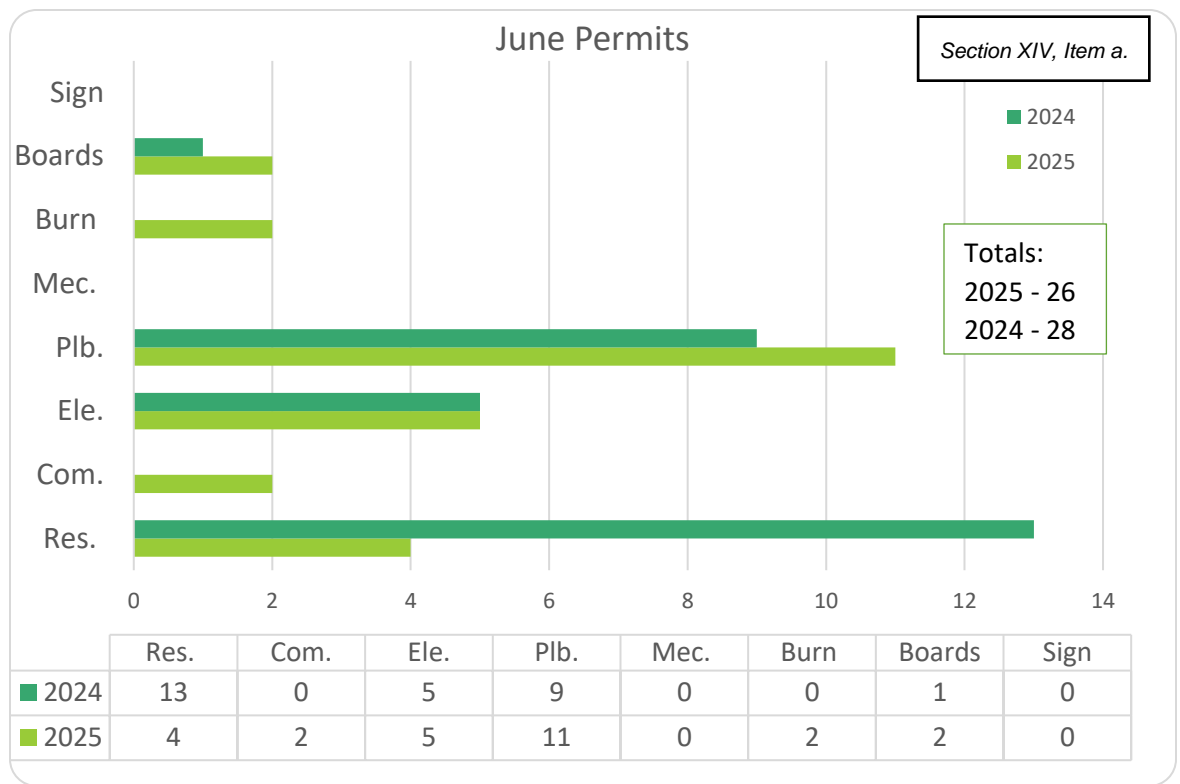


NEW
BUILDS

Pending
Plan
Review: 0

Approved
and
Issued: 3

Completed
and
Closed: 0



Permit Fees

2025

\$11,571

2024

\$19,142

Boards and Commissions

	HLC	P&Z	ZBOA
Next Meeting Date	August 19 th	August 13 th	TBD
May Meeting Date and Items	JULY 15 TH 1212 Fiorella. – Approved 1303 Lorenzo – Discussion 1715 Amelia – Approved Downtown Signage – Made Recommendation	No Meeting	No Meeting

If you live in one of our 96 Historic Structures and need a plaque or would like to replace your existing one, please contact

Breana.soto@castrovilletx.gov



Castroville's Active Transportation Grant

- ☒ Enroll in Local Government Project Procedures Qualification for TxDOT
- ☒ Submit Qualifications Statement and Risk Assessment
- ☒ ~~Create RFQ~~ – TxDOT provided another route since such a small project. (PTN)
- ☒ Meet consultant about scope of work.
- ☒ PTN signs Oversight Special Approval (SPA) form.
- ☒ Advanced Funding Agreement Resolution approval by City.
- ☒ TxDOT approves contract.
- ☒ Kick off meeting
- ☒ Bring to Council for input on how to move forward – August 12th meeting.
- ☒ Bring to Council for stakeholder committee– Tentatively scheduled for September 9th meeting.
- ☐ Public engagement meetings
- ☐ Bring initial findings to Planning and Zoning and City Council
- ☐ Receive feedback, create draft plan
- ☐ Open public comment period
- ☐ Bring findings to City Council
- ☐ Receive feedback, create final draft
- ☐ Bring to P&Z for adoption
- ☐ Bring to City Council for adoption

Garcia Creek Report

- ☒ Obtain & review data: Right of Entry, Records Search
- ☒ Field Survey: Field Data Collection, Digital Data Entry
- ☒ Engineer Site Visit
- ☒ Hydraulic Modeling
- ☒ Channel/Slope Stability Analysis: Field Investigations, Lab Tests, Draft Eng. Reports
- ☒ Presentations to City Council – Either of the June 24th or July 8th Meeting
- ☒ City Council will decide how to move forward with project - Chose Option 1
- ☐ Start engineering/necessary action items for Option 1

Airport Zoning

- ☒ Update zoning and regs
- ☒ Create GIS Portal for public review
- ☒ Present to Council for review
- ☒ Reach out to County for input – No movement or input from County
- ☐ Create Joint Airport Zoning Board
- ☐ Review of zoning regulations by JAZB
- ☐ Public hearing for public input
- ☐ Adoption by City and County

Throughfare Plan

Section XIV, Item a.

- ☒ Meet with County about alignment with County plans.
- ☒ Meet with TXDOT about alignment/ discrepancies with TxDOT plans.
- ☒ Meet with County engineer about suggestions from TxDOT. TxDOT had a lot of great suggestions.
- ☐ Directed to move forward with adoption of thoroughfare plan. Waiting on engineer to send revised plan for Council to review.
- ☐ Bring to City Council for review.
- ☐ Make changes to plan per Council recommendation.
- ☐ Send out required public notifications.
- ☐ Bring to City Council for approval.

Development Projects



Town East Crossing

1726 Hwy 90 E, Next to Security State Bank

Pumphouse Carwash

601 Hwy 90 E, Next to current Pumphouse Carwash



808 Hwy 90 E, Next to El Portal

August Castroville Public Library Director Report

Summer Camps, done 1,291 in attendance-divided by 8 weeks 5 days a week roughly 33 kids each day. We received great feedback, kind suggestions and things we knew we needed to change for next year. In October, we will be closed one day to go to the Alamo, come back, have lunch and go over the evaluations as a team. I treated the staff to a 10-minute massage by Signature Massage and Bodywork in Castroville. This happened yesterday. Each staff member had a 10 min massage, my gift to them for an exceptional summer program!

1. Fall Programs coming up (August will be for catching our breath, organizing all of our supplies and gearing up for the Fall/Winter) September will bring the following:

- Fall and Winter Break for the kids – we will do something 2 days a week for the kids when they are on their school breaks.
- Adult Rock Painting – had several requests to start this again
- Fall gardening for kids – we are going to clean out the raised bed in the back along with the planters, get some seeds and allow the kids/families to dig, plant, water and weed. We will provide a couple of watering cans. We will also start the “bring a seed, take a seed” again.
- We will continue our 2 book groups and our needle group.
- Every Tuesday at 10:00 I will be hosting a Bingo group with trivia and exercise. I have reached out to some Independent Living Centers and some 55+ communities asking if I can email them a calendar of our events. I have a waiver for them to sign.
- Toddler Story Time will continue-during the school year we still average about 25-30 babies/toddlers
- Cooking with Chelsea – (from Wic) she is going to come in and do an informational program for young moms on healthy choices for kids.
- Fall flower arrangement by Blossom and Bloom
- We will be starting our after-school craft group for school -age kids
- Our adult craft group will be open for teens as well
- I am facilitating “What’s got you tired” Ways to recharge for seniors
- Writer’s group – we have a guest speaker coming in September.

Future programs for October-December

- Computer Q& A
- 65 North Medicare Planning – owners Victor and Jade-informational on the changes to Medicare.
- Dia Health – Health informational – pre-diabetes vs diabetes
- Koality Counseling – Mental Health class
- Darland Insurance talk about insurance options
- Parents as Teachers how we can partner with literacy for young children
- Hope foundation – how to partner with those with disabilities
- Landmark Inn – Winter program
- Medina County Extension office- come do an educational program for families
- SACRD – this was something Lauren set up – I’m following up with a team’s meeting
- Castroville Bank – class for parents for college prep and simple budget planning
- Coffee Klatch – probably in February

Continuing Education Courses for Beth (goes towards accreditation)

- Continuing with New Director Series until the end of the year
- Technology in the Library
- Know & Go: How to help others with tips for cover letters, resumes, and interviews

Grants I’m applying to:

- **Family Room Grant by Tslac** (Tx Libraries Archives Commission) This grant would be for re-design of the children’s library and the jr. fiction area. It would cover the removing curve shelves and get wall mounted shelves. We somehow have to add a couple of chairs for the pregnant mom’s and grandparents to sit during Story Time. It’s a very specific grant. I’ve already put my name on the list for the informational webinar for September.
- **Kronkosky Grant** – renovation to the back of the building, outside and have a family garden area where patrons of the library can help children get their hands in the dirt. We have the raised flower bed and big containers. I would like to see the trellis come down as it’s falling apart and make that space more conducive for teaching children how to garden.

- **Ed Rachal Foundation** – same thing
- **The Meadows Foundation** – same thing
- **Sid W Richardson Foundation** – same thing
- **Jerry Kline Community Impact Prize** – reviewing it's specifications

Technology:

- Computers will be arriving in August sometime-included will be two tablets to use when our wifi goes down and used by tutors in the library
- Meescan self check out station – installation after new computers are installed
- Jamex coin-operated machine for our copier – need to order a part from Sharp but want to make sure this is possible with our leased copier.
- Ordering a new fax machine
- Automatic door opener

Improvements:

- Interior/exterior painting – all rooms and outside
- Removing some shelving between the two jf/jnon area -opens up for more tables for patrons
- Adding wall rack for early readers in children's library

Our hours will be going back to 9-5:30 M/T/W/F and then Thursday 9-6:30 and Saturday 9-1.

- Our check out renewal has been reduced to 0 for new release. I was finding people checking out our newly released books 3 times and no one would get a chance to check them out which increased the holds list.

Future items to discuss:

Creating a questionnaire regarding what community would like to see here.



memo

To: Scott Dixon
From: John Gomez
Date: 8/18/2025
Re: Public Works Monthly Staff Report – July 2025

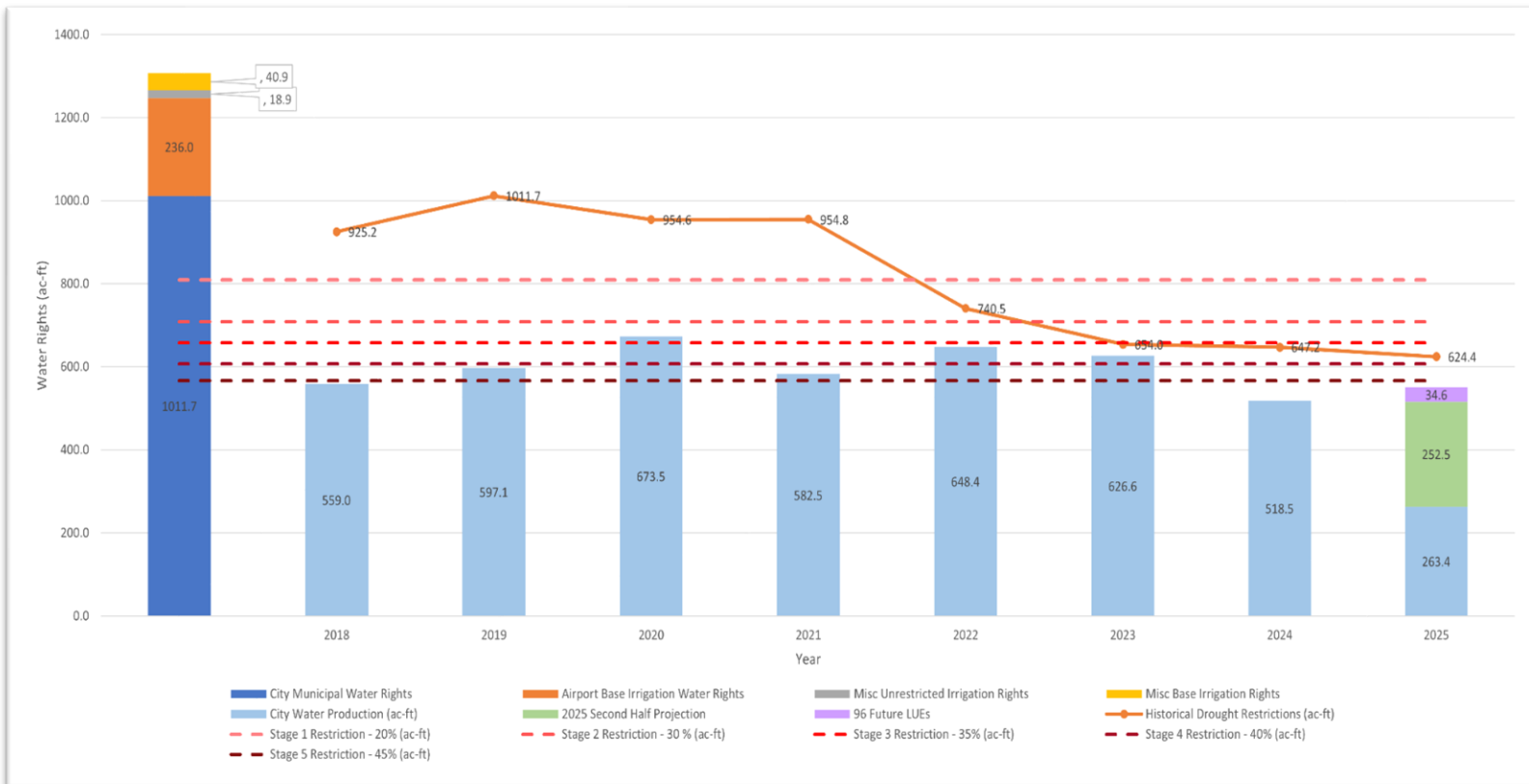
Department monthly highlights:

- **Work Order Activity:** Staff received a total of 160 service requests across all departments during the reporting period.
- **Staff highlights:** Jason Botello received his Class C Groundwater License and Josua Walker received his Class D Water Operator license.
- **Refuse Updates:** Weekly transition meetings with STRD have been conducted, community updates have been regularly shared via email and social media platforms, and STRD has proactively reached out to commercial customers to assess and address their individual needs.

Work Orders

Department	Issued	Closed	Open (at month end)
Electric	33	33	0
Water	54	43	11
Sewer	1	1	0
Streets	57	57	0
Gas	15	15	0
TOTAL	160	149	11

Water consumption and projection data:



Project Updates:

CDBG- 1200 linear feet Water Line Project has begun

Flat Creek Water Well Drilling Project has begun

AMI Meter Project

- The final phase of Ameresco electric and water meter installations began on August 11th, with a targeted completion date of August 22nd.
- Discussions are underway with external contractors to define the scope of work for the forthcoming AMI gas meter replacements.

Geneva Drainage Channel- Streets Project

- The street crew is still cutting drainage and hauling away all excess dirt.



Castroville Community Building

- The framing crew is on schedule with the installation of OSB roof sheathing and the addition of bracing between rafters.
- Plumbing and electrical trades are scheduled to mobilize to the job site in two weeks.



Flat Creek Subdivision

- The streets crew has completed cutting and grading throughout the subdivision and is now concentrating efforts on the main boulevard—from the Hwy 90 entrance to the first roundabout.
- Installation of geogrid mesh is in progress, followed by placement of flexible base material.
- Civil crews are forming and installing rebar for the storm drain infrastructure, while the masonry team is actively setting forms and laying brick for retaining walls at multiple locations across the site."



Pumphouse No. 5

- The utilities crew is continuing with backfilling operations around the newly installed water lines.
- Ironworkers are making steady progress on the building exterior, installing R-panel metal siding and OSB wall sheathing.
- Sotello Electric is actively roughing in metal-clad cable and installing electrical outlets throughout the car wash bay.
- Starks Construction is performing earthwork to prepare the site for future roadway development within the car wash area.



Town East Crossing Retail

- The stucco crew is actively applying finish to the exterior side and rear walls, while simultaneously laying brick along the front structure.
- The utility crew continues installing manholes and sewer lines.
- Welders were on site performing structural welds to install additional support members at the front of the building.

The Numbers at the Airport

929,981

REVENUE IN DOLLARS

115%

Percentage of Budget

33,997

MONTHLY FUEL SALES IN DOLLARS

↓ 22%

From Last Month

↑ 6%

From Last Year

26,596

AIRCRAFT OPERATION Y-T-D

↑ 20%

From Last Month

↑ 16%

From Last Year

0/67

SPACE AVAILABILITY

52

Number on Waitlist

- Hydrological survey continues, preliminary report expected by Labor Day (TxDot)
- CAAB tasked airport staff to research & compare ADSB providers (Virtower vs. MIS), courtesy car options, taxiway improvements on south end of ramp for RWY34
- Increased flight school operations and pilot examinations

Airport Operations

Snapshot Local Time

Start Date07/01/2025 00:00 LT

End Date07/31/2025 23:59 LT

Creation08/14/2025 12:10

UserMichael_Haley

Customer IDKCVB

Summary

Landings		Take-Offs		Totals	
Single Engine	1632	Single Engine	1643	Single Engine	3275
Single Engine Turbine	8	Single Engine Turbine	15	Single Engine Turbine	23
Multi Engine	45	Multi Engine	46	Multi Engine	91
Multi Engine Turbine	2	Multi Engine Turbine	2	Multi Engine Turbine	4
Business Jet	2	Business Jet	2	Business Jet	4
Helicopter	7	Helicopter	6	Helicopter	13
Military	60	Military	58	Military	118
Military Helicopter	2	Military Helicopter	3	Military Helicopter	5
Light Sport Aircraft	8	Light Sport Aircraft	9	Light Sport Aircraft	17
Other	0	Other	1	Other	1
TOTAL	1766	TOTAL	1785	TOTAL	3551

FAA AAC/ADG Summary

Landings		Take-Offs		Totals	
A1	1636	A1	1645	A1	3281
A2	9	A2	15	A2	24
B1	58	B1	58	B1	116
B2	3	B2	3	B2	6

Landings		Take-Offs		Totals		Section XIV, Item a.
C2	1	C2	1	C2	2	
HEL	9	HEL	9	HEL	18	
UKN	50	UKN	54	UKN	104	
TOTAL	1766	TOTAL	1785	TOTAL	3551	

Operations by Aircraft Type

Single Engine		Single Engine Turbine		Multi Engine		Multi Engine Turbine		Business Jet	Jet 2	Jet NB		Jet 4		Jet WB		Helicopter	
7ECA	2	AT402	9	B55	2	BE20	4	C68A	2							B407	10
A1B	4	AT5T	14	B58	5			F2TH	2							R22	3
AA5	46			BE95	1												
AA5B	14			C310	3												
B23	24			C337	10												
BE35	15			C340	10												
BE36	12			C414	6												
C120	1			C421	2												
C140	3			PA23	42												
C150	22			PA30	8												
C152	155			PA34	2												
C172	1673																
C180	4																
C182	25																
C195	2																
C206	82																
C210	4																
CCX-2300	30																
CH7B	29																
COLT	2																
DA40	644																
Glasair	2																
J4	5																

Single Engine		Single Engine Turbine		Multi Engine		Multi Engine Turbine		Business Jet		Jet 2		Jet NB		Jet 4		Jet WB		Heli	
LIGHTNING	1																		
M20	12																		
Navion	2																		
PA22	2																		
PA28	259																		
PA32	16																		
R114	2																		
R7	4																		
RV14	2																		
RV4	3																		
RV6	16																		
RV7	13																		
RV8	15																		
SR20	62																		
SR22	8																		
SRAI	12																		
T6	14																		
Velocity	6																		
VL3	8																		
Others	18																		

Military		Military Helicopter		Light Sport Aircraft		Glider		UAV		Blimp		Balloon		GND Emergency		GND Vehicle A		Other	
TEX2	93	H60	5	CH601	2													Others	1
Others	25			Sinus912	3														
				Sling	12														

Activity Summary

LANDING RWY 16	1706
----------------	------

LANDING RWY 34	60
TAKEOFF RWY 16	1727
TAKEOFF RWY 34	58
T&G RWY 16	682
T&G RWY 34	33

Section XIV, Item a.

This report was generated using sensors monitoring aircraft operations at the selected airport and may not contain aircraft that do not have ADS-B. Airports that have multiple sensors deployed will also feature aircraft fitted with transponders only. The information presented is correct to the best of our knowledge from available sensors at the time: Les Goldsmith, President VirTower LLC

Library Statistics for June 2025

Member Statistics: Active Accounts**May**

In City: 665

MVISD: 893

Out of Area: 71

City Staff: 22

TexShare: 45

TOTAL: 1748**June:**

In City: 677

MVISD: 932

Out of area: 72

City Staff: 23

Texshare: 46

Circulation Statistics Year to Date (books checked out)**May:** 8370**June:** 10609**Materials in the Library collection:****May:** 11638**June:** 11768**Monthly Library Revenue:**

May: \$1244.19

June: \$1274.40

Computer Log-in's:**May:**

Unique logins – 80

Logins: 230

Total: 322**June**

93

289

Inter-Library loan service

Shipped

May 69

June: 32

Received:

May 18

June 103

Library Visits:

May **1250**

June: 1858

Program attendance

May: 256

June: 749

Ereads (Boundless)

15 books 6 audio

18 books 7 audio

Libby (May)

May:

Ebook checkouts: 209

Ebook holds: 75

Audiobook checkouts: 180

Audiobook holds: 109

June:

ebook check outs: 243

ebook holds: 86

audiobook checkouts: 186

audio book holds: 96

Library Director Report: July 2025

2025 Summer Camps – Ending August 1st – Huge Success with at least 30-45 kids each day for a different camp theme. We will be hosting a presenter for our last day and handing out reading prizes.

Senior Programs: Aacog programs have finished and I'm waiting to see if they are going to host another round of Texercise in the Fall.

Adult groups currently running: 2 book groups, 1 writers' group, 1 art group, Teen art group

Children's programs: Story Time on Wednesday's and After School Art Group

Programs Director is looking into facilitating in the Fall of 2025 and Winter 2026

- Texas Workforce
- Texas Caregiver Support
- Darland Insurance program on insurance
- Dia Health Care
- Parents as Teachers
- Wic/Snap program – cooking class for moms with some nutritional information for children.
- Partnering with Landmark Inn – Fall or Winter program
- Story Time to Day Care Centers: I'd like to figure out a way for us to provide Story Time and other programs virtually for those who are home sick or for those who want to stay in during cold and flu season.
- Visit local day care centers to talk about our service and how we can help them with their pre-school programs.
- Back to School Bash – Medina County School
- Castroville Public School-hope to visit with the librarian
- Catholic School
- Hope to host a coffee Klatch at the Library
- Hosting brunch for all of our volunteers
- Flower shop is coming to do a Fall Flower Arrangement class
- Castroville State Bank – financial classes for parents saving for child college fund
- Guest Speaker- Published Author from Houston to come to Writers Group
- Interview with Tslac –(Texas Libraries Archives Commission) Impressed with our growth, would like to interview me; will go on digital newsletter
- Q&A for Senior Computer Classlooking for someone to host this.

Grants:

- Medina County Electric Co-operative - \$500.00 for Summer Camps
- TLA/HEB – partnership - \$1360.00 for library programs for the Summer

Immediate needs vs long term needs

Library Director is keeping a record now of the number of prints and copies each week. We really need to install a self-printing coin operated printing station – we are wasting so much paper and ink. People just leave their prints or their faxes.

Automatic Door opener system for handicapped-our door is heavy and sticks

Next month's topics with LAB:

- Memory Café for Local Residents – gave each board member a little hand out to get their opinion if this is something that would benefit the community through the library.
- What type of programs do we want to start looking at and providing – I don't want to host a program to just host a program. A library survey may be created this Fall.
- Next 5 year plan....the discussion has started with the Director and Library Board.

JULY CODE COMPLIANCE REPORT

Case Count	Status			
Violation	Closed	Closed - Compliance Received	Open	Grand Total
Illegally Parked Vehicle			1	1
Illegal Location			1	1
Signage	10	3		13
Illegal Location	4	1		5
Illegal Signage	6	2		8
Tall Grass		7	2	9
Weeds above 12 ins.		7	2	9
Utilities		6		6
Water Conservation Plan		6		6
Grand Total	10	16	3	29

YTD 18 106 63 197

Code Enforcement: Opened Cases – 29 Closed Cases – 26
July 2025 Monthly Report is on the following page.

OPEN CASES

- 1/23/2024: 2024012. 1513 Old Hwy 90 W. Health & Sanitation., The grass was cut outside the fence. The Occupants is out of the Care house, now they reduce the asking price to sell the house. The contractor can work on removing the violations. The Owner is doing everything possible to get property sold. work stopped due to death of contractor, property for sale.
Weeds, Trash, Junk, Debris, and unlicensed Vehicles over property. Owner's Son is willing to work with volunteers, for cleanup. Code Enforcement has connected the owner with a third-party contractor who is presently working to bring all violations into compliance. Property is up for sale. Contractor passed away
- 02/20/2025: 2025014. 1303 Lorenzo. Permit required. The Owner was asked to redesign for a smaller Sign No action taken at HLC meeting; The Owner needs to consult The National Registry (NR) first. Scheduled for HLC meeting 4/15/2025 CVL was issued on 02/28/2025 Signs were painted, and temporary signs continue to display of temporary sign after allowable period. Plus, permanent signs were erected without permit.
- 3/06/2025: 2025028. 702 Lafayette. Building. Repairs in process. Substandard Housing in the Historic District
- 3/26/2025: 2025068. 208 Old Hwy 90 E. Building. waiting for contractor to start work CVL mailed 4/15/25. Owner is in communication with code enforcement while negotiating with contractors. Partially demolished structure unsecured.
- 3/27/2025: 2025073. 1401 Isabella St. Building. The occupant took my contact information to pass onto his cousin the owner of the property to call me. Substandard Structure in disrepair maintained in Historic District.
- 4/11/2025: 2025088. 815 Athens St. Solid Waste., Waste Management partial service received. I spoke to the Owners' son to make it compliant. Non-Compliant brush pile.
- 4/21/2025: 2025094. 1112 Paris St. CVL Mailed, and hand delivered 8/12/2025. Illegally parked Vehicle. Recent employment will take care of registration by the middle of July. Initial contact was made. Maintain 2 vehicles in varied stages of disrepair without current registration in the side yard and street.
- 5/2/2025: 2025104. 200 FM 471 N. Tall Grass. CVL Mailed 7/28/2025 They said they will get right to it. The developer states they will have it cut before groundbreaking in 3 weeks. Grass overgrown above 12 inches on undeveloped lot.

- 5/6/2025: 2025108. 138 Karm St. NOV issued 8/12/2025. CVL mailed and posted 7/2/2025. The front and side yard were mowed; the back yard still needs cutting. Tall Grass. Initial notification was made and partial compliance received. Weed growing above 12 inches in the yard.
- 5/7/2025: 2025114. 403 Petersburg St. Zoning. The Backhoe and trailer were removed from plain site. Violation of Home Occupancy Permit. Evidence of business operation seen in plain view.
- 5/19/2025: 2025132. R14031/14032 Geneva/Ranchero/Chateau. Tall Grass. The Owner stated he will be working on bringing all his properties in the area into compliance. Grass and weeds growing above 12 inches across a 16-lot block of vacant land.
- 6/25/2025:2025153. 307 London St. Substandard Structure. The grass has been mowed, and pickets removed to be repaired and replaced. Broken, falling fence and shutters and tall grass.
- 7/14/2025:2025168. 1707 Amelia St. Tall Grass. CVL mailed 8/11/2025. Grass and weeds growing above 12 inches. On vacant property.
- 7/17/2025: 2025175. 71 River Bluff. Tall Grass. Owner claims the only person he was able to get to cut the grass wouldn't be available until 8/18/25. Weeds and grass growing above 12 inches, on vacant lot.
- 7/28/2025: 2025188. 44 River Bluff. Illegally Parked Vehicle. Owner will remove RV by 8/18/25. RV parked in the front yard of property.

- 5/12/2021: 2021030. 1515 Athens St Building. We are still awaiting a date for the bench trial. No work has been done to complete the siding installation. And the two Vehicles are again without current registration. **The complaint was filed with the municipal court on January 12, 2022.** At Court on March 3, 2022. Residents ask for a hearing. Contractor called PW inquiring about permit application. No application has been filed thus far. haven't received a court date as of today.
- 2/26/2024: 2024023. 1715 Naples St. Historic., Have to go back 8/07/25 The Judge wasn't present. Pre Trial 7/3/25. Client pleaded not Guilty, requesting Jury trial. Case rescheduled to November due to prosecutor's absence. **Case differed to 10/3/24,** prosecutor needs to review case. **The complaint was filed with the municipal Court on April 19, 2024.** Historical property is in violation of COA. Knowingly used material not recommended on garage. Left door hanger, no response. CVL mailed certified 3/15/24, returned not taken, NOV Mailed certified 4/19/24, returned not taken. The court date is June 6, 2024.
- 4/12/2024: 2024043. 501 London St. Health & Sanitation., Court fee paid 5/21/2025. Compliance is still not received. Court date reset for 5/15/25. The Owner did not show up for court 4/4/25 Cleaned up approximately one third of property. A new NOV was issued 3/12/2025. Meeting with PD Chief, Owner and Code Enforcement took place 1/24/25. Roll off will be ordered and Owner will load personally. Citizens were advised to take debris to the dump to come into compliance. More debris was removed from the shed. Court Fees were paid 9/3/24, bamboo, cane and junk removed. Still working on the shed. **The Complaint was filed with the municipal court August 6, 2024.** Weeds, trash, junk, and debris in the yard. A falling down shed and bamboo growing on property line. Spoke to the owner about the violations. They have since sorted and stacked the construction debris for reuse. There is presently a civil case ongoing against the contractor who left the job unfinished. The shed was cautioned off until they could sort through contents before removal and would be chemically treating bamboo. Brick pavers cannot be moved due to civil cases. CVL Mailed 7/9/24., NOV issued 8/6/24.
- 3/7/2025: 20250037. 702 Vienna. Illegally parked Vehicle. Asked for time to come into compliance. payment plan with the court is fully paid but no compliance received. **The Complaint was filed with the municipal court on April 16, 2025.** NOV issued 4/16/25. CVL mailed 3/27/25. Five vehicles in varied stages of disrepair parked in the yard without current registration.
- 3/11/2025: 2025052. 1301 Houston. Junkyard. On Continuance no show at court. **The complaint was filed with the municipal court on April 16, 2025.** NOV issued 4/16/25 CVL mailed 3/27/25. Vehicle parked with flat tires and without current registration plus scrap iron all over the front yard.
- 3/27/2025: 2025048. 713 Lisbon. Health & Sanitation. Court date reset for 8/21/25. **The complaint was filed with the municipal court on May5, 2025.** NOV issued 5/5/25 CVL mailed 4/7/25 Trash and debris stored on front porch in Historic District.

JULY ANIMAL SERVICES REPORT

Animal services Cases Call Type	Status		Grand Total
	Closed	Open	
Animal At Large	3	5	8
Animal Bite Exposure	5		5
Animal Pick Up		1	1
Assist Another Agency	9		9
Complaint	2		2
Dead Animal	11		11
Donations Received	5		5
Event	5		5
Found Animal	1		1
Injured/sick Animal	3		3
Miscellaneous	4		4
Owner Surrender	2		2
Transfer in		1	1
Trap Request (Citizen Owned)	4		4
Trap Request (City Owned)	1		1
Grand Total	55	7	62

YTD **354** **54** **344**



STAFF REPORT

DATE: August 06, 2024
TO: Scott Dixon, City Administrator
FROM: Jim Kohler, Chief of Police
SUBJECT: July Monthly

Grants

We are looking into Body Armor grant that will pay 50% of the cost of the Body Armor that police officers wear. UPDATE: Grant submitted. **Pending**

Updated our Generator grant at request of FEMA.

Update: Border Patrol notified they have 70K earmarked for equipment for Castroville will meet soon to discuss with them.

We are working on The flock final details of the LPR in which we were approved for 9 LPRs and 3 fixed cameras.

Emergency Management

Attended meeting in Hondo to go over assets they have available to us.

Internal Happenings

Officer Edgar Lopez resigned and will be working at MVIDS.

Continue to have supervisors meetings.

We have started the background packet to fill Officer Lopez's position. The officer is working at Hollywood Park now but worked several years in Kerrville. Our own officers have recruited this young man- very positive.

Have worked on budget related items.

Working on MOU with law enforcement agencies in Medina County on taking turns delivering evidence to DPS Austin since as of 09/01/2025 you can no longer mail evidence. This will lessen the burden on each agency.

Equipment: One patrol unit has been at North Park with major engine issues-It is an older unit but covered by warranty. **Update:** Chevrolet Corporate approved a new engine at no cost to the City of Castroville. It took almost 2 months to get this accomplished. (Great news)! **Completed.**

We have 2 older units that have had constant wiring issues and are working through that.



Monthly Crime Report

Chief Kohler



July



2025



Major Crimes

ALL OTHER LARCENY	3
ALL OTHER OFFENSES	3
DRUG / NARCOTIC VIOLATION	1
FAMILY OFFENSE	1
INTIMIDATION	1
SHOPLIFTING	2
SIMPLE ASSAULT	2
WEAPON LAW VIOLATIONS	1

Calls for Service

919

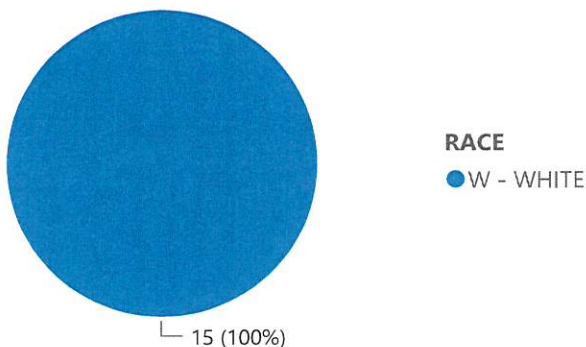
Reports Written

74

Citations

(Blank)

Arrests by Race

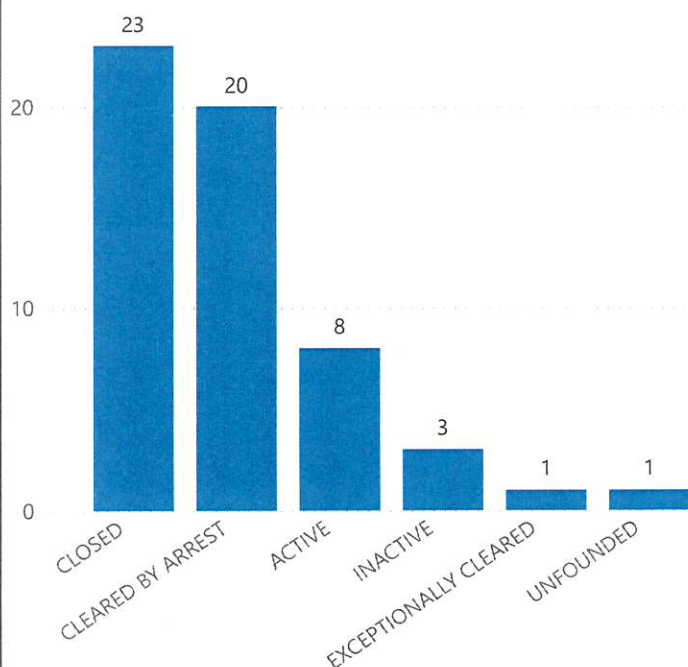


Warnings

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Citation by Race

Case Status for this month's reports





Castroville Police Department

Chief of Police James Kohler



July

2025

Calls for Service

919

Incidents Reported

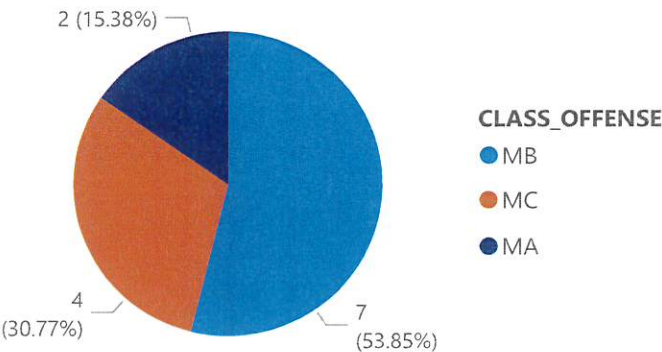
74

Reports Taken

117

IBR_DESCRIPTION	Count of CASE_NUMBER
ALL OTHER LARCENY	68
ALL OTHER OFFENSES	3
DESTRUCTION/DAMAGE/VANDALISM	3
DRIVING UNDER INFLUENCE	1
DRUG / NARCOTIC VIOLATION	2
FALSE PRETENSE	1
FAMILY OFFENSE	1
INTIMIDATION	1
SHOPLIFTING	2
SIMPLE ASSAULT	2
THEFT FROM MOTOR VEHICLE	1
TRAFFIC	10
WEAPON LAW VIOLATIONS	1
Total	74

Arrest by Offense Type



Total Arrests

13

Total Traffic Stops

395



Monthly Crime Report

Chief Kohler



July



2025



Major Crimes

ALL OTHER LARCENY	3
ALL OTHER OFFENSES	3
DESTRUCTION/DAMAGE/VANDALISM	1
DRUG / NARCOTIC VIOLATION	1
SHOPLIFTING	2
SIMPLE ASSAULT	2
THEFT FROM MOTOR VEHICLE	1
WEAPON LAW VIOLATIONS	1

Calls for Service

919

Reports Written

74

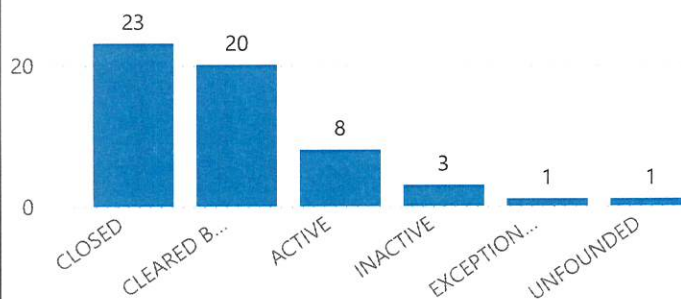
Citations

(Blank)

Warnings

(Blank)

Case Status for this month's reports



Arrests

13

Supervisor Reviewed Videos

30

Accidents

12

Cases Submitted to DA

24 YTD 119



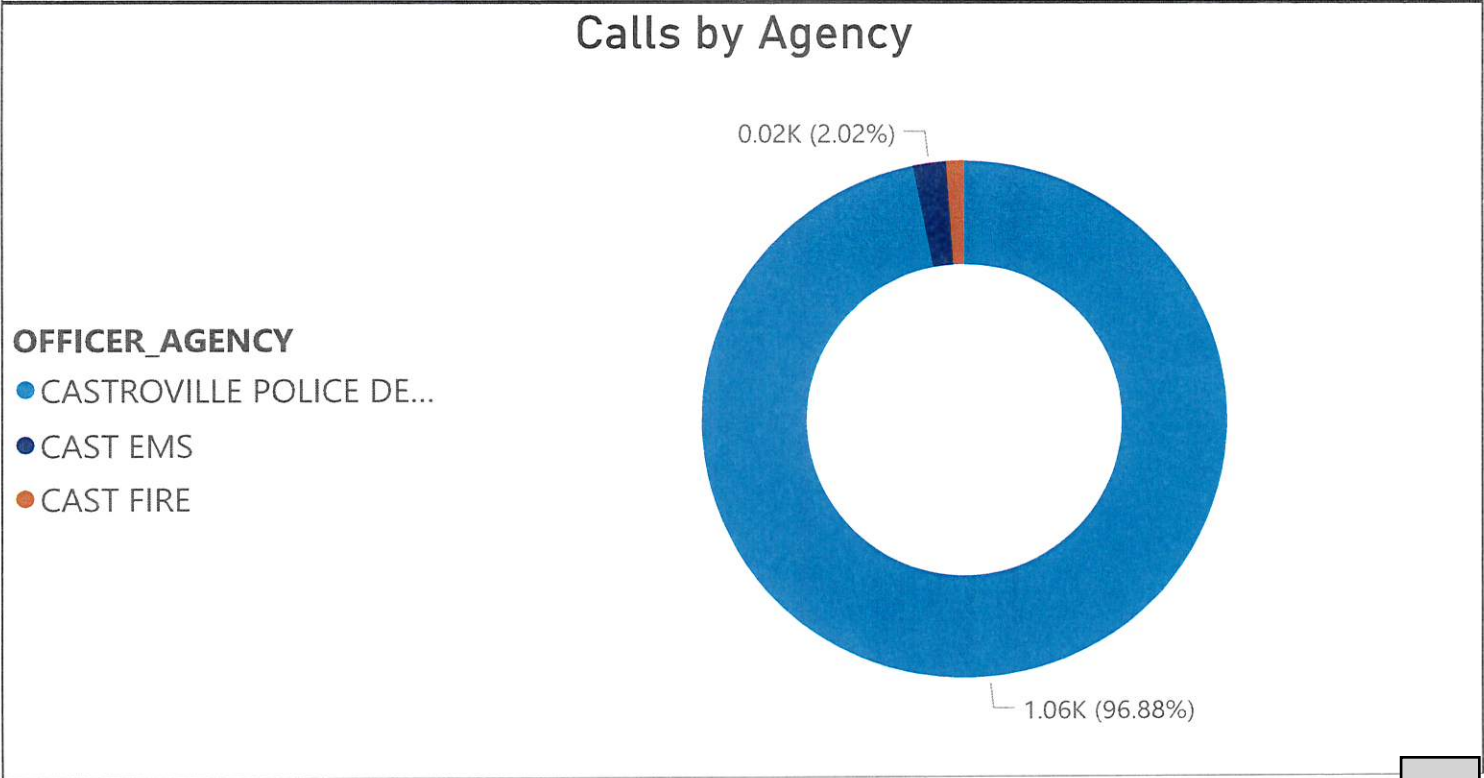
Monthly CAD Report

Chief Kohler

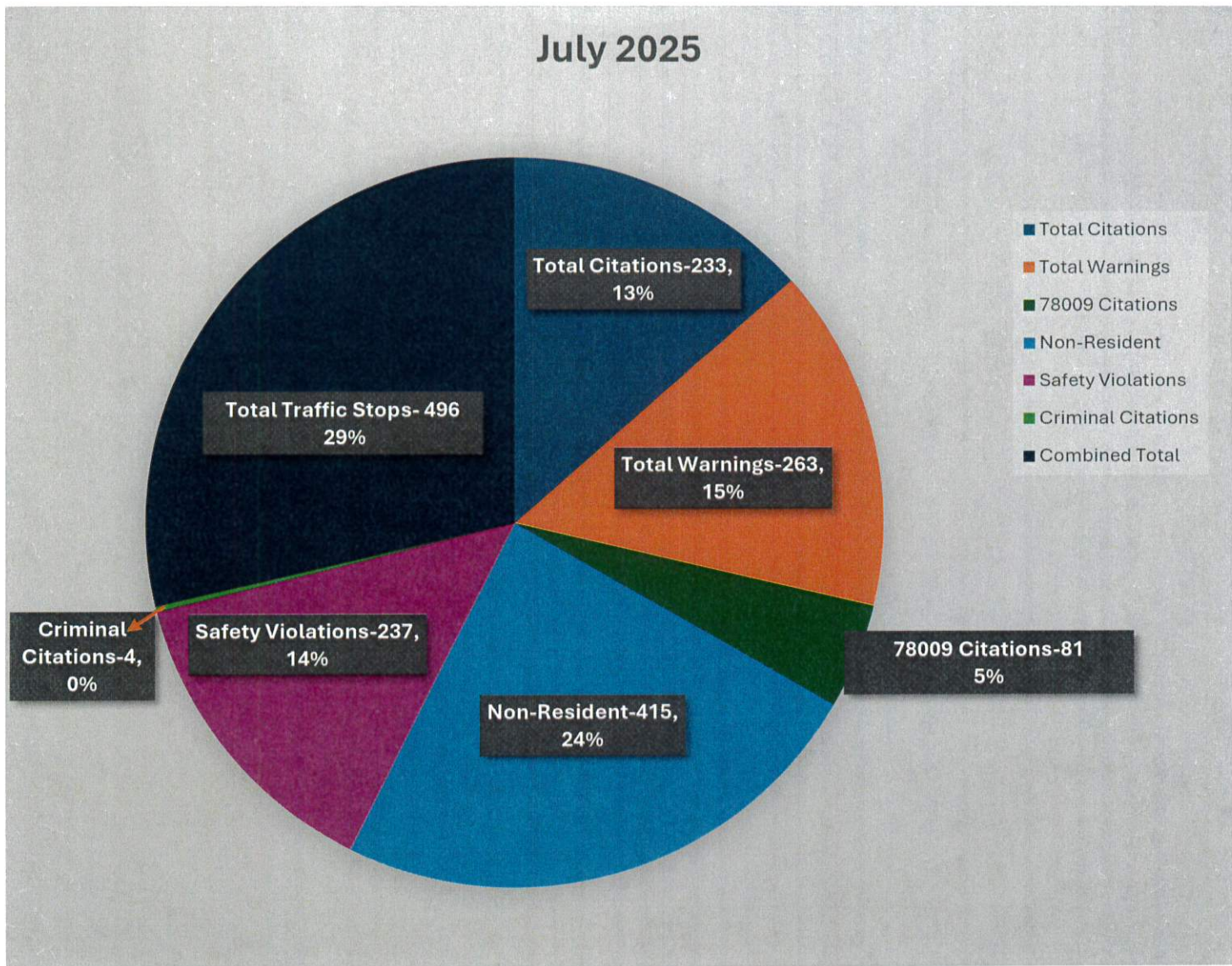


July 2025

Calls for Service by Agency	Calls for Service
CAST EMS 12	919
CAST FIRE 9	
CASTROVILLE POLICE DEPARTMENT 919	Traffic Stops
Total 919	398
Security Watch	Alarm Calls
322	5
Disturbances	Funeral Escorts
9	1



July 2025 Stats



CASTROVILLE

★ TEXAS ★



PARAMOUNT +

14,529

Impressions

Dallas, Texas best market

Working on Flat Stanley Promotion and other promotions for end of year.

YouTube
Video Ads

18.42%

View Rate

9.00%

Good View Rate



Over 60 Shares
OVER 11,000 VIEWS



Nearly Sold Out

EVENT PROMOTION

- **Elsass Film Festival** - Working with Brittany on the 2026 Elsass Film Festival. We will expand from one catragory to three to make the event an all-day experience the first weekend in May.
- **Music and Art for Fioralla Friday** - I have worked with MVIDS to bring student music and artwork to our Fiorella Friday. The objective is to bring families and friends from the school district into Castroville for this event. The hope is to also build more community and connect people in our school district with our community.
- **Downtown Car Show** - Working with local busnisses on a quarterly car show located at Houston Square. Coordinating with EMS and PD.
- **Ghost Tours** - Working to add a Ghost Tour to our historic downtown. Working with local businesses and interested parties.

TOURISM

- **Targeted Advertising** - I continue to advertising Castroville in San Antonio and the surrounding area. The idea is to continue to grow our visitor numbers from the 12% increase that was documented by the Travel Texas. Our award winning video continues to perform well in the market. We have expandedd our usage to YouTube and Paramount+.
- **Walking Tour Promotion** - I am creating new signs, animations, brochures, to help promote our walking tours. The idea is to bring more people into Castroville for a day or weekend to spend money at our local establishments.
- **Historic Overnight Stays** - Working with the Texas Historic Commission and local citizens to establish an “Historic Overnight Stay” program. I am already working on this promotion with our without the THC, but the idea is to drive additional stays in our short term rental properties that will help with our HOT fund and local establishments.
- **Promotional Merchandise** - I am creating additional items to promote Castroville. These items are to put Castroville in a better light and have been recognized nationally for their high quality. The goal is to have more items ready for April when we have the eclipse and Alsatian Festival of Texas.
- **Social Media** - I work regularly to create posts and share other posts that will bring people to Castroville. The idea is to show this wonderful place and to draw tourists in.