



City Council Regular Meeting

Dripping Springs ISD Center for Learning and Leadership
Board Room, 300 Sportsplex Drive – Dripping Springs, Texas

Tuesday, April 15, 2025, at 6:00 PM

AGENDA

CALL TO ORDER & ROLL CALL

City Council Members

Mayor Bill Foulds, Jr.
Mayor Pro Tem Taline Manassian
Council Member Place 2 Wade King
Council Member Place 3 Geoffrey Tahuahua
Council Member Place 4 Travis Crow
Council Member Place 5 Sherrie Parks

Staff, Consultants & Appointed/Elected Officials

City Administrator Michelle Fischer
Deputy City Administrator Ginger Faught
Deputy City Administrator Shawn Cox
City Attorney Laura Mueller
Deputy City Attorney Aniz Alani
City Secretary Diana Boone
Planning Director Tory Carpenter
Parks and Community Services Director Andy Binz
People & Communications Director Lisa Sullivan

PLEDGE OF ALLEGIANCE

PRESENTATION OF CITIZENS

A member of the public that wishes to address the City Council on any issue, regardless of whether it is posted on this agenda, may do so during Presentation of Citizens. It is the request of the City Council that individuals wishing to speak on agenda items with a public hearing hold their comments until the item is being considered. Individuals are allowed two (2) minutes each to speak regarding issues not on the agenda and two (2) minutes per item on the agenda and may not cede or pool time. Those requiring the assistance of a translator will be allowed additional time to speak. Individuals are not required to sign in; however, it is encouraged. Individuals that wish to share documents with the City Council must present the documents to the City Secretary or City Attorney providing at least seven (7) copies; if seven (7) copies are not provided, the City Council will receive the documents the following day. Audio Video presentations will not be accepted during Presentation of Citizens. By law no action shall be taken during Presentation of Citizens; however, the Mayor may provide a statement of specific factual information, recitation of existing policy, or direction or referral to staff.

CONSENT AGENDA

The following items will be acted upon in a single motion and are considered to be ministerial or routine. No separate discussion or action on these items will be held unless pulled at the request of a member of the City Council or City staff.

- 1. Approval of the March 25, 2025 City Council meeting minutes.**
- 2. Approval of the April 1, 2025 City Council meeting minutes.**
- 3. Approval of an agreement with Xylem for the purchase of spare submersible pumps for lift stations. *Sponsor: Mayor Bill Foulds, Jr.***
- 4. Approval to authorize City Staff to exceed \$50,000.00 worth of purchases from Briggs Equipment Co. for the Purchase of a 50' Towable boom lift approved in the FY-2025 Budget. *Sponsor: Mayor Bill Foulds, Jr.***
- 5. Approval of the Co-Sponsorship Agreement with the Carrie Isaac for Fire in the Sky Event. *Sponsor: Council Member Geoffrey Tahuahua***
- 6. Approval of the Co-Sponsorship Agreement with the Texas Beef Initiative. *Sponsor: Council Member Sherrie Parks***
- 7. Approval of a Founders Day Participation Agreement with the Dripping Springs Lions Club regarding Food Vendor Booths and Carnival at the 2025 festival. *Sponsor: Council Member Sherrie Parks***
- 8. Approval of Professional Services & Use Agreement between the City of Dripping Springs and Hell Country Productions, Inc. for a Haunted House at Dripping Springs Ranch Park. *Sponsor: Council Member Sherrie Parks***

BUSINESS AGENDA

- 9. Public hearing and consideration of an Ordinance approving CUP2025-001: an application for a Conditional Use Permit to allow a permanent makeup facility at 251 Old Fitzhugh Road. *Applicant: Courtney Deavers***
 - a. Applicant Presentation
 - b. Staff Report
 - c. Planning & Zoning Commission Report
 - d. Public Hearing
 - e. Recommendation
- 10. Discuss and consider approval for a new fire service alarm at Dripping Springs Ranch Park. *Sponsor: Mayor Bill Foulds, Jr.***
- 11. Discuss and consider approval of agreement between the City of Dripping Springs and Burgess and Niple in regards to the 3rd amendment to wastewater permit**

WQ0014488001 and authorize City Administrator and Mayor to finalize the agreement. Sponsor: Mayor Bill Foulds, Jr.

- 12. Consideration and action with respect to an Ordinance Authorizing the Issuance of City Of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2025; Authorizing the Levy of an Ad Valorem Tax and the Pledge of Certain Net Revenues in Support of the Certificates; Approving An Official Statement, a Purchase Agreement and a Paying Agent/Registrar Agreement; and Authorizing Other Matters Related to the Certificates.**
- 13. Discuss and consider approval of a resolution delaying the plan of financing for the City of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2025 in the maximum principal amount of \$14,500,000 to finance certain projects and improvements to the City's streets, parking structure located in the downtown area, public works facility, park and recreational facilities, and any costs of issuance or other matters related thereto.**
- 14. Consideration and action with respect to a Resolution Expressing Official Intent to Reimburse Certain Expenditures.**
- 15. Discuss and consider approval of an Ordinance amending the Fiscal Year 2025 Budget. Sponsor: Mayor Bill Foulds**
 - a. Staff Report
 - b. Public Hearing
 - c. Budget Amendment

REPORTS

Reports listed are on file and available for review upon request. The City Council may provide staff direction; however, no action shall be taken.

- 16. Parks Department Report - Budget. Andrew Binz, Parks Director**

CLOSED SESSION

The City Council has the right to adjourn into closed session on any item on this agenda and at any time during the course of this meeting to discuss any matter as authorized by law or by the Open Meetings Act, Texas Government Code Sections 551.071 (Consultation With Attorney), 551.072 (Deliberation Regarding Real Property), 551.073 (Deliberation Regarding Prospective Gifts), 551.074 (Personnel Matters), 551.076 (Deliberation Regarding Security Devices or Security Audits), and 551.087 (Deliberation Regarding Economic Development Negotiations), and 551.089 (Deliberation Regarding Security Devices or Security Audits). Any final action or vote on any Closed Session item will be taken in Open Session.

- 17. Consultation with Attorney and Deliberation Regarding Real Property and interlocal discussions related to TIRZ Priority Projects and Other Potential Strategic Real**

Property Acquisitions. (*Consultation with Attorney, 551.071; Deliberation Regarding Real Property, 551.072*)

18. **Consultation with Attorney regarding legal issues related to the South Regional Water Reclamation Project, Wastewater, and Amendment 2 Permits, Wastewater Service Area and Agreements, Water Service and Agreements, Wastewater Fees, Wastewater Infrastructure Agreements, facility liability coverage, and related items.** (*Consultation with Attorney, 551.071*)
19. **Consultation with City Attorney related to legal issues regarding land use, economic development, waiver and variance processes, and infrastructure requirements and rough proportionality.** (*551.071, Consultation with Attorney*).
20. **Deliberation regarding Security Devices or Security Audits and Consultation with Attorney related to the Founders Day Festival.** (*551.071 Consultation with Attorney; 551.076 Deliberation regarding Security*).
21. **Consultation with City Attorney related to legal issues on the City Hall Renovations and the construction contract with Jonestar Construction.** (*551.071, Consultation with Attorney*).

UPCOMING MEETINGS

City Council & Board of Adjustment Meetings

May 6, 2025, at 6:00 p.m.

May 20, 2025, at 6:00 p.m.

Board, Commission & Committee Meetings

Parks & Recreation Commission, April 16, 2025, at 6:00 p.m.

Farmers Market Committee, April 17, 2025, at 10:00 a.m.

Emergency Management Committee, April 17, at 12:00 p.m.

Utility Commission, April 17, 2025, at 4:00 p.m.

ADJOURN

TEXAS OPEN MEETINGS ACT PUBLIC NOTIFICATION OF MEETING

*I certify that this public meeting is posted in accordance with Texas Government Code Chapter 551, Open Meetings. This meeting agenda is posted on the bulletin board at the City of Dripping Springs City Hall, located at 511 Mercer Street, and on the City website at, www.cityofdrippingsprings.com, on **April 11, 2025 at 5:00 p.m.***

Diana Boone, City Secretary

This facility is wheelchair accessible. Accessible parking spaces are available. Request for auxiliary aids and services must be made 48 hours prior to this meeting by calling (512) 858-4725.



City Council Regular Meeting

*Dripping Springs ISD Center for Learning and Leadership
Board Room, 300 Sportsplex Drive – Dripping Springs, Texas*

Tuesday, March 25, 2025, at 6:00 PM

DRAFT MINUTES

CALL TO ORDER & ROLL CALL

With a quorum of Council Members present, Mayor Foulds called the meeting to order at 6:08 p.m.

City Council Members

Mayor Bill Foulds, Jr.
Mayor Pro Tem Taline Manassian
Council Member Place 2 Wade King (*absent*)
Council Member Place 3 Geoffrey Tahuahua
Council Member Place 4 Travis Crow
Council Member Place 5 Sherrie Parks

Staff, Consultants & Appointed/Elected Officials

City Administrator Michelle Fischer
Deputy City Administrator Ginger Faught
Deputy City Administrator Shawn Cox
City Attorney Laura Mueller
Deputy City Attorney Aniz Alani
City Secretary Diana Boone
Parks & Community Services Director Andy Binz
People & Communications Director Lisa Sullivan
Parks & Community Services Assistant Director Emily Nelson
Planning Director Tory Carpenter
Building Official Shane Pevehouse
Community Events Coordinator Johnna Krantz
Utilities Director Dane Sorensen
Emergency Preparedness and Homeland Security Director Roman Baligad

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Tahuahua

PRESENTATION OF CITIZENS

A member of the public that wishes to address the City Council on any issue, regardless of whether it is posted on this agenda, may do so during Presentation of Citizens. It is the request of the City Council that individuals wishing to speak on agenda items with a public hearing hold their comments until the item is being considered. Individuals are allowed two (2) minutes each to speak regarding issues not on the agenda and two (2) minutes per item on the agenda and may not cede or pool time. Those requiring the

assistance of a translator will be allowed additional time to speak. Individuals are not required to sign in; however, it is encouraged. Individuals that wish to share documents with the City Council must present the documents to the City Secretary or City Attorney providing at least seven (7) copies; if seven (7) copies are not provided, the City Council will receive the documents the following day. Audio Video presentations will not be accepted during Presentation of Citizens. By law no action shall be taken during Presentation of Citizens; however, the Mayor may provide a statement of specific factual information, recitation of existing policy, or direction or referral to staff.

Nel Rossouw with Rescue House Wildlife Rehabilitation spoke concerning the search for a new facility to house the animals since she is currently running out of space.

CONSENT AGENDA

The following items will be acted upon in a single motion and are considered to be ministerial or routine. No separate discussion or action on these items will be held unless pulled at the request of a member of the City Council or City staff.

- 1. Approval of the February 18, 2025 City Council regular meeting minutes.**
- 2. Approval of the March 4, 2025 Board of Adjustment and City Council meeting minutes.**
- 3. Approval of an Amended Resolution of the City of Dripping Springs consenting to the issuance of bonds by Headwaters Municipal Utility District of Hays County. Applicant: Tony Corbett**
- 4. Approval of Task Order 6 (for \$86,623) to an Agreement between the City of Dripping Springs and HDR Engineering, Inc. regarding applications to the 2025 Texas Department of Transportation's Transportation Alternatives Grants. Sponsor: Council Member Travis Crow**
- 5. Approval of a Founders Day Participation Agreement between the City of Dripping Springs and St. Martin de Porres Catholic Church for Arts & Crafts Booths at the 2025 festival. Sponsor: Council Member Parks**
- 6. Approval of a Founders Day Participation Agreement between the City of Dripping Springs and the Dripping Springs Cook-Off Club regarding Cook-Off Booths at the 2025 festival. Sponsor: Council Member Parks**
- 7. Approval of a Professional Services Agreement between the City of Dripping Springs and Arbitrage Compliance Specialists, Inc. regarding arbitrage compliance services. Sponsor: Mayor Pro Tem Taline Manassian**
- 8. Approval of February 2025 Treasurer's Report.**
- 9. Approval of the revised Job Description for the Emergency Management Coordinator and changing the Job Title to Director of Emergency Preparedness and Homeland Security. Sponsor: Mayor Bill Foulds, Jr.**

A motion was made by Council Member Tahuahua and seconded by Mayor Pro Tem Manassian, to move item 2 to the April 1, 2025 meeting. The motion carried unanimously 4 to 0.

A motion was made by Council Member Tahuahua and seconded by Council Member Parks, to approve items 1 and 3-9 from the consent agenda. The motion to approve carried unanimously 4 to 0.

BUSINESS AGENDA

10. Presentation and Consideration of Approval of the City of Dripping Springs Fiscal Year 2023-2024 Audit. *Presenter: Roger Tovar, Whitley Penn.*

No action was taken.

11. Public Hearing and Consideration of Approval of an Ordinance approving CUP2024-007: an application for a Conditional Use Permit renewal to allow a mobile food vendor for longer than 10 days at 501 Old Fitzhugh Road. *Applicant: Nathan Pruitt*

a. Applicant Presentation

The applicant was not present.

b. Staff Report

Planning Director Tory Carpenter presented the staff report and recommended approval of the Conditional Use Permit with the following conditions:

1. The property shall adhere to all City Codes.
2. Hours of operation are limited to the hours of the primary business on the property.
3. The property adheres to all Fire and Life Safety Codes found in the International Fire Code.
4. Should the City find the mobile food truck to create health and safety issues due to any reason, the City Administrator may request that the Applicant remove any vehicle from the site. The Applicant shall comply with the City Administrator's request.
5. The City Administrator may revoke a CUP for failure to comply with municipal regulations and the conditions placed on the use.
6. The mobile food vendor must follow the City's dark sky ordinance.
7. Conditional Use Permit is effective on March 18, 2025.
8. Conditional Use Permit expires March 18, 2027, and the renewal must be considered by the Planning & Zoning Commission and City Council.

c. Planning & Zoning Commission Report

Planning and Zoning Commission Chair Mim James presented and recommended approval of the Conditional Use Permit.

d. Public Hearing

No one spoke during the Public Hearing.

e. CUP2024-007

A motion was made by Mayor Pro Tem Manassian and seconded by Council Member Parks, to approve the Conditional Use Permit with recommended conditions. The motion to approve carried with 3 yays, 0 nays, and 1 abstention by Council Member Tahuahua.

12. Discuss and Consider Approval of a License Agreement between the City of Dripping Springs and Short Mama's LLC for use of right-of-way for parking in the Mercer Street Historic District. Applicant: Patrick Fox

A motion was made by Mayor Pro Tem Manassian and seconded by Council Member Tahuahua, to approve the license agreement with Short Mama's for use of right-of-way for parking in the Mercer Street Historic District. The motion to approve carried unanimously 4 to 0.

13. Public Hearing, Discussion, and Consideration of Approval of proposed amendments to the Standards of Care Ordinance, Chapter 16 Public Ways and Places, Article 16.02. Parks and Recreation, Division 3. Youth Programs' Standards of Care. Sponsor: Mayor Pro Tem Taline Manassian

A motion was made by Council Member Parks and seconded by Council Member Tahuahua, to approve the amendments to the Standards of Care Ordinance, Chapter 16 Public Ways and Places, Article 16.02 Parks and Recreation, Division 3. Youth Programs' Standards of Care with direction for staff to provide updates in June. The motion to approve carried unanimously 4 to 0.

14. Presentation on 2024 Western Wonderland event. Emily Nelson, Assistant Director of Parks & Community Services

No action was taken.

15. Discuss and Consider selection of bidder for the construction of the Howard Ranch Treated Effluent Fill Station and authorize the City Administrator to finalize an agreement with selected bidder. Sponsor: Mayor Bill Foulds, Jr.

A motion was made by Mayor Pro Tem Manassian and seconded by Council Member Tahuahua, to authorize staff to move forward with TTE, LLC for construction of the Howard Ranch Treated Effluent Fill Stations and authorize the City Administrator to finalize the agreement. The motion carried unanimously 4 to 0.

16. Discuss and possibly take action regarding the plan of financing for the City of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2025 in the maximum principal amount of \$14,500,000 to finance certain projects and improvements to the City's streets, parking structure located in the downtown area, public works facility, park and recreational facilities, and any costs of issuance or other matters related thereto.

No action was taken.

- 17. Discuss and Consider selection of bidder or bidders for Tree Services and authorize City Administrator to finalize the agreement or agreements with selected bidder or bidders.** *Sponsor: Council Member Travis Crow*

A motion was made by Council Member Parks and seconded by Council Member Crow, to move forward with Arbor True for tree services and authorize City Administrator to finalize the agreement or agreements with selected bidder. The motion to approve carried unanimously 4 to 0.

- 18. Discuss and Consider Approval of an Advance Funding Agreement between the City of Dripping Springs and the Texas Department of Transportation for Voluntary Local Government Contributions for the Traffic Signal at U.S. 290 and Arrowhead Ranch Boulevard.** *Sponsor: Council Member Travis Crow*

A motion was made by Council Member Tahuahua and seconded by Mayor Pro Tem Manassian, to approve an Advance Funding Agreement with the Texas Department of Transportation. The motion to approve carried unanimously 4 to 0.

- 19. Discuss and Consider Approval of a Construction Reimbursement Agreement between the City of Dripping Springs and Ivan Misner for 300 Mercer Street Gutters.** *Sponsor: Mayor Pro Tem Taline Manassian*

A motion was made by Council Member Tahuahua and seconded by Mayor Pro Tem Manassian, to approve this item. The motion to approve carried unanimously 4 to 0.

REPORTS

Reports listed are on file and available for review upon request. The City Council may provide staff direction; however, no action shall be taken.

- 20. Budget Departmental Report: Building Department Year in Review.** *Shane Pevehouse, Building Official*

No action was taken.

- 21. Budget Departmental Report: Planning Department Year in Review.** *Tory Carpenter, Planning Director*

No action was taken.

- 22. Planning Department Report.** *Tory Carpenter, Planning Director*

No action was taken.

CLOSED SESSION

A motion was made by Mayor Pro Tem Manassian and seconded by Council Member Tahuahua, to go into Closed Session for items 23-26, under sections 551.017 and 551.072. The motion carried unanimously 4 to 0.

Closed Session began at 8:08 p.m.

Council Member Crow recused himself from item 24 and left the meeting at 8:41 p.m.

Closed Session ended at 8:58 p.m.

The City Council has the right to adjourn into closed session on any item on this agenda and at any time during the course of this meeting to discuss any matter as authorized by law or by the Open Meetings Act, Texas Government Code Sections 551.071 (Consultation With Attorney), 551.072 (Deliberation Regarding Real Property), 551.073 (Deliberation Regarding Prospective Gifts), 551.074 (Personnel Matters), 551.076 (Deliberation Regarding Security Devices or Security Audits), and 551.087 (Deliberation Regarding Economic Development Negotiations), and 551.089 (Deliberation Regarding Security Devices or Security Audits). Any final action or vote on any Closed Session item will be taken in Open Session.

- 23. Consultation with Attorney and Deliberation Regarding Real Property related to TIRZ Priority Projects and Other Potential Strategic Real Property Acquisitions.** *(Consultation with Attorney, 551.071; Deliberation Regarding Real Property, 551.072)*
- 24. Consultation with Attorney regarding legal issues related to the South Regional Water Reclamation Project, Wastewater, and Amendment 2 Permits, Wastewater Service Area and Agreements, Water Service and Agreements, Wastewater Fees, Wastewater Infrastructure Agreements, facility liability coverage, and related items.** *(Consultation with Attorney, 551.071)*
- 25. Consultation with City Attorney related to legal issues regarding land use, economic development, waiver process, and infrastructure requirements and rough proportionality.** *(551.071, Consultation with Attorney).*
- 26. Consultation with City Attorney related to state legislation and the City's legislative program.** *(551.071, Consultation with Attorney).*

ADJOURN

A motion was made by Council Member Tahuahua and seconded by Council Member Parks, to adjourn the meeting. The motion carried unanimously 4 to 0.

The meeting adjourned at 8:59 p.m.



City Council Regular Meeting

*Dripping Springs ISD Center for Learning and Leadership
Board Room, 300 Sportsplex Drive – Dripping Springs, Texas*

Tuesday, April 01, 2025, at 6:00 PM

DRAFT MINUTES

CALL TO ORDER & ROLL CALL

With a quorum of Council Members present, Mayor Foulds called the meeting to order at 6:20 p.m.

City Council Members

Mayor Bill Foulds, Jr.

Mayor Pro Tem Taline Manassian

Council Member Place 2 Wade King

Council Member Place 3 Geoffrey Tahuahua, *arrived at 7:07 p.m.*

Council Member Place 4 Travis Crow

Council Member Place 5 Sherrie Parks - *absent*

Staff, Consultants, & Appointed/Elected Officials

City Administrator Michelle Fischer

Deputy City Administrator Ginger Faught

Deputy City Administrator Shawn Cox

City Attorney Laura Mueller

Deputy City Attorney Aniz Alani

City Secretary Diana Boone

Planning Director Tory Carpenter

Information Technology Director Jason Weinstock

Parks & Community Services Director Andy Binz

People & Communications Director Lisa Sullivan

Parks & Community Services Assistant Director Emily Nelson

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member King.

PRESENTATION OF CITIZENS

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in; however, it is encouraged. Individuals that wish to share documents with the City Council must present the documents to the City Secretary or City Attorney providing at least seven (7) copies; if seven (7) copies are not provided, the City Council will receive the documents the following day. Audio Video presentations will not be accepted during Presentation of Citizens. By law no action shall be taken during Presentation of Citizens; however, the Mayor may provide a statement of specific factual information, recitation of existing policy, or direction or referral to staff.

No one spoke during the Presentation of Citizens.

PROCLAMATIONS & PRESENTATIONS

Proclamations and Presentations are for discussion purposes only and no action shall be taken.

- 1. Proclamation of the City of Dripping Springs proclaiming April 2025 as "Child Abuse and Sexual Assault Awareness and Prevention Month." Sponsor: Mayor Bill Foulds, Jr.**

Deputy City Administrator Ginger Faught read and presented the proclamation to Lonnelle Laborde with Court Appointed Special Advocates (CASA) and Andrea Toro Yehya with Hays County Women's Center (HCWC).

CONSENT AGENDA

The following items will be acted upon in a single motion and are considered to be ministerial or routine. No separate discussion or action on these items will be held unless pulled at the request of a member of the City Council or City staff.

- 2. Approval of the March 4, 2025 Board of Adjustment and City Council meeting minutes.**
- 3. Approval of a Resolution revising the City of Dripping Springs Personnel Manual. Sponsor: Mayor Bill Foulds, Jr.**
- 4. Approval of a Founders Day Participation Agreement with the Dripping Springs Lions Club regarding Food Vendor Booths and Carnival at the 2025 festival. Sponsor: Council Member Parks**
- 5. Approval of a Property Use Agreement with the Dripping Springs Lions Club and Dripping Springs Independent School District during the 2025 Founders Day Festival. Sponsor: Council Member Parks**

A motion was made by Council Member Crow and seconded by Council Member King, to move item 4 to the April 15, 2025 meeting. The motion carried unanimously 3 to 0.

A motion was made by Council Member Crow and seconded by Mayor Pro Tem Manassian, to approve items 2, 3, and 5 from the Consent Agenda. The motion to approve carried with 2 yays, 0 nays, and 1 abstention by Council Member King.

BUSINESS AGENDA

- 6. Presentation and consideration of approval of the City of Dripping Springs Fiscal Year 2023-2024 Audit.** *Presenter, Roger Tovar, Whitley Penn.*

A motion was made by Mayor Pro Tem Manassian and seconded by Council Member Crow, to approve the Fiscal Year 2023-2024 audit. The motion to approve carried unanimously 3 to 0.

- 7. Consideration and action with respect to a Resolution Delaying Action on an Ordinance Authorizing the Issuance of the City of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2025 in the Maximum Principal amount of \$14,500,000 and Other Matters Related Thereto.**

A motion was made by Mayor Pro Tem Manassian and seconded by Council Member Crow, to approve the resolution delaying action on an ordinance authorizing the issuance of the City of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2025 in the maximum principal amount of \$14,500,000 and other matters related thereto. The motion to approve carried unanimously 3 to 0.

REPORTS

Reports listed are on file and available for review upon request. The City Council may provide staff direction; however, no action shall be taken.

- 8. Budget Departmental Report: Finance Department Year in Review.** *Shawn Cox, Deputy City Administrator*

No action was taken.

- 9. Budget Departmental Report: IT Department Year in Review.** *Jason Weinstock, IT Director*

No action was taken.

- 10. Planning Department Report.** *Tory Carpenter, Planning Director*

No action was taken.

CLOSED SESSION

The City Council has the right to adjourn into closed session on any item on this agenda and at any time during the course of this meeting to discuss any matter as authorized by law or by the Open Meetings Act, Texas Government Code Sections 551.071 (Consultation With Attorney), 551.072 (Deliberation Regarding Real Property), 551.073 (Deliberation Regarding Prospective Gifts), 551.074 (Personnel Matters), 551.076 (Deliberation Regarding Security Devices or Security Audits), and 551.087 (Deliberation Regarding Economic Development Negotiations), and 551.089 (Deliberation Regarding Security Devices or Security Audits). Any final action or vote on any Closed Session item will be taken in Open Session.

A motion was made by Mayor Pro Tem Manassian and seconded by Council Member Crow, to go into Closed Session for items 11-13, under sections 551.071 and 551.072. The motion carried unanimously 3 to 0.

Closed Session began at 6:58 p.m.

Council Member Tahuahua arrived at 7:07 p.m. during Closed Session.

Closed Session ended at 7:58 p.m.

11. **Consultation with Attorney and Deliberation Regarding Real Property related to TIRZ Priority Projects and Other Potential Strategic Real Property Acquisitions.** (*Consultation with Attorney, 551.071; Deliberation Regarding Real Property, 551.072*)
12. **Consultation with Attorney regarding legal issues related to the South Regional Water Reclamation Project, Wastewater, and Amendment 2 Permits, Wastewater Service Area and Agreements, Water Service and Agreements, Wastewater Fees, Wastewater Infrastructure Agreements, facility liability coverage, and related items.** (*Consultation with Attorney, 551.071*)
13. **Consultation with City Attorney related to legal issues regarding land use, economic development, waiver and variance processes, and infrastructure requirements and rough proportionality.** (*551.071, Consultation with Attorney*).

ADJOURN

A motion was made by Council Member Tahuahua and seconded by Council Member King, to adjourn the meeting. The motion to adjourn carried unanimously 4 to 0.

The meeting adjourned at 7:59 p.m.



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78602

Submitted By: Dane Sorensen, Utilities Director

Council Meeting Date: 4/15/2025

Agenda Item Wording: **Approval of an agreement with Xylem for the purchase of spare submersible pumps for lift stations.** *Sponsor: Mayor Bill Foulds, Jr.*

Summary/Background: The City of Dripping Springs wastewater collection system is comprised of 7 lift stations and two wastewater plants. In efforts to decrease response times to pump failures and to ensure quick pump replacement, staff has identified spare submersible pumps to cover all operational needs.

Staff is proposing the purchase of four submersible pumps. Pump specifications have been reviewed and recommended by engineer to ensure compatibility with current infrastructure. Total cost of pumps is \$109,606.00. This includes a 5 year warranty.

Burgess and Niple has recommended the use of Flygt pumps for all city lift stations. Since Xylem is the sole source provider of Flygt pumps, this purchase does not need to go through the sealed bid process. This purchase has been budgeted for. Because it is over \$50,000 it needs to come to Council under state law and the City’s purchasing policy.

Commission Recommendations: N/A

Recommended Council Actions: City Staff recommends moving forward with purchase of Flygt Pumps and to authorize city staff to execute contract documents

Attachments: Contract Documents
Sole Source letter
Engineer recommendation

Next Steps/Schedule: Purchase Flygt pumps

PURCHASE AGREEMENT

Flygt Spare Lift Station Pump

This Purchase Agreement (the “Agreement”) is entered into as of this ___ day of _____ 2025, by and between the **City of Dripping Springs, Texas**, a Type-A General Law Municipality (the “City”), and **Xylem Water Solutions USA, Inc.** (the “Seller”).

In consideration of the mutual covenants contained herein, the City and Seller agree as follows:

1. Description of Goods

The Seller agrees to sell, and the City agrees to purchase, four (4) Flygt Spare Lift Station Pump as described in Attachment “A”.

2. Purchase Price

The total purchase price for the goods including freight is one hundred, nine thousand and six hundred six dollars (\$109,606.00), as detailed in Attachment “A”.

3. Warranty

The Seller warrants that the goods delivered under this Agreement shall be free from defects in material and workmanship as described in Attachment “A”.

4. Sales Tax Exemption.

The City is exempt from payment of sales, use, rental and certain excise taxes in accordance with Chapter 151 of the Texas Tax Code. Seller acknowledges and agrees that no such tax shall be included in any invoice or request for payment. City shall cooperate with the Seller in providing any necessary documentation to evidence the City’s tax-exempt status, including providing a completed Texas Sales and Use Tax Exemption Certification form upon request.

5. Notice.

All notice required or permitted under this Agreement shall be in writing and shall be delivered either in person or deposited in the United States mail, postage prepaid, addressed as follows:

For the City:

Attention: City Administrator
City of Dripping Springs
P.O. Box384
Dripping Springs, TX 78620
512-858-4725

For the Seller

Barrie Hamm
Sales Engineer
4965 Eisenhower Rd. #102
San Antonio, Tx 78218
210-648-9101

Either party may change such address from time to time by providing written notice to the other in the manner set forth above. Notice is deemed to have been received three (3) days after deposit

in U.S. mail.

6. Miscellaneous.

- (a) **Entire Agreement.** This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements, whether written or oral.
- (b) **Amendment.** This Agreement may only be amended in writing signed by both parties.
- (c) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
- (d) **Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions shall continue in full force and effect.
- (e) **Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom enforcement is sought. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE CITY
City of Dripping Springs

THE SELLER
Xylem Water Solutions USA, Inc.

Michelle Fischer
City Administrator

Barrie Hamm
Sales Engineer

Date

Date

Item 3.

ATTACHMENT "A"
QUOTE AND WARRANTY



**Xylem Water Solutions USA, Inc.
Flygt Products**

March 11, 2025

CITY OF DRIPPING SPRINGS GRAY LAHRMAN
511 MERCER STREET
DRIPPINGS SPRINGS TX 78620

4965 Eisenhower Rd. #102
San Antonio, TX 78218
Tel 210/648-9101
Fax 210/648-9102

Quote # 2025-SNT-0029
Project Name: CITY OF DRIPPING SPRINGS
Job Name: Flygt Spare Lift Station Pumps

Xylem Water Solutions USA, Inc. is pleased to provide a quote for the following Flygt equipment for the project referenced above.

Replacement Pumps			
Qty	Part Number	Description	Extended Price
1	3171.095-0138	Flygt Model NP-3171.095 4" volute Submersible pump equipped with a 460 Volt / 3 phase / 60 Hz 35 HP 3550 RPM motor, 278 impeller, 1 x 50 Ft. length of SUBCAB 4G10+S(2x0,5) submersible cable, FLS leakage detector, volute is prepared for Flush Valve	\$ 40,434.00
1	3153.095-0189	Flygt Model NP-3153.095 4" volute Submersible pump equipped with a 460 Volt / 3 phase / 60 Hz 20 HP 1750 RPM motor, 463 impeller, 1 x 50 Ft. length of SUBCAB 4G16+S(2x0,5) submersible cable, FLS leakage detector, volute is prepared for Flush Valve	\$ 24,492.00
1	3153.095-0053	Flygt Model NP-3153.095 4" volute Submersible pump equipped with a 230 Volt / 3 phase / 60 Hz 15 HP 1750 RPM motor, 464 impeller, 1 x 50 Ft. length of SUBCAB 4G10+S(2x0,5) submersible cable, FLS leakage detector, volute is prepared for Flush Valve	\$ 23,181.00
1	3127.920-0124	Flygt Model NP-3127.920 3" volute Submersible pump equipped with a 460 Volt / 3 phase / 60 Hz 12 HP 3550 RPM motor, 249 impeller, 1 x 50 Ft. length of SUBCAB 4G10+S(2x0,5) submersible cable, FLS leakage detector, volute is prepared for Flush Valve	\$ 16,167.00
Total Price			\$ 104,274.00
Freight Charge			\$ 5,332.00
Total Price			\$ 109,606.00



Terms & Conditions

This order is subject to the Standard Terms and Conditions of Sale – Xylem Americas effective on the date the order is accepted which terms are available at <http://www.xyleminc.com/en-us/Pages/terms-conditions-of-sale.aspx> and incorporated herein by reference and made a part of the agreement between the parties.

As of October 14, 2024, all orders must meet a minimum dollar value of \$1,200. Xylem reserves the right to refuse to process any order that does not meet the minimum order value requirement. Xylem will support order adjustments to meet the minimum order value threshold.

- Purchase Orders:** Please make purchase orders out to: Xylem Water Solutions USA, Inc.
- Freight Terms:** 3 DAP - Delivered At Place 08 - Jobsite (per IncoTerms 2020)
See Freight Payment (Delivery Terms) below.
- Taxes:** State, local and other applicable taxes are not included in this quotation.
- Back Charges:** Buyer shall not make purchases nor shall Buyer incur any labor that would result in a back charge to Seller without prior written consent of an authorized employee of Seller.
- Tariff Changes:** The prices quoted herein are based on the current tariff rates, duties, government charges, and trade regulations as of the date of this quote. If any new tariffs, duties, taxes, or similar charges are imposed, or any existing tariffs, duties, or charges are increased or modified by any government or regulatory authority (collectively, "Tariff Changes"), and such Tariff Changes result in an increase in the cost of goods, Xylem reserves the right to adjust the pricing of the affected goods to reflect the increased costs.
- Shortages:** Xylem will not be responsible for apparent shipment shortages or damages incurred in shipment that are not reported within two weeks from delivery to the jobsite. Damages should be noted on the receiving slip and the truck driver advised of the damages. Please contact our office as soon as possible to report damages or shortages so that replacement items can be shipped and the appropriate claims made.
- Exclusions:** This Quote includes only the items listed specified above.
- Terms of Delivery:** Prepaid
- Validity:** This Quote is valid for Thirty (30) days and is contingent upon final approval of submittals and release for fabrication within 90 days of PO date.
- Schedule:** Please consult your local Flygt Branch Office to get current fabrication and delivery lead times when final order is placed.
- Warranty:** Standard warranty terms apply to the items in this quotation.
- Terms of Payment:** 100% N60 after invoice date.
Xylem's payment shall not be dependent upon Purchaser being paid by any third party unless Owner denies payment due to reasons solely attributable to items related to the equipment being provided by FLYGT.
- Schedule:** Submittals are not required. Pump curves and data sheets can be provided
- Time of Delivery:** **PUMPS:** Approximately 18-19 working weeks after approval of order and receipt of approved submittal.
Pumps maybe in stock at CDC for faster delivery at no charge. Please check inventory levels at time of ordering.
- Terms & Conditions:** The Xylem Water Solutions USA, Inc. North American Terms and Conditions of Sale apply to this offer.

Thank you for the opportunity to provide this quotation. Please contact us if there are any questions. We thank you for your interest in Flygt equipment from Xylem Water Solutions USA, Inc. and look forward to being of service to you in the near future.

Sincerely,



Barrie Hamm
Sales Engineer
Phone: 361/500-8547
barrie.hamm@xylem.com



**Xylem Water Solutions USA, Inc.
Flygt Products**

Customer Acceptance

This order is subject to the Standard Terms and Conditions of Sale – Xylem Americas effective on the date the order is accepted which terms are available at <http://www.xylem.com/en-us/Pages/terms-conditions-of-sale.aspx> and incorporated herein by reference and made a part of the agreement between the parties.

A signed copy of this Quote is acceptable as a binding contract.

Purchase Orders: Please make purchase orders out to: Xylem Water Solutions USA, Inc.

Quote #: 2025-SNT-0029
Customer Name: CITY OF DRPPING SPRINGS GRAY LAHRMAN
Job Name: Flygt Spare Lift Station Pumps
Total Amount: \$ 104,274.00
(excluding freight)

Signature: _____ Name: _____
(PLEASE PRINT)

Company/Utility: _____ PO: _____

Address: _____ Date: _____

_____ Phone: _____

_____ Email: _____

_____ Fax: _____





WARRANTY
Xylem Water Solutions
USA, Inc.

Reference: SAQ-POL-WUW-01
Issue No: 1
Date: 26Jul23
Issued by: G. Andrade
Approved by: J. Kalencik
Applicable to: Water Utility Service Americas

Item 3.

For the period defined, Xylem Water Solutions USA, Inc. ("Xylem") offers a commercial warranty to the original End Purchaser against defects in workmanship and material on FLYGT Products ("Products"). This Warranty includes FLYGT parts and labor as outlined in **ADDENDUM – A**.

COVERAGE:

For valid claims received during the Warranty period, and except as otherwise provided by law, Xylem will, at its option and at no cost to Purchaser (provided that the Product, with cable attached, is returned prepaid to a Xylem Authorized Service Facility for FLYGT Product repairs or the repairs are done in situ by trained personnel with previous written authorization by Xylem warranty department or Xylem technical department), either repair or replace any Product which fails to conform with the Warranty; provided, however, that under either option, Xylem will not be obligated to remove the defective Products or install the repaired or replaced Products. Purchaser will be responsible for all other costs, including service costs. Buyer's failure to comply with Xylem's repair or replacement advice will constitute a waiver of Purchaser's rights and render all warranties void. Coverage for FLYGT parts and labor will be provided for the period shown in **ADDENDUM - A**.

The warranty period will begin upon shipment of Product or a valid date of Start-up. In cases where the Start-up date is used as the beginning of the Warranty period, a Start-up Report completed by an approved service technician from a Xylem Authorized Service Facility must be received by the Xylem Area Service Manager within thirty (30) days of the initial date the unit is placed into service. If a Start-up Report is not received within this time, the beginning of the Warranty period will default to the Product shipment date. Start-up must occur within one (1) year from the date of shipment from a Xylem authorized facility for the Products or the start of the Warranty period will automatically default to the shipment date unless extended in writing by Xylem (See **STORAGE** section). When the start-up date is the beginning of the Warranty, a copy of the Start-up Report will be required to support any Warranty Claims. This warranty does not apply to FLYGT Dewatering Pumps.

Warranty on FLYGT Dewatering pumps will begin upon shipment of the pumps for the period shown in ADDENDUM-A. No other Warranty start-date on FLYGT Dewatering pumps will be considered.

Explosion Proof ("FM") rated pumps are to be repaired only by a Xylem trained and certified technician. Only FLYGT FM approved parts are acceptable.

The Warranty is conditioned on Purchaser giving written notice to Xylem of any defects in material or workmanship of warranted Products within ten (10) days, or shorter period as dictated by the issue, of the date when any defects or non-conformance first manifest. If these time limits are exceeded the Warranty claim reimbursement will be reduced or rejected.

Xylem sole obligation under this Warranty shall be to repair, replace, or provide a credit for Product which in Xylem's sole discretion are proven to be nonconforming. Any Products which are repaired or replaced by Xylem under the Warranty are warranted only for the remaining balance of the warranty period. Incoming freight from Purchaser will be shipped DAP prepaid to the designated Xylem location in accordance with Incoterms 2020. Return freight out will be shipped DAP prepaid to Purchaser in accordance with Incoterms 2020.

Nonconforming parts and products should be kept for up to ninety (90) days in case are needed for further analysis. After the holding period these parts should be scrap following all local regulations at no cost to Xylem.



WARRANTY
Xylem Water Solutions
USA, Inc.

Reference: SAQ-POL-WUW-01
Issue No: 1
Date: 26Jul23
Issued by: G. Andrade
Approved by: J. Kalencik
Applicable to: Water Utility Service Americas

Item 3.

MISUSE:

This Warranty shall not apply to any Products or part of Products that have: (i) been subjected to misuse, misapplication, accident, alteration, neglect, or physical damage; (ii) been installed, operated, used and/or maintained in a manner contrary to Xylem's printed instructions for installation, operation and maintenance including but not limited to: (a) operation of the Products without being connected to monitoring devices supplied with specific products for protection or no corrective actions are taken after an alarm from a monitoring device has gone off; (b) have been repaired by non-authorized third parties other than Xylem or without Xylem's written approval; (c) have been damaged due to a defective power supply, improper electrical protection, faulty installation or repair, ordinary wear and tear, corrosion or chemical attack, an act of God, an act of war or by an act of terrorism, or vandalism; (d) have been damaged due to abnormal conditions, vibration, failure to properly prime, or operation without flow; or (e) have been damaged resulting from the use of accessory equipment not sold by Xylem or not approved by Xylem in connection with the Products.

WEAR PARTS:

This warranty does not cover costs for standard and/or scheduled maintenance performed, nor does it cover FLYGT parts that, by virtue of their operation, require replacement through normal wear ("Wear Parts"), unless a defect in material or workmanship is determined by Xylem. Wear Parts are defined as Cutters, Cutting Plates, Impellers, Agitators, Diffusers, Wear Rings (Stationary or Rotating), Volutes (when used in an abrasive environment), oil, grease, cooling fluids, strainers, power & control cables and/or any items deemed necessary to perform and meet the requirements of normal maintenance on the Products.

TRANSPORTATION DAMAGE:

Any damage that occurs during transport is only covered if a Product or part thereof is received in otherwise generally undamaged packing material. All other transportation damages shall be submitted and settled through the freight carrier's insurance policy by either Purchaser or Xylem based upon the Incoterms associated with the order. A claim can be submitted for the packaging material for cases where the packing material itself is damaged to the point that it cannot be further used to protect the product or part on its way to the end user. In all cases pictures shall be taken and submitted with the claim to document the circumstances. Transportation damage claims must be claimed within one week from arrival of the goods to the end destination.

EXTENDED WARRANTY:

It is possible to increase the percentage coverage of FLYGT parts and labor that is shown in ADDENDUM – "A" by submitting a request form to Xylem Warranty department and paying the additional fees. The serial number of each pump must be submitted in order to obtain the letter of intent to provide warranty.

DISCLAIMERS:

Xylem warranties are null and void when Products are exported outside of the United States of America without the knowledge and written consent of Xylem. In the case of goods not manufactured by Xylem there is no warranty by Xylem; however, Xylem will extend to the Purchaser any warranty received from Xylem's supplier for such parts or products.



WARRANTY
Xylem Water Solutions
USA, Inc.

Reference: SAQ-POL-WUW-01
Issue No: 1
Date: 26Jul23
Issued by: G. Andrade
Approved by: J. Kalencik
Applicable to: Water Utility Service Americas

Item 3.

LIMITATIONS:

XYLEM NEITHER ASSUMES, NOR AUTHORIZES ANY PERSON OR COMPANY TO ASSUME FOR XYLEM ANY OTHER OBLIGATION IN CONNECTION WITH THE SALE OF ITS FLYGT EQUIPMENT. XYLEM TAKES NO RESPONSIBILITY FOR ANY WARRANTY THAT EXPANDS, MODIFIES OR IS INCONSISTENT WITH THIS WARRANTY AND XYLEM TAKES NO RESPONSIBILITY FOR ANY WARRANTY OBLIGATIONS OTHER THAN THOSE SPECIFIED IN THIS WARRANTY DOCUMENT.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER EXPRESS AND IMPLIED WARRANTIES, GUARANTEES, CONDITIONS OR TERMS OF WHATEVER NATURE RELATING TO FLYGT PRODUCT(S), INCLUDING AND WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE WHICH ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED. EXCEPT AS OTHERWISE PROVIDED BY LAW, PURCHASER'S EXCLUSIVE REMEDY AND XYLEM'S AGGREGATE LIABILITY FOR BREACH OF ANY OF THE FOREGOING WARRANTIES IS LIMITED TO REPAIRING OR REPLACING THE PRODUCTS AND WILL IN ALL CASES BE LIMITED TO THE AMOUNT PAID BY THE PURCHASER HEREUNDER.

XYLEM WILL HAVE NO LIABILITY FOR LOSS OF PROFIT, LOSS OF ANTICIPATED SAVINGS OR REVENUE, LOSS OF INCOME, LOSS OF BUSINESS, LOSS OF PRODUCTION, LOSS OF OPPORTUNITY, LOSS OF REPUTATION, LIQUIDATED, INDIRECT, CONSEQUENTIAL, INCIDENTAL PUNITIVE OR EXEMPLARY DAMAGES. THE FOREGOING LIMITATIONS OF LIABILITY WILL BE EFFECTIVE WITHOUT REGARD TO XYLEM'S ACTS OR OMISSIONS OR NEGLIGENCE OR STRICT LIABILITY IN PERFORMANCE OR NON-PERFORMANCE HEREUNDER.

IN NO EVENT WILL XYLEM BE RESPONSIBLE FOR ITEMS INCLUDING, BUT NOT LIMITED TO: TRAVEL EXPENSES, RENTED EQUIPMENT, OUTSIDE CONTRACTOR'S FEES, OR ANY EXPENSES ASSOCIATED WITH A FLYGT PRODUCT REPAIR SHOP NOT AUTHORIZED BY XYLEM. REIMBURSEMENT COSTS FOR CRANES AND/OR ANY SPECIAL EQUIPMENT USED IN CONJUNCTION FOR THE REMOVAL AND/OR REINSTALLATION OF ANY FLYGT EQUIPMENT IS NOT COVERED UNDER THIS WARRANTY.

ANY UNAUTHORIZED ALTERATIONS TO XYLEM SUPPLIED PRODUCTS, OR XYLEM SUPPLIED PRODUCTS THAT UTILIZE NON-FLYGT BRAND CABLE OR CONTROLS WILL NOT BE COVERED UNDER THIS WARRANTY UNLESS PRIOR WRITTEN APPROVAL IS PROVIDED BY XYLEM.

REQUIREMENTS:

STORAGE:

Should a delay occur between the shipment date and the date of start-up, maintenance as outlined in the Installation, Operation and Maintenance (IOM) Manual for each FLYGT Product must be performed by the "CONTRACTOR" and/or "OWNER" during any such period of storage. Documentation providing proof and outlining what maintenance was performed must be provided to Xylem or its representative within thirty (30) days of said maintenance, or the Xylem Warranty for the Products may be considered void.



WARRANTY
Xylem Water Solutions
USA, Inc.

Reference: SAQ-POL-WUW-01
Issue No: 1
Date: 26Jul23
Issued by: G. Andrade
Approved by: J. Kalencik
Applicable to: Water Utility Service Americas

Item 3.

CONTROLS:

Warranty coverage for permanently installed controls provided by Xylem will start on the date of shipment. This Warranty does not apply to controls that have been damaged due to a defective and/or improper input power supply, improper electrical protection, accidental damage, improper or unauthorized installation and/or repair, unauthorized alteration, negligence, environmental corrosion or chemical attack, improper maintenance or storage of control, any act of God, an act of war, an act of terrorism, vandalism, or damage resulting from the use of accessory equipment not approved in writing by Xylem. If adjustments are made by Xylem or Xylem authorized repair personnel without prior Xylem permission, this warranty will be null and void.

A copy of Electrical System Schematics of the Controls to be used (including the Control's Bill of Material) may be required to support a Warranty Claim when non-Xylem supplied Controls are used. In addition, a written record ("Log"), will be associated with each unit serial number and must be maintained by the organization having Product maintenance responsibility. The Log must record each preventative maintenance activity and any repair activity during the life of the Warranty or verification that a Xylem authorized Service Contract for the Products is in force and effect. The Log must be available for review and/or auditing upon request. Failure to meet these conditions may render this Warranty null and void. Such Logs may be required to determine warranty coverage.

Solid state devices will be covered for a period of one (1) year from date of shipment. Electrical control panels containing controllers, PLC's, drives, soft starts, and other computerized equipment will require Transient Voltage Surge Suppression (TVSS) protection in order to satisfy the requirements of this Warranty. The protection equipment associated with the control must be kept in working condition during the life of the Warranty. Auxiliary equipment supplied with the control (air-conditioners etc.) is limited by the respective original equipment manufacturer's warranty offered. Consumable items such as: light bulbs, fuses, and relays are covered under normal operating conditions. Electrical surges experienced during startups and/or during normal operating use of the control panel will void this warranty. Components not supplied by Xylem will not be covered by this warranty.

TOP (The Optimum Pump Station)

Xylem will warrant the FLYGT TOP pre-engineered fiberglass pump station components against defects in material and workmanship for a period of one (1) year from date of start-up or eighteen (18) months from date of shipment, whichever occurs first, and is valid only to the original owner of the station. This Warranty will cover the cost of labor and materials required to correct any warrantable defect, excluding any removal and reinstallation costs. Incoming freight from Purchaser will be shipped DAP prepaid to the designated Xylem location in accordance with Incoterms 2020. Return freight out will be shipped DAP prepaid to Purchaser in accordance with Incoterms 2020.

FLYGT Products contained within a TOP pre-engineered fiberglass pump station will carry the standard Xylem warranty for FLYGT Products and/or accessories installed in the TOP pre-engineered fiberglass pump station.

All FLYGT Product restrictions and/or limitations as outlined and described within the context of this Warranty are applicable to all sections of this Xylem Warranty document.

WARRANTY
Xylem Water Solutions USA, Inc



ADDENDUM A - Warranty Coverage by Product

PRODUCT	PRODUCT SERIES AND CONFIGURATION	WARRANTY COVERAGE (Months)							
		1-12	13-18	19-24	25-30	31-36	37-39	40-45	46-60
Axial Flow / Mixed Flow / Centrifugal Pumps & Mixers	3000 Series (CP, NP, DP, CT, NT, CZ, NZ, LL) 4000 Series (SR, PP)(Excluding Dirigo products) 7000 Series (PL)	100%		50%			25%		
Dirigo Products	Bibo Alpha (2960) Adaptive Mixers 4220, 4230 and 4320 Concertor 6000 Series (N, DP, iPS, XPC)	100%			50%		25%		
ETO Electrical Control Panels	Engineered to Order, Xylem Manufactured Control Panels (permanently installed) - 3 Years	100%	LIMITED 100%						
Grinder Pumps	3000 Series (MP, MF, MH)	100% (From Ship Date)			100% (from manufacture date)				
Abrasion/Corrosion Resistant & Chopper Pumps	3000 Series (FP, FS, FT, HP, HS) 5000 Series (HP, HS) 8000.280Series (DP, DZ, DT, DS, DF)	100%							
Centrifugal Pumps	1300 Series	100%							
Dewatering Pumps	2000 Series (BS, KS) 3000 Series (CS, NS, DS) 8000.280 Series (DS, DF)	100% (From Ship Date)							
TOPS	Fiberglass Pump Station	100% (From Ship Date)							
Accessories	Permanent / Portable	100% (From Ship Date)							
Hydrojectors/Aerators	HE, JA	100%							
Portable Pump Controls	Control Boxes (Nolta,MSHA etc.)	100% (From Ship Date)							
TOPS Control Panels	TOPS controlpanels (permanently installed)	100% (From Ship Date)							
Small Pumps	3045, 3057,SX	100% (From Ship Date)							
Parts	All new Flygt parts (mechanical& electrical)	100% (From Ship Date)	<p>NOTE: Flygt parts that fail where used in a repair are warranted for one (1) year from the date of the repair for the failed part only – no labor; This includes Flygt pumpcontrollers, Flygt supervision equipment, Flygt submersible level transducers, etc. NOTE 2: Flygt spare parts shipped separately and not installed by Xylem or an authorized channel partner are warranted for thirty (30) days from date of shipment.</p>						
Monitoring & Control	Multismart Pump Station Manager and Operating System	100 (From Ship Date)							
	Flygt Probes (excluding the DuoProbe)	100 (From Ship Date)							
	All other Xylem M&C Products	100% (From Ship Date)							

Firm Registration No. F-10834

235 Ledge Stone Drive | Austin, TX 78737 | 512.432.1000

March 7th, 2025

City of Dripping Springs
Dane Sorensen – Utilities Director
511 Mercer Street • PO Box 384
Dripping Springs, Texas 78620

Re: City of Dripping Springs
Replacement Lift Station Pumps
Recommendation of Selection

Dear Dane:

This letter is in response to your inquiry regarding purchase of backup pumps for the City of Dripping Springs' lift stations. The preferred pumps by the City of Dripping Springs are Flygt pumps. Based on our review of the replacement pump selections along with previous experience with Flygt products, we concur with your recommendation to purchase the Flygt submersible pumps.

Please contact me if you have any questions or comments.

Sincerely,

Burgess & Niple, Inc.



Robert P. Callegari, P.E.
Austin South Engineering Section Director

Cc: Charles Gray Lahrman – Utilities Operations Manager

Xylem Water Solutions – Flygt Products, USA

Barrie Hamm
Sales Engineer

4965 Eisenhower Rd, Suite 102, Windcrest, TX 78218
Tel 210.648.9101 Fax 210.648.9102

February 4, 2025

Mr. Gray Lahrman
City of Dripping Springs
511 Mercer Street,
Dripping Springs, TX 78620

Dear Sir:

This letter will serve as certification that Xylem, Inc. (formally ITT) – Flygt Products is the sole supplier for Flygt Products including pumps, mixers, replacement parts and accessories in the Central Texas area including Hays County and Dripping Springs. Our direct sales territory also includes the following surrounding counties: Travis, Bastrop, Bexar, Blanco, Burnet, Caldwell, Comal and Guadalupe.

We also have three direct offices in Texas for Sales and Service. The closest factory authorized service facility to Dripping Springs is at 4965 Eisenhower Rd Suite 102, Windcrest (San Antonio), TX. Your sales representative is myself, Barrie Hamm; Sales Engineer and Alex Whritenour; Aftermarket Sales. Anthony Stone is your Regional Service Manager also.

The other authorized service locations are the Dallas facility at 2310 McDaniel Dr., Carrollton, TX 75006; and Corpus Christi facility at 2029 N. Lexington Boulevard, Corpus Christi, TX 78409. Between these three Texas offices, we are the Flygt sole supplier for the Central Texas including the following municipalities and their surrounding counties; Dallas-Fort Worth Metroplex, Killen, Austin, San Antonio, Cuero, Fredericksburg, Kerrville, San Angelo, Eagle Pass, Del Rio, Laredo, McAllen, Brownsville, Corpus Christi and Bastrop.

Your Field Service Techs are Roland Contreras and David Martinez. Our standard service truck is a Shop-on-Wheels service truck with crane available for service calls. The Branch Manager for the San Antonio office is Gesner Jackson who can be reached at the (210) 648-9101.

Should you require additional information or have any questions about this matter please contact us at (210) 648-9101 or directly on my cell phone at (361) 500-8547.

Sincerely,



Barrie Hamm



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78602

Submitted By: Riley Sublett, Maintenance Director

Council Meeting Date: 04/01/2025

Agenda Item Wording: **Discuss and consider approval to authorize City Staff to exceed \$50,000.00 worth of purchases from Briggs Equipment Co. for the Purchase of a 50' Towable boom lift approved in the FY-2025 Budget.**
Sponsor: Mayor Bill Foulds

Agenda Item Requestor: Riley Sublett, Maintenance Director

Summary/Background: The City of Dripping Springs City Council approved the FY-2025 Budget that includes the purchase of a 50' Towable boom lift for the Maintenance Department. The Maintenance Department has obtained three quotes for this item to comply with the City's Purchasing Policy. This item will be purchased using Buy Board Contract No. BRI03272025. The lowest bid was provided by Briggs Equipment Company. Purchasing this equipment will exceed \$50,000.00 worth of purchases with Briggs Equipment Company. This item is to ensure compliance with State law and the City's purchasing policy.

Commission Recommendations: N/A

Recommended Council Actions: City Staff recommends authorizing city staff to exceed \$50,000.00 worth of purchases from Briggs Equipment Company.

Attachments: Purchase Agreement

Next Steps/Schedule: Purchase equipment from Briggs Equipment Company.

PURCHASE AGREEMENT
TZ-50 DC Genie Lift

This Purchase Agreement (the "Agreement") is entered into on this ___ day of _____, 2025, by and between the City of Dripping Springs, Texas, a Type-A General Law Municipality (the "City"), and Briggs Equipment Co. (the "Seller").

In consideration of the mutual covenants contained herein, the City and Seller agree as follows:

1. Description of Goods. The Seller agrees to sell, and the City agrees to purchase, the following goods:

Item: TZ-50 DC Genie Lift (SKU TZ1500001AE0056)
Specifications: As detailed in Attachment "A" (attached specifications sheet).
Quantity: 1

2. Purchase Price. The total purchase price for the goods, including the protection plan, is \$60,075.42, as detailed in Attachment "B".

3. BuyBoard Contract. Seller represents and warrants that it is a recognized vendor under the BuyBoard Purchasing Cooperative and that it is in full compliance with the terms and conditions of the BuyBoard Purchasing Cooperative Agreement, Contract Number 685-22, which is incorporated herein by reference and available at <https://app.buyboard.com/Shop/Vendors/Details?Id=3626> (the "BuyBoard Contract"). Any conflicts between the terms of this Agreement and the BuyBoard Contract shall be resolved in favor of the terms most favorable to the City. Subject to the foregoing, Seller agrees to adhere to all pricing, terms, and conditions as outlined in the BuyBoard Contract, including but not limited to:

- (a) **Pricing:** The Seller guarantees that the pricing for all goods and services provided under this Agreement shall not exceed the prices set forth in the BuyBoard Contract.
- (b) **Terms and Conditions:** The Seller shall comply with all terms and conditions as specified in the BuyBoard Contract, including delivery, installation, and warranty provisions.
- (c) **Audit and Inspection Rights:** The City reserves the right to audit the Seller's records and inspect facilities to ensure compliance with the BuyBoard Contract.
- (d) **Reporting Requirements:** The Seller shall provide any necessary reports or documentation required by BuyBoard or the City to verify compliance with the BuyBoard Contract.

- 4. **Warranty.** The Seller warrants that the goods delivered under this Agreement shall be free from defects in material and workmanship for a period of 1 year from the date of delivery.
- 5. **Sales Tax Exemption.** The City is exempt from payment of sales, use, rental and certain excise taxes in accordance with Chapter 151 of the Texas Tax Code. Seller acknowledges and agrees that no such tax shall be included in any invoice or request for payment. City shall cooperate with the Seller in providing any necessary documentation to evidence the City's tax-exempt status, including providing a completed Texas Sales and Use Tax Exemption Certification form upon request.
- 6. **Notice.** Any notice provided for by this Agreement and any other notice, demand, or communication which either party may wish to send to the other, shall be in writing and given by (a) hand delivery, (b) express overnight delivery service, or (c) registered or certified United States mail, return receipt requested. Notices shall be addressed to the party for whom such notice, demand or communication is intended at such party's address as set forth below:

To the City:
 City of Dripping Springs
 Attn: City Administrator
 PO Box 384
 Dripping Springs, TX 78620
 (512) 858-4725

To the Seller:
 Briggs Equipment Co.
 10540 Stemmons Frwy
 Dallas, TX 75220

- 7. **Entire Agreement.** This Agreement contains the entire Agreement of the parties and there are no other promises or conditions in any other Agreement whether oral or written. This Agreement supersedes and prior written agreements between the parties. If a conflict exists between this Agreement and Attachment "A" or Attachment "B", this Agreement shall prevail.
- 8. **Amendment.** This Agreement may only be amended in writing signed by both parties.
- 9. **Governing Law and Venue.** This Agreement shall be construed under and in accordance with the laws of The State of Texas. The venue for any and all legal disputes arising under this Agreement shall be a court of competent jurisdiction located in Hays County, Texas. Despite anything to the contrary in this Agreement, no disputes arising out of or related to this Agreement shall be subject to arbitration or non-binding mediation unless both parties agree in writing to submit a specific dispute to arbitration or non-binding mediation after such dispute arises.
- 10. **Independent Status.** The parties are independent, and neither party is the other party's employee, nor are the employees of either party the other party's employees by reason only of this agreement. This Agreement does not create a partnership, joint venture or agency, express or implied, nor any employer-employee, or borrowed servant relationship by and among the parties.

11. **Indemnification.** Despite anything to the contrary in this Agreement, and in accordance with applicable law and the *Texas Constitution*, the City does not agree to indemnify the Seller for any expenses in any way connected with this Agreement. SELLER AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY OF DRIPPING SPRINGS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, EXCEPT TO THE EXTENT SUCH CLAIMS ARE CAUSED BY THE CITY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.
12. **Consequential Damages.** Neither party shall be liable to the other for loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; or for any special, consequential, indirect, punitive, or exemplary damages.
13. **Mandatory Disclosures.** Texas law requires that vendors make certain disclosures. Prior to the effective date of this Contract, the Seller has submitted to the City a copy of the Conflict of Interest Questionnaire form (CIQ Form) approved by the Texas Ethics Commission (Texas Local Government Code Chapter 176). Seller also confirms it is in compliance with all Texas requirements related to government contracts including: (1) no boycott of Israel; (2) not listed as a foreign terrorist organization by the Texas Comptroller of Public Accounts; (3) Seller does not have a policy or practice of discriminating against firearm entities or firearm trade associations; (4) Seller does not boycott energy companies; and Seller is compliant with all other Texas laws including any additional disclosure requirements.
14. **Severability.** The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The Parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.
15. **Force Majeure.** Neither party shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reasons for which it is not responsible as defined herein. However, notice of such impediment or delay in performance must be timely given, and all reasonable efforts undertaken to mitigate its effects.
16. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, any one of which shall be considered an original of this document; and all of which, when taken together, shall constitute one and the same instrument.

17. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom enforcement is sought. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE CITY:
City of Dripping Springs

THE SELLER:
Briggs Equipment Co.

Michelle Fischer
City Administrator

Name:
Title:

Date

Date

ATTACHMENT "A"

Trailer-Mounted Boom Lifts

ANSI A92.20, CSA B354.6

Genie® TZ™ -34/20 & TZ-50

Specifications

Models	TZ-34/20		TZ-50	
Measurements	US	METRIC	US	METRIC
Working height max. - ⁽¹⁾	40 ft	12.19 m	55 ft 6 in	16.92 m
Platform height	34 ft	10.36 m	49 ft 6 in	15.09 m
Entry height- extended	6.4 in	0.16 m	1 ft 8 in	0.51 m
Horizontal reach	18 ft 4 in	5.59 m	29 ft 2 in	8.89 m
Clear out reach	13 ft 5 in	4.09 m	23 ft 1 in	7.04 m
Up-and-over clearance	16 ft 1 in	4.90 m	22 ft	6.71 m
Ⓐ Platform length	2 ft 2.8 in	0.68 m	2 ft 2.8 in	0.68 m
Ⓑ Platform width	3 ft 8 in	1.12 m	3 ft 8 in	1.12 m
Ⓒ Height - stowed	6 ft 4.5 in	1.94 m	8 ft 10 in	2.08 m
Ⓓ Length- stowed	18 ft 0.5 in	5.50 m	23 ft 6 in	7.16 m
Ⓔ Width- stowed	4 ft 9.1 in	1.45 m	5 ft 6 in	1.68 m
Ⓕ Ground clearance	9.5 in	0.24 m	10 in	0.25 m
Ⓖ Length-outrigger footprint	10 ft 8.4 in	3.26 m	14 ft 4 in	4.37 m
Ⓗ Width-outrigger footprint	11 ft 9.4 in	3.59 m	14 ft 4 in	4.37 m

Productivity

Lift capacity (ANSI, CSA) - standard	500 lb	227 kg	500 lb	227 kg
Lift capacity (ANSI, CSA) - rotating platform	460 lb	209 lb	500 lb	227 kg
Lift capacity (CE/AUS) - standard	440 lb	200 kg	440 lb	200 kg
Lift capacity (CE/AUS) - rotating platform	400 lb	181 kg	440 lb	200 kg
Platform rotation - mechanical	90°		-	
Platform rotation - hydraulic	-		160°	
Turntable rotation	359°	359°	359°	359°
Outrigger leveling capability		11°		11°
Towing speed rate	60 mph	97 km/h	60 mph	97 km/h
Tongue weight - ANSI, CSA	315 lb	143 kg	400 lb	181 kg
Tongue weight - CE	163 lb	74 kg	220 lb	100 kg
Tire size - ANSI, CSA	ST 205/75 R15		ST 225/75 R15	
Tire size - CE	185R-14C		215 R14C	

Power

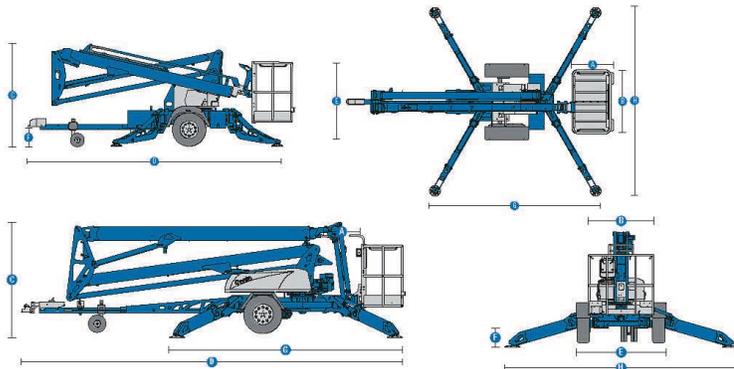
Power source- standard	24V (4x6V 225Ah)		24V (4x6V 225Ah)	
Hydraulic tank capacity	2.65 gal	10 L	4.75 gal	18 L
Hydraulic system capacity	4.5 gal	17 L	8.0 gal	30 L

Weight⁽³⁾

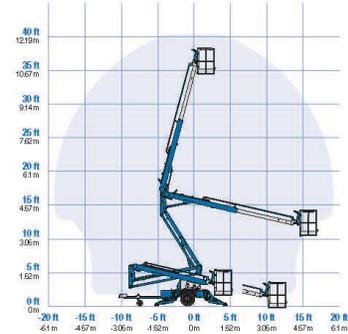
Weight- ANSI, CSA, Australia	3,155 lb	1,431 kg	4,400 lb	1,996 kg
Weight- CE	3,170 lb	1,438 kg	4,475 lb	2,030 kg

Sound and Vibration Levels

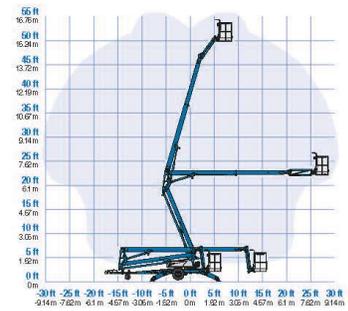
Sound Pressure level (ground workstation)	< 70 dBA	< 70 dBA
Sound Pressure level (platform workstation)	< 70 dBA	< 70 dBA
Vibrations	< 2.5 m/s ²	< 2.5 m/s ²



Range of motion TZ-34/20



Range of motion TZ-50



Trailer-Mounted Boom Lifts

ANSI A92.20, CSA B354.6

Genie® TZ™ -34/20 & TZ-50

SKU: Standard Model

- TZ340001AD0001: TZ-34 DC
- TZ500001AD0002: TZ-50 DC
- TZ500001AD0001: TZ-50 DC, Hybrid

* Build to Order

Option availability	S	S+	BT0
Power			
Standard battery	✓	✓	✓
High capacity battery		○	○
Bi-Energy, Honda Gas	✓	✓	✓
Battery charge indicator (BCI)		○	○
24V DC Power	✓	✓	✓
Platform			
Hom		○	○
AC wiring to platform	✓	✓	✓
Aluminum 26.8in x 44in platform	✓	✓	✓
Hydraulic platform rotation 160 degrees (TZ-50)			○
Manual platform rotation 90 degrees (TZ-34)			○
Tilt alarm sensor	✓	✓	✓
Variable speed control system	✓	✓	✓
Chassis			
Lift Connect Telematics		○	○
Lift Connect with Access Manager upgrade		○	○
2 in Ball Bulkdog coupler		○	○
Combination hitch with choice of coupler	✓	✓	✓
2 in Ball Leverlock coupler	✓	✓	✓
2 5/16 in Ball Leverlock coupler		○	○
Clevis coupler		○	○
I.D. pintle ring coupler 2 1/2 in		○	○
Drive and set option			○
Flashing beacon		○	○
Non-marking outrigger foot pads		○	○
Spare tire		○	○
10in solid plastic wheel	✓	✓	✓
355 degree non-continuous rotation	✓	✓	✓
Automatic 11 degree leveling system	✓	✓	✓
Auxiliary platform descent	✓	✓	✓
Highway safety chains with snap lock	✓	✓	✓
Hour meter	✓	✓	✓
Hydraulic outriggers	✓	✓	✓
Hydraulic surge brakes	✓	✓	✓
Illuminated outrigger indicators	✓	✓	✓
LED brake light	✓	✓	✓
Mechanical parking brake	✓	✓	✓
Outrigger interlocks	✓	✓	✓

Drive and set option available for TZ-50 only

- S Standard
- S+ Standard +
- BT0 Build to Order
- ✓ Standard Features
- Options



Truck Towable



Quick Setup



Low Floor Loading



Genie Genuine Accessories⁽¹⁾

- Ball coupler 2 5/16in
- Clevis coupler
- Dual 10in air-filled tires (TZ-34/20 only)
- I.D. pintle ring coupler 2 1/2 in

⁽¹⁾ More accessories available from Genie Genuine Parts.

Product specifications are subject to change without notice or obligation. Photographs and/or drawings herein are for illustrative purposes only. Refer to the appropriate Operator's Manual for instructions on proper equipment use. Failure to follow instructions in the Operator's Manual may result in serious injury or death. The only warranty applicable to our equipment is the standard written warranty applicable to the particular product and sale and we make no other warranty, express or implied. Products and services listed may be trademarks, service marks or trade names of Terex Corporation and/or its subsidiaries in the USA and many other countries. Terex, Genie, Quality By Design, Xtra Capacity, Lift Power, Lift Guard, Lift Tools, Lift Connect and Tech Pro Link are registered trademarks of Terex Corporation or its subsidiaries.

04/24

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ATTACHMENT "B"



Quote# 032425-4

Page 1 of 4

Customer Name/Address:
 City of Dripping Springs
 511 Mercer Street
 Dripping Springs, TX 78620

Quotation #: QUO-032425-4
Date: 3/21/2025
Contact Name: Riley Sublett
Phone Number: 512.858.7538
Email Address: rsublett@cityofdrippingsprings.com

Please accept Briggs Equipment's recommendation for your material handling needs. Based on our evaluation of your current application, Briggs Equipment is pleased to provide you a quotation for the following equipment:

Product	SKU	Qty	
	TZ-50	TZ500001AE0056	1
	TZ-50 DC		1
	High capacity battery	006071	1
	No Genie Lift Connect™	006112	1
	2 in Ball Leverlock coupler	006031	1
	Plug US	006020	1
	Drive and set option	006074	1

Image may not depict actual machine configuration

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Quote# 032425-4

Page 2 of 4

Lead Time: 12 Weeks

QTY:	1
Cost Per Unit:	\$59,475.42
Freight Estimate (FOB New Braunfels):	\$600.00
Lead Time (Delivery):	2 Weeks

Setup, labor, tax, title, and license costs may also apply. Vehicles may incur additional charges for state-required features.

**THIS QUOTE IS VALID FOR 30 DAYS FROM DATE OF QUOTE.
REFER TO PRODUCT LITERATURE FOR FURTHER SPECIFICATIONS.**

<u>Customer Representative</u>	<u>Briggs Equipment Representative</u>
Accepted by _____	Proposed by <u>Hayden Tschaar</u> _____
Title _____	Title <u>Account Manager</u> _____
Customer PO# _____	

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Quote# 032425-4

Page 3 of 4

BRIGGS INDUSTRIAL SOLUTIONS, INC. TERMS AND CONDITIONS

THESE TERMS AND CONDITIONS (these "Terms") ARE INCORPORATED INTO ALL QUOTES AND ORDERS BETWEEN PURCHASER AND SELLER. IF PURCHASER RESPONDS TO A QUOTE PROVIDED BY SELLER BY SIGNING THE QUOTE OR PROVIDING AN ORDER FOR EQUIPMENT REFERENCED IN THE QUOTE, PURCHASER ACKNOWLEDGES AND ACCEPTS THAT THESE TERMS APPLY TO THAT PURCHASE AND ANY FUTURE PURCHASES MADE UNDER THE QUOTE.

THESE TERMS SUPERSEDE PURCHASER'S TERMS AND CONDITIONS, INCLUDING THOSE THAT MAY BE INCLUDED IN PURCHASER'S ORDER, SHIPPING REQUEST, OR OTHER COMMUNICATIONS, REGARDLESS OF WHETHER OR WHEN PURCHASER SUBMITS SUCH ORDER, SHIPPING REQUEST, COMMUNICATIONS, OR ITS TERMS AND CONDITIONS. SELLER EXPRESSLY REJECTS PURCHASER'S GENERAL TERMS AND CONDITIONS OF PURCHASE. FULFILLMENT OF PURCHASER'S ORDER DOES NOT CONSTITUTE ACCEPTANCE OF ANY OF PURCHASER'S TERMS AND CONDITIONS OR SERVE TO MODIFY OR AMEND THESE TERMS.

ACCEPTANCE

All quotes are subject to prompt acceptance and transmittal of the order(s). Prices are subject to change without notice unless otherwise stated. All contracts shall be deemed to have been executed in Dallas County, Texas.

DELAYS

Deliveries under all orders, contracts and agreements are contingent upon acts of providence, supply chain issues, manufacturing contingencies, strikes, accidents, governmental priority regulations and other causes of delay beyond Seller's control, and in no event will Seller be liable for any failure or delay in fulfilling any orders or any related losses.

CANCELLATIONS

Standard orders may be cancelled within five (5) business days of the order. After the five (5) business days, standard orders cannot be cancelled or modified without Seller's prior written permission, and Purchaser shall pay all cancellation and/or modification fees to cover the costs and consequential damages incurred by Seller related to the order, including any expenses and any return shipping costs, plus a restocking fee of thirty percent (30%) of purchase price. The restocking fee is payable at the time of modification or cancellation. **ALL SPECIAL OR CUSTOM ORDERS ARE FINAL SALES AND CANNOT BE CANCELLED, MODIFIED, OR RETURNED WITHOUT SELLER'S WRITTEN PERMISSION.** If Purchaser attempts to cancel or modify a special or custom order, Purchaser will owe 100% of purchase price plus all costs and losses incurred by Seller in connection with the order, and such amounts shall be immediately due and payable to Seller. Purchaser agrees that the above fees are necessary to compensate Seller for the time and resources invested in processing the order. *For purposes of these terms and conditions a "Special" or "Custom" order will be any order that requires special product engineering and/or custom components or parts pursuant to Purchaser's order.*

DELIVERIES

Delivery dates are estimates only and are subject to shipping and manufacturing contingencies. Seller cannot guarantee shipments on the date provided and is not liable for any delays, losses, or damages in transit. Notwithstanding the foregoing, Purchaser must take delivery of goods within 30 days of the Seller providing notice to purchaser that the goods are available for delivery. If Purchaser fails to take delivery within such 30 days, Purchaser will be invoiced for the goods plus all applicable fees associated with not taking timely delivery of the goods, such as storage charges for up to 90 days, after which such time Seller may deem the goods abandoned or exercise any other right or remedy available to it under law.

WARRANTIES DISCLAIMER, EXCLUSIVE REMEDY AND LIMITATION ON LIABILITIES

EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THE QUOTE, SELLER MAKES NO EXPRESS OR IMPLIED WARRANTY WHATSOEVER (WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE) WITH RESPECT TO THE GOODS, INCLUDING ANY (A) WARRANTY OF MERCHANTABILITY; (B) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (C) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY. PURCHASER ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY REPRESENTATIONS OR WARRANTY MADE BY SELLER, OR ANY OTHER INDIVIDUAL OR ENTITY ON SELLER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THE QUOTE.

PURCHASER'S EXCLUSIVE REMEDY FOR ANY BREACH IN WARRANTY IS LIMITED TO SELLER REPAIRING OR CORRECTING ANY DEFECTS IN WORKMANSHIP OR MATERIAL UNDER THE MANUFACTURER'S WARRANTY. IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES,

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Quote# 032425-4

Page 4 of 4

ARISING OUT OF THE ORDER OR THESE TERMS, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR (C) THE LEGAL OR EQUITABLE THEORY UPON WHICH THE CLAIM IS BASED.

PURCHASED EQUIPMENT MAY BE COVERED BY A MANUFACTURER'S WARRANTY ("MANUFACTURER'S WARRANTY"). ANY SUCH MANUFACTURER'S WARRANTY IS PROVIDED DIRECTLY BY THE MANUFACTURER AND NOT BY SELLER. SELLER WILL PASS THROUGH TO PURCHASER SUCH MANUFACTURER'S WARRANTY TO THE EXTENT PERMITTED BY THE MANUFACTURER.

SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO ANY ORDER OR THESE TERMS SHALL NOT EXCEED THE PURCHASE PRICE OF THE DEFECTIVE ITEM OR THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR SUCH ORDER, WHICH EVER IS LESS. SELLER IN NO EVENT SHALL BE LIABLE FOR DAMAGES TO PERSONS OR PROPERTY ARISING OUT OF THE USE OF GOODS SOLD. THIS WARRANTY SUPERSEDES ALL PRIOR ASSURANCES, WRITTEN OR ORAL MADE BY SELLER, ITS AGENTS OR REPRESENTATIVES.

CONFIDENTIAL INFORMATION

This proposal as well as all information therein, including pricing, specification, discounts, rebates, prints, brochures, and any other documents or non-public information provided by Seller are confidential and intended only for Purchaser's use, and may not be disclosed or copied, and are not to be used in any way detrimental to Seller.

PAYMENT TERMS

Unless otherwise specifically stated, payment is due net 10 days from the date of invoice. Factory, sales or use taxes, any type of property tax or any manufacturers or other exercise tax or tariffs levied by any federal, state, or municipal government or any sub-division thereof, are the liability of Purchaser and if paid by Seller will be charged to and payable by Purchaser. All sales subject to approval of Seller's credit department. This and all subsequent purchases are payable in the city of Dallas, Dallas County, Texas. Seller reserves the right to cancel this contract upon (1) breach of contract by Purchaser; (2) failure by Purchaser to make payments as required; (3) upon insolvency or bankruptcy of Purchaser. Seller reserves the right to require pre-payment of an order, in whole or in part, in its sole discretion. Purchaser shall pay interest on all late payments not to exceed the highest rate permissible under applicable law. Purchaser shall reimburse Seller for all costs incurred in collecting any late payments, including without limitation, attorneys' fees. Purchaser shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller.

WAIVER

No waiver by Seller of any of the provisions of these Terms is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from these Terms by Seller operates or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder by Seller precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege by Seller.

GOVERNING LAW, JURISDICTION

These Terms, and all orders and sales between Purchaser and Seller, is governed by, and construed in accordance with the laws of Texas without giving effect to any conflict of law provisions thereof that would result in the application of the laws of a different jurisdiction. All legal proceedings shall be instituted in the state or federal courts of Texas. Purchaser irrevocably and unconditionally submits to the exclusive jurisdiction of such courts.

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STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Lily Sellers, Dripping Springs Ranch Park Manager

Council Meeting Date: April 15th, 2025

Agenda Item Wording: **Discuss and consider approval of the Co-Sponsorship Agreement with the Carrie Isaac for Fire in the Sky Event.** *Sponsor: Council Member Geoffrey Tahuahua*

Agenda Item Requestor: Lily Sellers

Summary/Background: The Isaac Family has previously sponsored Fire in the Sky at Dripping Springs Ranch Park and Carrie Isaac has connected with DSRP staff to bring it back for July 4th, 2025. This Co-Sponsorship agreement covers her firework donation to the public portion of the event that is hosted by Dripping Springs Ranch Park. Carrie Isaac will be completing a DSRP Rental Agreement and paying associated fees for her private event hosted the same evening.

Commission Recommendations: Dripping Springs Ranch Park Board voted unanimously to approve.

Recommended Council Actions: Staff recommends approving the Co-Sponsorship Agreement

Attachments: 2025 – Fire in the Sky- Co-Sponsorship Agreement.docx

Next Steps/Schedule: Upon City Council approval, execute agreement.

CO-SPONSORSHIP AGREEMENT

This Agreement (the "Agreement") is entered into on this ___ day of _____, 2025, by and between the City of Dripping Springs, Texas, a Type-A General Law Municipality (the "City"), and Carrie Isaac, an individual (the "Co-Sponsor").

WHEREAS, the City of Dripping Springs hosts various community events in Dripping Springs, Texas; and

WHEREAS, the Parties mutually desire to collaborate on hosting the Fourth of July Fireworks event at Dripping Springs Ranch Park and Eventer Center on July 4, 2025 (the "Event"), which will serve as a platform enhancing community engagement and supporting local economic development; and

WHEREAS, the Parties have successfully worked together on previous events and wish to build on that success by formalizing their collaboration for the upcoming Event; and

WHEREAS, the Parties recognize the importance of establishing clear terms and conditions to govern their collaboration, ensuring a well-organized and successful Event;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the City and Co-Sponsor agree as follows:

- 1. Scope.** This Agreement applies to Co-Sponsor's utilization of the City's property for the Event and reasons stated above.
- 2. Obligations of the City.** The extent of the City's obligations under this Agreement is that the City agrees to display a banner for the Event at the intersection of US Highway 290 and Ranch Road 12 and will post the Event on the City's website calendar and City social media sites. The City will recognize the Co-Sponsor as the title sponsor for the Event.
- 3. Security.** Co-Sponsor agrees to arrange for two uniformed peace officers to provide security for the Event at the Co-Sponsor's expense.
- 4. Event Specifications.** Co-Sponsor shall provide the City with a fire prevention and control plan and fireworks inventory for review and approval, which approval may be withheld at the City's discretion, acting reasonably:
- 5. No Political Advertising.** Because the Event is hosted on City property, the Co-Sponsor agrees and will ensure that no political advertising as defined by the Texas Election Code will occur at the Event or on any signage or advertising of the Event.
- 6. Independent Contractor.** The Parties agree that Co-Sponsor is an independent contractor, and is neither an agent nor an employee of the City. Co-Sponsor is solely responsible for directing and controlling Co-Sponsor's resources and staff in order to achieve the goals of this Agreement.

7. **Safety.** Co-Sponsor agrees to abide by all state, federal, and local rules and regulations. Co-Sponsor agrees to take all reasonable steps to ensure public safety and protection from fire damage. Participants in the Event shall obtain itinerant vendor licenses, temporary food establishment permits, and mobile food unit permits, as applicable.
8. **Site Maintenance.** Co-Sponsor agrees not to perform waste or damage City property and right-of-way. In addition, Co Sponsor shall exercise reasonable care and due diligence to avoid harming City property and rights-of-way. Co-Sponsor shall ensure that all trash is placed in the City-provided trash cans.
9. **Duration.** This Agreement shall be enforceable when signed by both parties and shall be deemed terminated when all duties and obligations created herein are fully satisfied.
10. **Termination.** This Agreement may be terminated by mutual consent of the parties. It may be terminated by either party without prejudice upon written notice to the other party via certified mail, return receipt requested, thirty (30) days prior to the Event. Termination shall release each party from all obligations of this Agreement, except termination of this agreement shall not prohibit or impair a claim by either party based upon any breach of this Agreement.
11. **Force Majeure.** In situations in which Co-Sponsor's participation in the Event is delayed, cancelled or suspended due to the Acts of God, severe weather, natural disaster, state of public emergency, or strike, the terms of this Agreement are waived.
12. **Injuries/Insurance.** Co-Sponsor acknowledges the Co-Sponsor's obligation to obtain appropriate insurance coverage with the City named as an additional named insured. Required insurance in Attachment "A". Co-Sponsor waives the rights to recovery from City for any injuries that Co-Sponsor may sustain while performing services under this Agreement. Co-Sponsor is to provide a copy of insurance coverage to City at least ten (10) days prior to the end of any existing coverage period if Co-Sponsor uses the services of any of Co-Sponsor's employees for the provision of services to the City. The City shall be named as an additional named insured on the Insurance.
13. **Indemnification.** CO-SPONSOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING ATTORNEY'S FEES, ARISING OUT OF OR RESULTING FROM THE CITY'S ASSOCIATION WITH CO-SPONSOR UNDER THIS AGREEMENT, PROVIDED THAT ANY SUCH CLAIMS, DAMAGE, LOSS, OR EXPENSE IS/ARE ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE OR DEATH, INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY, INCLUDING THE LOSS OF USE RESULTING THEREFROM, AND IS/ARE CAUSED BY ANY NEGLIGENT OR WILLFUL ACT OR OMISSION OF CO-SPONSOR, AND ANYONE ACTING UNDER THE DIRECT EMPLOYMENT OF THE CO-SPONSOR.

- 14. Notice.** All notice required or permitted under this Agreement shall be in writing and shall be delivered either in person or deposited in the United States mail, postage prepaid, addressed as follows:

For the City:

Attention: City Administrator
City of Dripping Springs
P.O. Box 384
Dripping Springs, TX 78620

For the Co-Sponsor:

Carrie Isaac
100 Commons Road, Suite 7-125
Dripping Springs, TX 78620

Either party may change such address from time to time by providing written notice to the other in the manner set forth above. Notice is deemed to have been received three (3) days after deposit in U.S. mail.

- 15. Assignment.** Neither party shall assign any of its rights or obligations under this Agreement without prior written consent of the other party. Nothing herein shall be construed as giving any rights or benefits hereunder to anyone other than the City and Co-Sponsor.
- 16. Severability.** In the event that any provision of this Agreement, or portion thereof, shall be found to be invalid or unenforceable, then, such provision or portion thereof shall be reformed in accordance with applicable laws. The invalidity or unenforceability of any provision or portion of this Agreement shall not affect the validity or enforceability of any other provision or portion thereof within this Agreement.
- 17. Modifications.** All amendments or modifications to the Agreement must be in writing. No amendment or modification shall be effective until it is in writing and approved by both parties.
- 18. Merger.** This instrument, and any Attachments affixed hereto, constitutes the entire Agreement between the City and Co-Sponsor. To the extent there are any conflicts between this Agreement and the attachments, this Agreement shall govern. This Agreement supersedes all other agreements, oral or written.
- 19. Venue for Disputes.** In the event that a lawsuit is brought concerning events arising out of this Agreement, the venue for such action is *Hays County, Texas*. This Agreement shall be construed in accordance with the laws of the State of Texas.
- 20. Consequential Damages.** Neither party shall be liable to the other for loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; or for any special, consequential, indirect, punitive, or exemplary damages.

- 21. **Mandatory Disclosures.** Texas law requires that vendors make certain disclosures. Prior to the effective date of this Contract, the Co-Sponsor has submitted to the City a copy of the Conflict of Interest Questionnaire form (CIQ Form) approved by the Texas Ethics Commission (Texas Local Government Code Chapter 176). Co-Sponsor also confirms it is in compliance with all Texas requirements related to government contracts including: (1) no boycott of Israel; (2) not listed as a foreign terrorist organization by the Texas Comptroller of Public Accounts; (3) Co-Sponsor does not have a policy or practice of discriminating against firearm entities or firearm trade associations; (4) Co-Sponsor does not boycott energy companies; and Co-Sponsor is compliant with all other Texas laws including any additional disclosure requirements.
- 22. **Severability.** The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The Parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.
- 23. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, any one of which shall be considered an original of this document; and all of which, when taken together, shall constitute one and the same instrument.
- 24. **Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom enforcement is sought. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE CITY:
City of Dripping Springs

THE CO-SPONSOR:

Michelle Fischer
City Administrator

Carrie Isaac

Date

Date

ATTACHMENT “A”**CITY OF DRIPPING SPRINGS INSURANCE REQUIREMENTS:**

The entity providing goods, materials and services for the City of Dripping Springs shall, during the term of the contract with the City of Dripping Springs or any renewal or extension thereof, provide and maintain the types and amounts of insurance set forth herein. All insurance and certificate(s) of insurance shall contain the following provisions:

1. Name the City of Dripping Springs as additional named insured as to all applicable coverage.
2. Provide for at least ten (10) days prior written notice to the City of Dripping Springs for cancellation, non-renewal, or material change of the insurance.
3. Provide for a waiver of subrogation against the City of Dripping Springs for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.

Insurance Company Qualification: All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least “A” by AM Best or other equivalent rating service.

Certificate of Insurance: Certificates of Insurance evidencing all of the required insurance coverages shall be submitted with the Firm’s submission. Copies of any modifications, amendments, renewals, or terminations of any coverage shall be promptly submitted to the City. If the contract is extended by the City of Dripping Springs, certificates of insurance evidencing all of the required insurance coverages shall be provided to the City prior to the date the contract is extended.

Type of Contract and Amount of Insurance:

- Statutory Workers Compensation insurance as required by state law.
- Commercial General Liability minimum limits of \$500,000 per occurrence for bodily injury, personal injury, and property damage.
- Automobile Liability with a minimum of \$500,000 Dollars combined single limit.



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Lily Sellers, Dripping Springs Ranch Park Manager

Council Meeting Date: April 15th, 2025

Agenda Item Wording: **Discuss and consider approval of the Co-Sponsorship Agreement with the Texas Beef Initiative** *Sponsor: Council Member Sherrie Parks*

Agenda Item Requestor: Lily Sellers

Summary/Background: Texas Beef Initiative currently hosts weekly roping practice on Thursday nights. The roping practices are a great success weekly. It attracts all ages of ropers and even citizens to watch on Thursday nights. This renewal repeats the same contract from 2024 but with the removal of 3.4 because fees were waived to the amount of \$2600.00 for the exchange of the TBI purchased cattle chute.

Commission Recommendations: Dripping Springs Ranch Park Board voted unanimously to approve.

Recommended Council Actions: Staff recommends approving the Co-Sponsorship Agreement

Attachments: 2025 - Texas Beef Initiative- Co-Sponsorship Agreement.docx

Next Steps/Schedule: Upon City Council approval, execute agreement.

CO-SPONSORSHIP AGREEMENT

This *Texas Beef Initiative Co-Sponsorship Agreement* (“Agreement”) is for the performance of certain goods and/or services, as specified below:

1. **PARTIES:** This Agreement by and between the City of Dripping Springs, Texas, a Type A, general-law municipality incorporated pursuant to the laws of the State of Texas and located in Hays County, Texas, (“City”), and Texas Beef Initiative, a 501(c)(3) non-profit organization (“Co-Sponsor”).
2. **PURPOSE:** This Agreement serves as a statement or exchange of promises between the City and Co-Sponsor. It is enacted to provide clear responsibilities and duties for the use of the Dripping Springs Ranch Park (“DSRP”) by Co-Sponsor.
3. **DESCRIPTION:** Co-Sponsor is hereby engaged to organize and hold the following events (“Event”):
 - 3.1. Texas Beef Initiative weekly roping practices at a reduced rental cost of \$50 for the outdoor arena and \$100 for the indoor arena for up to three (3) hours of use per day.
 - 3.2. Texas Beef Initiative Sunday roping practices at a reduced rental cost of \$50 for the outdoor arena and \$100 for the indoor arena when there is facility availability for up to three (3) hours use per day.
 - 3.3. Scheduling of all events shall be in coordination with the DSRP staff and shall be scheduled at least sixty (60) days in advance of any event. An event rental agreement shall be completed for each event or series of events. Unless otherwise scheduled, roping practices shall be from 6 p.m. to 9 p.m. on scheduled dates. Any use outside of the hours or days shall be at an additional charge.
4. **SCOPE:** This Agreement applies to Co-Sponsor’s use of DSRP for the reasons stated above, which shall be conducted weekly beginning on March 31, 2025.
5. **LOCATION:** This Agreement is fully performable in Dripping Springs, Texas and performance shall take place at DSRP, the premises located at: 1042 Event Center Drive, Dripping Springs, TX, 78620.
6. **OBLIGATIONS OF THE CITY:**
 - 6.1. The City agrees to allow Co-Sponsor to use DSRP for the purpose stated in Section 3.
 - 6.2. The City and Co-Sponsor agree to jointly create a Committee to oversee the organization and execution of the Event. The Committee will consist of one representative appointed by the City and two representatives appointed by Co-Sponsor.
 - 6.3. The City agrees to grant Co-Sponsor access to the City’s tractor and skid steer. Co-Sponsor agrees that all drivers of the tractor and skid steer must be approved and registered with the City. A written waiver of liability completed by each user of City

equipment shall be completed before each use.

6.4. City agrees to provide Co-Sponsor with access to the following utilities for the limited purpose of Co-Sponsor's performance under this Agreement.

6.4.1. Electricity

6.4.2. Water

6.5. City shall provide trash cans for the event, for the collection and disposal of solid waste generated at the event.

6.6. City will provide staff for each event and shall provide that the arena is ready for each scheduled event.

6.7. City agrees to allow the Co-Sponsor to house stock at the park.

7. OBLIGATIONS OF THE CO-SPONSOR:

7.1. Co-Sponsor agrees to provide all volunteer labor needed to operate and oversee all aspects of the Event.

7.2. Co-Sponsor will be responsible for the care and feeding of its cattle at DSRP and all expenses related to the care and feeding of the cattle.

7.3. Co-Sponsor agrees to provide all supplies, tools, and equipment necessary for performance under this Agreement.

7.4. Co-Sponsor agrees to the standard twelve (12) hour rental and fees may be applicable if the event goes over the 12 hours to include setup and breakdown. All other fees needed for the event, including RV stalls, additional equipment, or related fees shall be paid by Co-Sponsor with an estimate provided at scheduling of event and use of equipment or facilities.

7.5. Co-Sponsor agrees to abide by all state, federal and local rules, and regulations.

7.6. Co-Sponsor agrees to take all reasonable steps to ensure public safety and protection from fire damage.

7.7. The Co-Sponsor shall require and be responsible for obtaining liability waivers (to be provided to the City) to be signed by all arena event participants. Such waiver will be provided by the City and is required to be executed by all roping participants. All executed waivers must be returned to the City within seven (7) calendar days prior to the event.

7.8. Co-Sponsor agrees not to perform waste or damage DSRP.

7.9. Co-Sponsor shall ensure that all trash is placed in the City-provided trash cans.

- 7.10.** Co-Sponsor shall exercise reasonable care and due diligence to avoid harming DSRP.
- 7.11.** Co-Sponsor agrees to use good management practices, including but not limited to safe animal handling techniques. Co-Sponsor will be responsible for the care and feeding of the cattle at DSRP and all expenses related to the proper health, care, and maintenance of the Stock. They will also furnish all labor required to maintain the proper health, care, and maintenance of the Stock.
- 7.12.** Co-Sponsor will maintain fencing in a reasonable manner to prevent escape of Stock from Land. The Texas Beef Initiative will regularly maintain the space utilizing good land management practices. They will not make any improvements without DSRP's written permission.
- 8. INDEPENDENT CONTRACTOR:** The Parties agree that Co-Sponsor is an independent contractor and is neither an agent nor an employee of the City. Co-Sponsor is solely responsible for directing and controlling Co-Sponsor's resources and staff to achieve the goals of this Agreement.
- 9. MANDATORY DISCLOSURES:** Texas law requires that vendors make certain disclosures. Prior to the effective date of this Contract, the Contractor has submitted to the City a copy of the Conflict-of-Interest Questionnaire form (CIQ Form) approved by the Texas Ethics Commission (Texas Local Government Code Chapter 176). The Contractor shall submit a Form 1295 to the Texas Ethics Commission. The Contractor also confirms it is in compliance with all Texas requirements related to government contracts including: (1) no boycott of Israel; (2) not listed as a foreign terrorist organization by the Texas Comptroller of Public Accounts; (3) Contractor does not have a policy or practice of discriminating against firearm entities or firearm trade associations; (4) Contractor does not boycott energy companies; and Contractor is compliant with all other Texas laws including any additional disclosure requirements).
- 10. INJURIES/INSURANCE:** Co-Sponsor acknowledges his/her obligation to obtain appropriate insurance coverage for the benefit of Co-Sponsor's employees and volunteers. Any user of City Equipment shall be covered by Co-Sponsor's insurance. Co-Sponsor waives the rights to recovery from City for any injuries that Co-Sponsor and/or Co-Sponsor's employees or volunteers may sustain while performing services under this Agreement. Co-Sponsor is to provide a copy of a certificate of insurance coverage to City at least ten (10) days prior to end of any existing coverage period if Co-Sponsor uses the services of any of Co-Sponsor's employees and volunteers for the provision of services to the City.
- 11. DURATION:** This Agreement shall be enforceable when signed by both parties and shall be deemed terminated March 31, 2026, or as outlined below.
- 12. TERMINATION:**
- 12.1.** This Agreement may be terminated by mutual consent of the parties.
- 12.2.** This Agreement may be terminated by either party without prejudice upon written notice to the other party via certified mail, return receipt requested, thirty (30) days prior to

commencement of the use of DSRP.

- 12.3. Termination shall release each party from all obligations of this Agreement, except as specified below.
- 12.4. Termination of this Agreement, as provided above, shall not prohibit, or impair any claim by either party based upon any breach of this Agreement.
- 12.5. The City shall determine if Co-Sponsor shall be relieved of Co-Sponsor's obligation to participate at DSRP due to inclement weather.
- 12.6. *Force Majeure*: In situations in which Co-Sponsor's participation at DSRP is delayed, cancelled, or suspended due to Acts of God, severe weather, natural disaster, state of public emergency, or strike, the terms of this Agreement are waived.

13. INDEMNIFICATION:

CO-SPONSOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING ATTORNEY'S FEES, ARISING OUT OF OR RESULTING FROM THE CITY'S ASSOCIATION WITH CO-SPONSOR UNDER THIS AGREEMENT, PROVIDED THAT A Y SUCH CLAIMS, DAMAGE, LOSS, OR EXPENSE IS/ARE ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE OR DEATH, INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY, INCLUDING THE LOSS OF USE RESULTING THEREFROM, AND IS/ARE CAUSED BY ANY NEGLIGENT OR WILLFUL ACT OR OMISSION OF CO-SPONSOR, AND ANYONE ACTING UNDER THE DIRECT EMPLOYME T OF THE CITY.

14. CONTROLLING LAW & VENUE: Any and all disputes that may arise in relation to this Agreement shall be subject to the laws of the State of Texas. Venue for any disputes arising under this Agreement shall be in *Hays County, Texas*.

15. NOTICES: Any notice provided for by this Agreement and any other notice, demand, or communication which either party may wish to send to the other, shall be in writing and given by (a) hand delivery. (b) express overnight delivery service, or (c) registered or certified United States mail, return receipt requested. Notices shall be addressed to the party for whom such notice, demand or communication is intended at such party's address as set forth below.

City:

Attention: DSRP Manager
 Post Office Box 384
 Dripping Springs, Texas 78620
 Phone: (512) 858-4725

Co-Sponsor:

Attention: Noel McAlexander
 P.O. Box 189
 Dripping Springs 78620
 Phone: 512-981-8482

16. HEADINGS: The headings and titles to the Articles, Paragraphs and Subparagraphs of this Agreement are inserted for convenience only and shall not be deemed a part hereof nor affect the construction or interpretation of any provision hereof.

17. ASSIGNMENT: Neither Party shall assign, sublet, or transfer any interest in this Agreement without written consent of the other Party. Nothing herein shall be construed as giving any rights or benefits hereunder to anyone other than the City and Co-Sponsor.

18. BINDING ON SUCCESSORS: This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

19. SEVERABILITY: Any provisions of this Agreement prohibited or unenforceable by law shall be ineffective without affecting any other provision of this Agreement or shall be deemed to be severed or modified to conform to such law, and the remaining provisions of this Agreement shall remain in force, provided that the purpose of this Agreement can be achieved. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

20. MERGER: This instrument, and all Attachments affixed hereto, constitutes the entire Agreement between the City and Co-Sponsor. To the extent there are any conflicts between this Agreement and the attachments, this Agreement shall govern. This Agreement supersedes all other agreements, oral or written made with respect to the participation at DSRP.

21. MODIFICATIONS: All amendments or modifications to the Agreement must be in writing. No modification shall be effective until approved by both parties.

22. COUNTERPARTS: This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all of such counterparts together shall constitute but one and the same instrument.

BE IT HEREBY AGREED & APPROVED, for good & valuable consideration, as described herein, the sufficiency of which is hereby acknowledged.

Executed this, the ____ day of _____ 2025.

City of Dripping Springs

Texas Beef Initiative

by: _____
Michelle Fischer, City Administrator

by: _____
Noel McAlexander, President



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Johnna Krantz, Community Events Coordinator

Council Meeting Date: April 15, 2025

Agenda Item Wording: **Approval of a Founders Day Participation Agreement with the Dripping Springs Lions Club regarding Food Vendor Booths and Carnival at the 2025 festival.** *Sponsor: Council Member Parks*

Agenda Item Requestor: Johnna Krantz, Community Events Coordinator

Summary/Background: The Dripping Springs Lions Club is to provide entertainment by The Mighty Thomas Carnival, as well as food vendor booths during the 2025 Founders Day Festival. The Carnival is to be located at the City Hall Property, Mercer St., and DSISD Administration Property. Food vendor booths will be located in the Right-of-Way on College Street.

The DS Lions Club will pay the City 25% of the profits from the carnival and 25% of booth rental fees with an electrical reimbursement fee of \$20.00 per food vendor.

Commercial Food Vendors are subject to inspection by the City Health Inspector and will pay a reduced flat rate fee of \$30.00 for their Temporary Food Establishment Permit because the festival is a City Sponsored Event. The TFE fee would be waived for Non-Profit Food Vendors.

Staff Recommendations: Approve the Participation Agreement with the Lions Club for the 2025 Founders Day Festival with reduced TFE permit fee for Commercial Food Vendors.

Attachments: 2025 - Dripping Springs Lions Club – Founders Day Participation Agreement

Next Steps/Schedule: Execute the 2025 Founders Day Participation Agreements with the Dripping Springs Lions Club



DRIPPING SPRINGS
Texas
Founders Day Festival 2025
Participation Agreement

This *Founders Day 2025 Participation Agreement* (“**Agreement**”) is for the performance of certain goods and/or services, as specified below:

1. **PARTIES:** This Agreement is hereby executed by and between the City of Dripping Springs, Texas, and Dripping Springs Lions Club (“**Contractor**”).
2. **DEFINITIONS:**
 - (a) **City:** The City of Dripping Springs, a Type-A General Law Municipality located in Hays County, Texas.
 - (b) **City Council:** The governing body of the City of Dripping Springs.
 - (c) **Event:** The Founders Day Festival, a civic celebration, held in Dripping Springs, Texas from April 25-27, 2025.
3. **DESCRIPTION:** Contractor is hereby engaged to provide The Mighty Thomas Carnival and Food Vendor Booths, more particularly described in Attachments "A", "B" and "C", which are incorporated herein for all intents and purposes.
4. **SCOPE:** Agreement applies to Contractor's participation in the Event, which shall be conducted as more particularly described in Attachments "A", "B" and "C" from April 25 to April 27, 2025.
5. **LOCATION:** This Agreement is fully performable in Dripping Springs, Texas. The locations are as follows:
 - (a) **Carnival:** Lions Club will contract with the Mighty Thomas Carnival (MTC)-MTC will set up at the City Hall Property, Mercer Street Right of Way and DSISD Administration Property as described in Attachment “A” or as may be reasonably determined by the City.
 - (b) **Food Vendors:** All Food Vendor Booths located within the Rights-of-Way in the Designated Founders Day Area as described in Attachments “B” and “C” or as may be reasonably determined by the City.

6. CONSIDERATION: In consideration of Contractor's participation in the Event,

- (a) Contractor agrees to pay City 25% of the Carnival profits, 25% of the food vendor profits, and \$20.00 per food vendor to offset the cost of electricity.
- (b) Such fee shall be due and payable by check payable at the City's principal place of business no later than May 9, 2025.

7. TEMPORARY FOOD ESTABLISHMENTS:

(a) **For-Profit Vendors:** All for-profit food vendors participating in the Event shall:

- (i) pay a reduced flat fee of thirty dollars (\$30.00) per vendor, regardless of the number of days or booth spaces;
- (ii) complete and submit the City's Temporary Food Establishment (TFE) form prior to the Event; and
- (iii) be subject to inspection by the City Health Inspector during Event setup.

(b) **Non-Profit Vendors:** All non-profit food vendors must complete and submit the TFE form but are exempt from the vendor fee requirement. Non-profit status must be verified through current 501(c)(3) documentation.

(c) The City's Health Inspector shall have the authority to deny participation to any vendor failing to meet health and safety requirements during inspection.

8. SUPPLIES: Contractor agrees to provide all supplies, tools, and equipment necessary for performance under this Agreement.

9. DURATION: This Agreement shall be in effect for no more than one year and shall be deemed terminated when all duties and obligations created herein are fully satisfied.

10. TERMINATION:

10.1 This Agreement may be terminated by mutual consent of the parties.

10.2 This Agreement may be terminated by either party without prejudice upon written notice to the other party via certified mail, return receipt requested, thirty (30) days prior to commencement of the Event.

10.3 Termination shall release each party from all obligations of this Agreement, except as specified below.

10.4 Termination of this Agreement, as provided above, shall not prohibit, or impair any claim by either party based upon any breach of this Agreement.

10.5 The City shall determine if Contractor shall be relieved of Contractor's obligations to participate in the Event due to inclement weather.

10.6 Force Majeure: In situations in which Contractor's participation in the Event is delayed, cancelled, or suspended due to acts of God, severe weather, natural disaster, state of public emergency, or strike, the terms of this Agreement are waived.

11. SITE MAINTENANCE:

- 11.1** Contractor shall not perform waste or damage the site.
- 11.2** Contractor shall exercise reasonable care and due diligence to avoid harming City premises upon which the Event occurs.
- 11.3** Contractor shall restore or rehabilitate the site and the access to it at the termination of this Agreement. This requirement shall not apply to normal wear and compression on the grass.
- 11.4** Contractor shall provide trash cans and remove all trash it generates from the Event.

12. INDEPENDENT CONTRACTOR: The Parties agree that Contractor is an independent contractor and is neither an agent nor an employee of the City. Contractor is solely responsible for directing and controlling Contractor's resources and staff in order to achieve the goals of this Agreement.

13. SAFETY: Contractor shall abide by all state, federal and local rules, and regulations. Contractor shall take all reasonable steps to ensure public safety and protection from fire damage.

14. INSURANCE:

- 14.1 City Insurance:** As the Event's primary sponsor and lead organizer, the City confirms that it has obtained liability coverage that applies to its streets and public areas, and covers the Event, generally.
- 14.2 Contractor's Insurance:** Contractor agrees to maintain general liability insurance to cover its own activities related to its performance under this Agreement. Contractor further agrees to name the City as an additional insured under Contractor's general liability insurance and agrees to provide the City a copy of the certificate of general liability insurance.

15. INDEMNIFICATION: CONTRACTOR, CONTRACTOR'S AGENT'S AND/OR EMPLOYEES SHALL INDEMNIFY AND HOLD THE CITY, CITY'S AGENTS, EMPLOYEES, AND/OR VOLUNTEERS HARMLESS FOR ANY CLAIMS OR CAUSES OF ACTION STEMMING FROM THE CONTRACTOR'S PARTICIPATION AT THE EVENT, INCLUDING BUT NOT LIMITED TO PERSONAL INJURY AND LOST OR DAMAGE TO PROPERTY.

16. RULES: The Contractor shall adhere to all rules established for the Event by the Founders Day Commission.

17. CONTROLLING LAW & VENUE: Any and all disputes that may arise in relation to this Agreement shall be subject to the laws of the State of Texas. Venue for any disputes arising under this Agreement shall be in *Hays County, Texas*.

18. NOTICES: Any notice provided for by this Agreement and any other notice, demand, or communication which either party may wish to send to the other, shall be in writing and given by (a) hand delivery, (b) express overnight delivery service, or (c) registered or certified United States mail, return receipt requested. Notices shall be addressed to the party for whom such notice, demand or communication is intended at such party’s address as set forth below:

To the City:
City of Dripping Springs
Attn: City Administrator
PO Box 384
Dripping Springs, TX 78620
(512) 858-4725

To the Contractor:
Dripping Springs Lions Club
Attn: Board President
PO Box 53
Dripping Springs, TX 78620

19. ASSIGNMENT: Neither party shall assign, sublet, or transfer any interest in this Agreement without written consent of the other Party. Nothing herein shall be construed as giving any rights or benefits hereunder to anyone other than the City and Contractor.

20. BINDING ON SUCCESSORS: This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

21. SEVERABILITY: Any provisions of the Agreement prohibited or unenforceable by law shall be ineffective without affecting any other provision of this Agreement or shall be deemed to be severed or modified to conform to such law, and the remaining provisions of this Agreement shall remain in force, provided that the purpose of this Agreement can be achieved. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

22. MERGER: This instrument, and all Attachments affixed hereto, constitutes the entire Agreement between the City and Contractor. To the extent there are any conflicts between this Agreement and the attachments, this Agreement shall govern. This Agreement supersedes all other agreements, oral or written, made with respect to the Event.

23. MANDATORY DISCLOSURES: Texas law requires that vendors make certain disclosures. Prior to the effective date of this Contract, the Contractor has submitted to the City a copy of the Conflict of Interest Questionnaire form (CIQ Form) approved by the Texas Ethics Commission (Texas Local Government Code Chapter 176. The Contractor also confirms it is in compliance with all Texas requirements related to government contracts including: (1) no boycott of Israel; (2) not listed as a foreign terrorist organization by the Texas Comptroller of Public Accounts; (3) Contractor does not have a policy or practice of discriminating against firearm entities or firearm trade associations; (4) Contractor does not boycott energy companies; and Contractor is compliant with all other Texas laws including any additional disclosure requirements.

24. MODIFICATIONS: All amendments or modifications to the Agreement must be in writing. No modification shall be effective until approved by both parties.

25. COUNTERPARTS: This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all of such counterparts together shall constitute but one and the same instrument.

BE IT HEREBY AGREED & APPROVED, for good and valuable consideration, as described herein, the sufficiency of which is hereby acknowledged.

CITY OF DRIPPING SPRINGS

DRIPPING SPRINGS LIONS CLUB

Michelle Fischer, City Administrator

Sharon Goss, President

Date

Date

Attachment "A"



Attachment "B"

FOOD VENDOR BOOTH LAYOUT



Attachment "C"





STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Lily Sellers, Dripping Springs Ranch Park Manager

Council Meeting Date: April 9, 2025

Agenda Item Wording: **Discuss and consider approval of Professional Services & Use Agreement between the City of Dripping Springs and Hell Country Productions, Inc. for a Haunted House at Dripping Springs Ranch Park.** *Sponsor: Council Member Sherrie Parks*

Agenda Item Requestor: Lily Sellers

Summary/Background: After a successful Haunted House event last year, Hell Country Haunts would like to host their Haunted House at Dripping Springs Ranch Park again this year. No changes this year other than dates. DSRP continues to waive fees of all rental charges. We will continue with the previous 60/40 profit share with DSRP receiving 40%. DSRP will pay Hays County Livestock Show 10% of the 40%.

Commission Recommendations: Dripping Springs Ranch Park Board voted unanimously to approve.

Recommended Council Actions: Staff recommends approving as presented with DSRP staff facilitating all operational needs and any additional city requirements pre and post opening of the seasonal attraction/event

Attachments: 2025 - Hell Country Productions Inc. (Hell Country Haunt)

Next Steps/Schedule: Upon City Council approval, execute agreement.

CONTRACTOR USE AGREEMENT

This AGREEMENT is made and entered into this, the _____ day of _____ 2025 by and between the **City of Dripping Springs**, Texas, a municipal corporation (hereinafter referred to as “City”), and **Hell Country Productions, Inc.**, a 501(c)(3) corporation registered to do business in the State of Texas (hereinafter referred to as “Contractor”).

1. Project Summary: Contractor will provide a Haunted House and Hayride Attraction at the Dripping Springs Ranch Park Event Center.

2. Duties.

A. Duties of Contractor.

- (1) Build temporary set to serve as a Haunted House that adheres to approved specifications set forth by the City of Dripping Springs’ municipal codes to obtain proper and necessary permits for event. If set is altered from original proposed/approved submission, Contractor must obtain further City written approval of alterations immediately before commencing construction from the Ranch Park Manager or designee in consultation with the Emergency Management Coordinator.
- (2) Represent the City in a professional manner.
- (3) Communicate progress and goals with Dripping Springs Ranch Park Management.
- (4) Provide a safe environment for all attraction patrons by adhering to park rules as well as any rules or laws adopted by Hays County, the City of Dripping Springs, and the State of Texas.
- (5) Engage in excellent communication and customer service while working well with the public.
- (6) Submit security plan for approval to City Emergency Management Coordinator. Providing proof of retained security during the hours of operation.
- (7) Work with City Emergency Management Coordinator and Dripping Springs Ranch Park Management to create an Emergency Action Plan for the attraction.
- (8) Provide and operate a Hayride that transports patrons from parking to the Haunted House. City Emergency Management Coordinator and Dripping Springs Ranch Park Management must approve the Hayride vehicle, related equipment, and path.
- (9) Address any complaints or concerns from attraction patrons, recording and submitting to Dripping Springs Ranch Park Management any incidents and accidents.
- (10) Contractor will provide volunteers/staffing that will direct attraction patrons to the correct location accommodating event parking.

- (11) Contractor will operate the attraction on the following dates and times:
- a. Friday October 10th, 2025: 7:30PM – 10:00 PM
 - b. Saturday, October 11th, 2025: 7:30PM – 10:00 PM
 - c. Friday, October 17th, 2025: 7:30PM – 10:00 PM
 - d. Saturday October 18th, 2025: 7:30PM – 10:00 PM
 - e. Friday, October 24th, 2025: 7:30PM – 10:00 PM
 - f. Saturday, October 25th, 2025: 7:30PM – 10:00 PM
 - g. Thursday, October 30th, 2025: 7:30PM – 11:00 PM
- (12) Flexibility to provide a “soft close” will be provided by on-site attraction staff and city staff to accommodate long lines and facilitate a positive attraction patron experience.
- (13) Contractor will adhere to the Traffic Control Plan prepared by the City Engineer for the attraction.
- (14) All outdoor lighting and signage shall be provided for review and approved prior to placement on site.

B. Duties of City.

- (1) The City shall provide space at Dripping Springs Ranch Park for the Contractor to construct and operate a Haunted House and to operate a Hayride.
 - (2) Dripping Springs Ranch Park staff shall provide customer service by staffing the Event Center Business Office during all hours of attraction operation, provide for the attraction ticket sales, and support attraction operations.
 - (3) City shall provide a safe, clean, and well-kept location at Dripping Springs Ranch Park for hosting the attraction.
 - (4) City Engineer shall submit a Traffic Control Plan for the attraction to Dripping Springs Ranch Park Management and the Contractor.
 - (5) Dripping Springs Ranch Park Management will work with Contractor and with City Communications & Marketing Director on all print, internet, and social media advertisement and marketing. City Communications & Marketing Director will oversee and approve all advertising and media for the attraction.
- 3. Duration.** The term of this Agreement shall begin upon execution and end upon completion of the performance of all obligations hereunder.

4. **Termination.** This agreement can be terminated without cause by either party giving thirty (30) days written notice to the other party. The City, at its sole discretion for any reason whatsoever, may cancel this agreement at any time and without prior notice if the City determines that the activity is not in the best interest of the City.

5. **Pay/Fees.**

A. All fees are subject to final approval by the City Council at the recommendation of the Parks and Community Services staff.

B. City will retain a Use Fee equal to forty percent (40%) of gross attraction ticket sale revenue. City will pay Hays County Livestock Exposition ten percent (10%) of the City’s revenue for use of the Expansion Event Room.

C. City will pay the Contractor sixty percent (60%) of the gross attraction ticket sale revenue collected by city staff through ticket sales. Ten percent (10%) of the Contractor’s revenue shall be donated to a 501(c)(3) of the Contractor’s choice. Payment will be accompanied by an accurate system-generated report accounting of total sales no later than seven business days after the conclusion of the event and presence of Contractor on premises.

6. **Notices.** Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

To the City:
City of Dripping Springs
Attn: City Administrator
PO Box 384
Dripping Springs, TX 78620

To the Contractor:
Hell Country Productions, Inc.
Attn: Aaron Sulser
1032 Blue Ridge Dr.
Dripping Springs, TX 78620

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service. Instructor or City may change the address for notices at any time with seven (7) days written notice to the other party.

7. **General Provisions.**

A. **Relationship of Parties:** It is understood by the parties that Contractor is an independent Contractor with respect to the City and not an employee of the City. City will not provide fringe benefits, including health insurance benefits, paid vacation, or any employee benefit, for the benefit of independent Contractor. The City may contract with other individuals or firms for entertainment services.

- B. Injuries/Insurance:** Contractor acknowledges the Contractor's obligation to obtain appropriate insurance coverage with the City named as an additional named insured. Required insurance in Attachment "A". Contractor waives the rights to recovery from City for any injuries that Contractor may sustain while performing services under this Agreement. Contractor is to provide a copy of insurance coverage to City at least ten (10) days prior to the end of any existing coverage period if Contractor uses the services of any of Contractor's employees for the provision of services to the City. The City shall be named as an additional named insured on the Insurance.
- C. Indemnification:** Contractor agrees to indemnify and hold City harmless from all claims, losses, expenses, fees, including attorney's fees, costs, and judgments that may be asserted against City that result from acts or omissions of Contractor.
- D. Assignment:** Contractor's obligation under this Agreement may not be assigned or transferred to any other person, firm, or corporation without the prior written consent of City.
- E. Mandatory Disclosures:** Texas law requires that vendors make certain disclosures. Prior to the effective date of this Contract, the Contractor has submitted to the City a copy of the Conflict of Interest Questionnaire form (CIQ Form) approved by the Texas Ethics Commission (Texas Local Government Code Chapter 176) and the Affidavit regarding Prohibition on Contracts with Companies Boycotting Israel (Texas Government Code Chapter 2270).
- F. Force Majeure** means acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind from the government of the United States or the State of Texas or military authority, insurrections, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, restraint of the government and the people, explosions, or other causes not reasonably within the control of the party claiming such inability. Neither CITY nor Instructor shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reasons for which it is not responsible as defined herein. However, notice of such impediment or delay in performance must be timely given, and all reasonable efforts undertaken to mitigate its effects.
- G. Entire Agreement:** The text herein and attachments noted above shall constitute the entire Agreement between the parties. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.
- H. Effective Date:** This Agreement shall become effective commencing on the date of execution as indicated below.
- I. Severability:** If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

J. Enforcement and Venue: This Agreement shall be construed under and according to the laws of the State of Texas and venue for enforcement shall be in Hays County.

K. Waiver of Contractual Right: The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of that party's right to subsequently enforce and compel strict compliance with every provision of the Agreement.

IN WITNESS WHEREOF, the City of Dripping Springs has caused this Agreement to be signed and executed on its behalf by its authorized official, and Contractor has signed and executed this Agreement, both in duplicate, the day and year first above written.

CITY OF DRIPPING SPRINGS:

CONTRACTOR:

Michelle Fischer
City Administrator

Aaron Sulser, Hell Country Productions, Inc

Date

Date

ATTACHMENT "A"

CITY OF DRIPPING SPRINGS CONTRACTOR INSURANCE REQUIREMENTS

Firm providing goods, materials and services for the City of Dripping Springs shall, during the term of the contract with the City of Dripping Springs or any renewal or extension thereof, provide and maintain the types and amounts of insurance set forth herein. All insurance and certificate(s) of insurance shall contain the following provisions:

1. Name the City of Dripping Springs as additional named insured as to all applicable coverage.
2. Provide for at least thirty (30) days prior written notice to the City of Dripping Springs for cancellation, non-renewal, or material change of the insurance.
3. Provide for a waiver of subrogation against the City of Dripping Springs for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.

Insurance Company Qualification: All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service.

Certificate of Insurance: Certificates of Insurance evidencing all of the required insurance coverages shall be submitted with the Firm's submission. Copies of any modifications, amendments, renewals, or terminations of any coverage shall be promptly submitted to the City. If the contract is extended by the City of Dripping Springs, certificates of insurance evidencing all of the required insurance coverages shall be provided to the City prior to the date the contract is extended.

Type of Contract and Amount of Insurance:

- Statutory Workers Compensation insurance as required by state law.
- Commercial General Liability minimum limits of \$500,000 per occurrence for bodily injury, personal injury, and property damage.
- Automobile Liability with a minimum of \$500,000 Dollars combined single limit.



City Council Planning Department Staff Report

City Council Meeting: April 15, 2025
Project No: CUP2025-001
Project Planner: Tory Carpenter, AICP – Planning Director

Item Details

Project Name: Face Alchemy
Property Location: 251 Old Fitzhugh Road
Legal Description: 0.37 acres of the Philip A Smith Survey
Applicant: Courtney Deavers – Face Alchemy PLLC
Property Owner: Courtney Deavers - Face Alchemy PLLC
Request: Conditional Use Permit (CUP) renewal for a Permanent Makeup Facility (Tattoo Studio)



The applicant is requesting a Conditional Use Permit (CUP) to allow the operation of a permanent makeup facility. While the land use chart does not explicitly identify permanent makeup as a specific use, this type of business requires a tattoo permit from the State of Texas. Based on staff's review, the permanent makeup facility is considered a Tattoo Studio, which is a Conditional Use in the General Retail (GR) zoning district.

The following business description was provided by the applicant:

“Face Alchemy will provide medspa services for all genders (majority being female) aged 18 and over in addition to medical acne clinic services to all genders 13 and older. Services will include acne clinic, weight loss management, skin rejuvenation, injectable procedures, collagen and elastin stimulation via injectables, chemical peels and microneedling. They will also offer facial services with the esthetician.

Capri Microblades is an expert in her field of permanent makeup, specializing in brow artistry. As a permanent makeup specialist, she is considered a “tattoo artist” and thus we will need to be zoned appropriately.

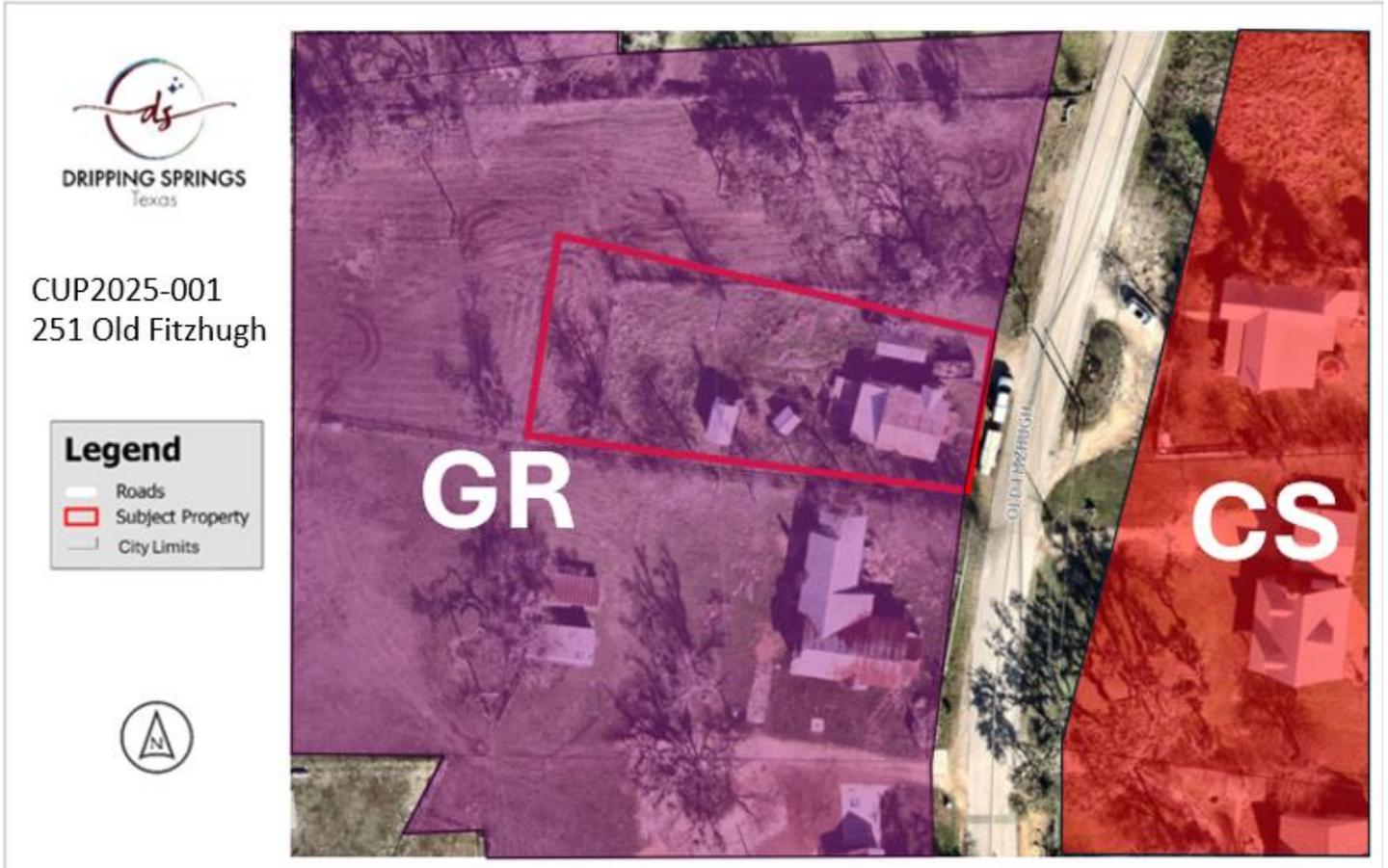
On February 6, 2025, the Historic Preservation Commission approved a Certificate of Appropriateness for several exterior improvements to the building at 251 Old Fitzhugh Road.”



Direction	Setback	Code	requirement
------------------	----------------	-------------	--------------------

	(Fitzhugh Historic District)
Front	Ten Feet (10')
Rear	Ten Feet (10')
Side	Five feet (5')

Surrounding Properties



The current zoning and existing uses of the adjacent properties to the north, south, east, and west are outlined in the table below:

Direction	Zoning District	Existing Use	Comprehensive Plan
North	General (GR)	Vacant	Not Applicable
East	Commercial Services (CS)	Single Family Residences	
South	General (GR)	Proposed Commercial	
West	General (GR)	Vacant	

Approval Criteria for Conditional Use Permit Review (3.17.6-Zoning Ordinance)

Approval Criteria	Staff Comments
1. The proposed use at the specified location is consistent with the policies embodied in the Comprehensive Plan;	<p>The following comprehensive goals support this request:</p> <p>1. Support expansion of business and professional services.</p>
2. The proposed use is consistent with the general purpose and intent of the applicable zoning district regulations;	<p>General Retail (GR) zoning allows commercial and retail uses, and a tattoo studio is a conditional use.</p>
3. The proposed use meets all supplemental standards specifically applicable to the use, as established in the Development Standards, Section 5;	<p>The applicant must comply with all development and health regulations.</p>
4. The proposed use is compatible with and preserves the character and integrity of adjacent development and neighborhoods, and (as required by the particular circumstances) includes improvements or modifications (either on-site or within the public rights-of-way) to mitigate development-related adverse impacts, including but not limited to the following:	<p>The business is located within an existing commercial building.</p>
<p>a. Adequate ingress and egress to property and proposed structures thereon with particular reference to vehicular and pedestrian safety and convenience, and access in case of fire;</p>	<p>The site has sufficient pedestrian and vehicular access.</p>
<p>b. Off-street parking areas, loading areas, and pavement type;</p>	<p>An expansion of the parking area would likely be required to meet the minimum parking requirements.</p>
<p>c. Refuse and service areas;</p>	<p>The applicant will be responsible for waste disposal.</p>
<p>d. Utilities with reference to location, availability, and compatibility;</p>	<p>The site has access to all necessary utilities.</p>
<p>e. Screening and buffering, features to minimize visual impacts, and/or setbacks from adjacent uses;</p>	<p>No Screening is proposed.</p>
<p>f. Control of signs, if any;</p>	<p>The applicant has submitted a sign permit to ensure compliance with the sign ordinance.</p>
<p>g. Control of exterior lighting with reference to glare, traffic safety, economic effect, and compatibility and harmony with properties in the district;</p>	<p>Must comply with the City's dark sky ordinance.</p>
<p>h. Required yards and open space;</p>	<p>Not applicable.</p>
<p>i. Height and bulk of structures;</p>	<p>The existing structure meets all applicable requirements.</p>

j. Hours of operation;	Staff does not have concerns regarding hours of operation of the business.
k. Exterior construction material, building design, and building facade treatment;	The existing structure meets all applicable requirements.
l. Roadway adjustments, traffic-control devices or mechanisms, and access restrictions to control traffic flow or divert traffic as may be needed to reduce or eliminate development-generated traffic on neighborhood streets; and	Not applicable.
m. Provision for pedestrian access/amenities/areas;	This site will have pedestrian improvements from the proposed Old Fitzhugh reconstruction plans.
5. The proposed use is not materially detrimental to the public health, safety, convenience and welfare, or results in material damage or prejudice to other property in the vicinity; and,	Staff finds that the proposed use will not be detrimental or damaging to the surrounding properties, these properties being similarly commercially zoned.
6. Noise;	No concerns noted.
7. Odors; and	No concerns noted.
8. Dust.	No concerns noted.

Recommendation

Staff recommends **approval** of the Conditional Use Permit with the following condition:

1. The Conditional Use Permit is limited to the provision of permanent makeup and related cosmetic procedures as permitted under state regulations.

At their regular meeting on March 26, 2025, the Planning & Zoning Commission voted to unanimously recommend approval with staff’s recommended conditions.

Public Notification

A legal notice advertising the public hearing was placed in the Dripping Springs Century-News, signs were posted on the-site, notice was placed on the City Website, and all property owners within a 300-foot radius of the site were notified of the Conditional Use Permit request. At the time of this report, staff received one email in support of the request.

Meetings Schedule

- March 26, 2025– Planning and Zoning Commission
- April 15, 2025 - City Council Meeting

Attachments

Attachment 1 - Conditional Use Permit Application

Attachment 2 – Application Materials

Recommended Action:	Recommend approval of the request with staff conditions.
Alternatives/Options:	Recommend denial of the Conditional Use Permit; recommend approval of the Conditional Use Permit with no or alternate conditions.
Budget/Financial Impact:	None calculated at this time, but the City would receive additional sales tax revenue.
Public Comments:	Staff has not received any public comments at this time.
Enforcement Issues:	N/A
Comprehensive Plan Element:	Support the expansion of business and professional services Support Tourism related businesses



BILLING CONTACT FORM

Project Name: 251 Old Fitzhugh

Project Address: 251 Old Fitzhugh, Dripping Springs, TX 78620

Project Applicant Name: Courtney Deavers

Billing Contact Information

Name: Courtney Deavers

Mailing Address: 513 S. Lariat Circle

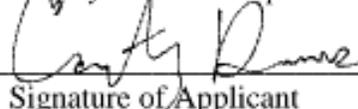
Dripping Springs, TX 78620

Email: Courtney.deavers@facealchemy.org Phone Number: (512) 962-9246

Type of Project/Application (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Alternative Standard | <input type="checkbox"/> Special Exception |
| <input type="checkbox"/> Certificate of Appropriateness | <input type="checkbox"/> Street Closure Permit |
| <input checked="" type="checkbox"/> Conditional Use Permit | <input type="checkbox"/> Subdivision |
| <input type="checkbox"/> Development Agreement | <input type="checkbox"/> Waiver |
| <input type="checkbox"/> Exterior Design | <input type="checkbox"/> Wastewater Service |
| <input type="checkbox"/> Landscape Plan | <input type="checkbox"/> Variance |
| <input type="checkbox"/> Lighting Plan | <input type="checkbox"/> Zoning |
| <input type="checkbox"/> Site Development Permit | <input type="checkbox"/> Other _____ |

*Applicants are required to pay all associated costs associated with a project's application for a permit, plan, certificate, special exception, waiver, variance, alternative standard, or agreement, regardless of City approval. Associated costs may include, but are not limited to, public notices and outside professional services provided to the City by engineers, attorneys, surveyors, inspectors, landscape consultants, lighting consultants, architects, historic preservation consultants, and others, as required. Associated costs will be billed at cost plus 20% to cover the City's additional administrative costs. **Please see the online Master Fee Schedule for more details.** By signing below, I am acknowledging that the above listed party is financially accountable for the payment and responsibility of these fees.*



Signature of Applicant

2/4/2025

Date

Business Overview

251 Old Fitzhugh is a 1940's historic home that will be converted into a bespoke medical spa, providing a variety of non-surgical medical beauty care to clients in and around Dripping Springs, TX.

The PLLC that will occupy the building is Dripping Springs Beauty and Co, Face Alchemy and Capri Microblades.

Products and Services

Face Alchemy will provide medspa services for all genders (majority being female) aged 18 and over in addition to medical acne clinic services to all genders 13 and older. Services will include acne clinic, weight loss management, skin rejuvenation, injectable procedures, collagen and elastin stimulation via injectables, chemical peels and microneedling. They will also offer facial services with the esthetician.

Capri Microblades is an expert in her field of permanent makeup, specializing in brow artistry. As a permanent makeup specialist, she is considered a "tattoo artist" and thus we will need to be zoned appropriately. We are currently zoned general retail commercial.

We appreciate your consideration, and look forward to moving into our new space on Old Fitzhugh. We are so excited to be a part of the historic district.

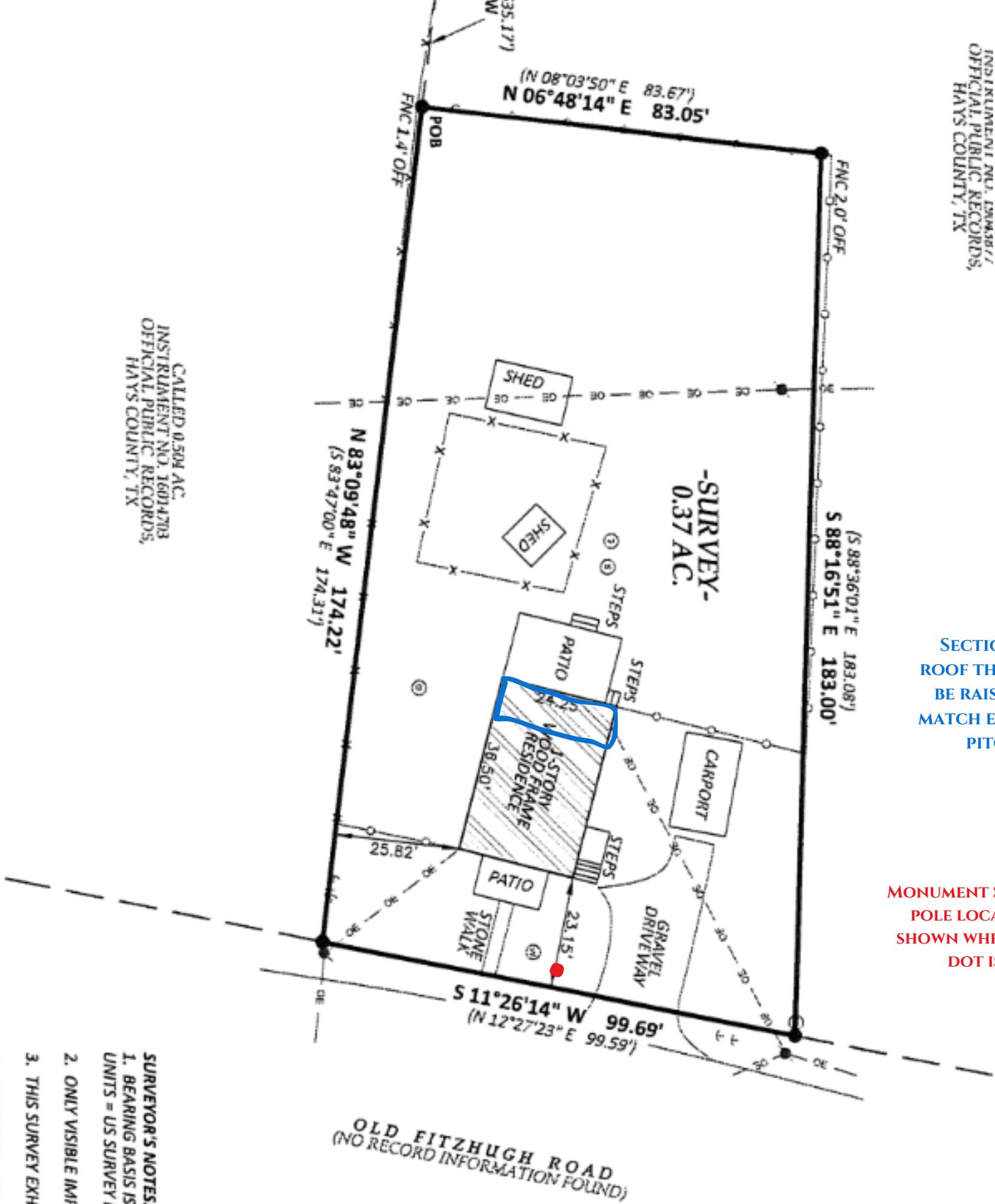


1 FT Dripping Springs Beauty & Co.

8 FT

36" ARM BY 6' TALL POLE

INSTRUMENT NO. 15963877
 OFFICIAL PUBLIC RECORDS,
 HAYS COUNTY, TX



SECTION OF
 ROOF THAT WILL
 BE RAISED TO
 MATCH EXISTING
 PITCH

MONUMENT SIGNAGE
 POLE LOCATION
 SHOWN WHERE RED
 DOT IS

CALLLED 0.504 AC.
 INSTRUMENT NO. 16014703
 OFFICIAL PUBLIC RECORDS,
 HAYS COUNTY, TX

OLD FITZHUGH ROAD
 (NO RECORD INFORMATION FOUND)

- SURVEYOR'S NOTES:**
1. BEARING BASIS IS G
 - UNITS = US SURVEY FT
 2. ONLY VISIBLE IMPR
 3. THIS SURVEY EXHIB
 4. SUBJECT TRACT LIE
 - MAP NO. 48209C0105



CURRENT STATE OF 251 OLD FITZHUGH

CURRENT ROOF LINE



PROPOSED CHANGE















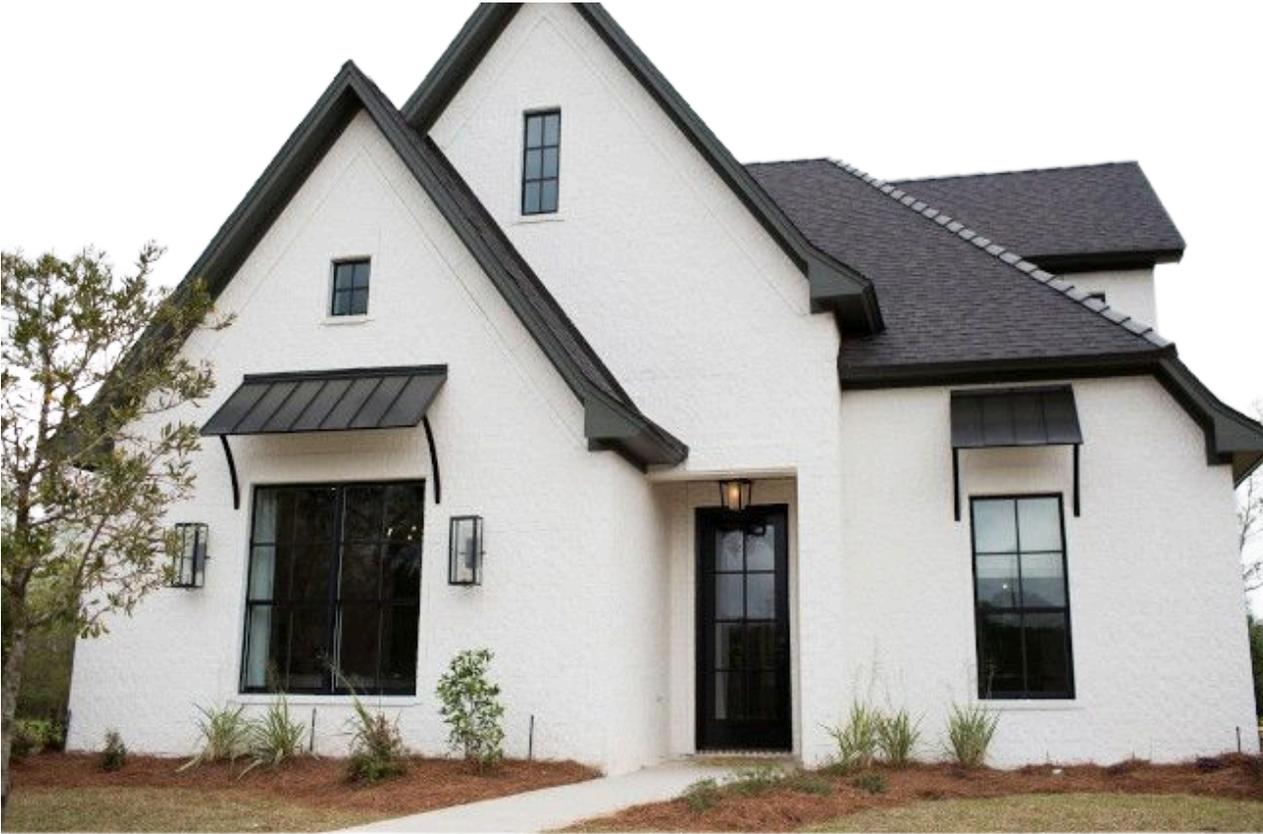








CHARCOAL GREY ROOF PANELS



ALABASTER WHITE EXTERIOR

Channel letters will be 1ft tall,
spanning 8ft across, unlit , metal

1 FT Dripping Springs Beauty & Co. 8 FT

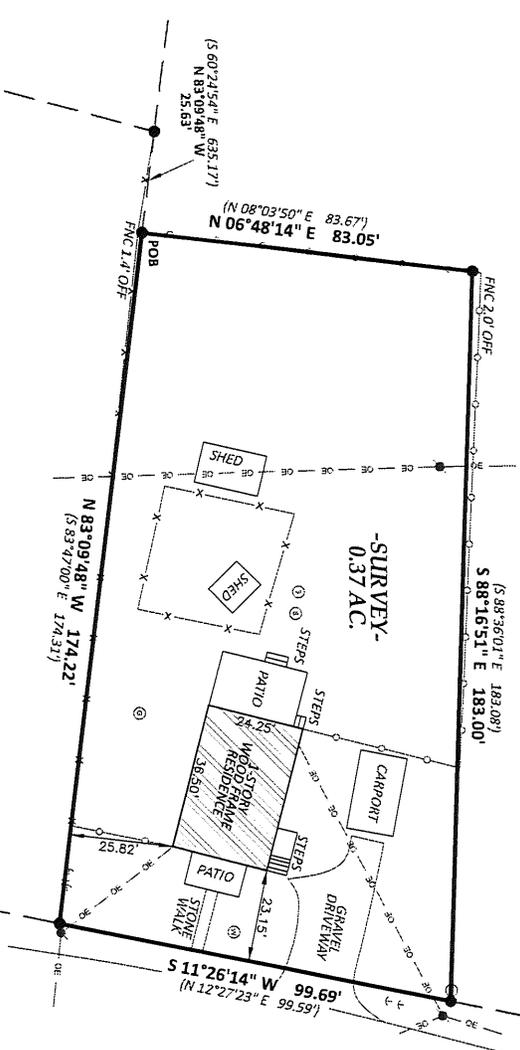
Wooden monument sign
posts are 4x4 , 6' at the highest point
metal base 8' long x 3'wide x 1' tall
address in metal letters 6" tall

Orientation of sign will be
rotated 90 degrees so that
signage will be visible to traffic
moving both directions



CALLED 1.158 AC
INSTRUMENT NO. 19048272
OFFICIAL PUBLIC RECORDS,
HAYS COUNTY, TX

The undersigned has
received, reviewed and accepted
this survey
this day of Dec. 2024
Signed: *Carly Dower*



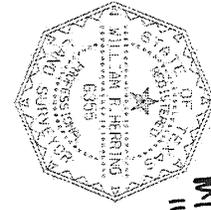
CALLLED 0.094 AC
INSTRUMENT NO. 16142128
OFFICIAL PUBLIC RECORDS,
HAYS COUNTY, TX

OLD FITZHUGH ROAD
(NO RECORD INFORMATION FOUND)

- LEGEND
- 1/2" IRON ROD FOUND
 - ⊙ SEPTIC LID
 - ⊙ POWER POLE
 - ⊙ GUY ANCHOR
 - ⊙ WATER METER
 - ⊙ PROPANE TANK
 - POB POINT OF BEGINNING
 - OVERHEAD UTILITY LINE
 - CHAINLINK FENCE
 - WIRE FENCE
 - ADJOINER TRACT BOUNDARY
 - SUBJECT TRACT BOUNDARY



RECORD TITLE TO LAND
CALLED 0.37 AC,
VOL. 1095, PG. 881
OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TX



TO: FACE ATCHERY, PLLC (BORROWER), MAUREEN N. CASEDY (RECORD TITLE TO LAND) AND TITLE RESOURCES GUARANTY COMPANY (TITLE COMPANY):

I, WILLIAM R. HERRING, REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM AN ON-THE-GROUND SURVEY OF THE PROPERTY SHOWN HEREON, CONDUCTED UNDER MY SUPERVISION, AND COMPLES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION III LAND TITLE SURVEY.

SURVEYOR'S NOTES:
1. BEARING BASIS IS GRID NORTH, TEXAS COORDINATE SYSTEM, NAD83 (2011) SOUTH CENTRAL ZONE. UNITS = US SURVEY FEET.
2. ONLY VISIBLE IMPROVEMENTS AND VISIBLE EVIDENCE OF UTILITIES WERE LOCATED.
3. THIS SURVEY EXHIBIT WAS PREPARED IN CONDUCTION WITH A METES AND BOUNDS DESCRIPTION OF EVEN DATE.
4. SUBJECT TRACT LIES WITHIN ZONE "X", AS IDENTIFIED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), ACCORDING TO FEMA MAP NO. 48209C01055, DATED SEPTEMBER 2, 2005. THIS STATEMENT IS DERIVED SOLELY UPON THE ABOVE LISTED FEMA MAP AND IS NOT A GUARANTEE THE SUBJECT TRACT WILL OR WILL NOT FLOOD.

5. ONLY THOSE SURVEY RELATED EASEMENTS AND RESTRICTIONS LISTED IN SCHEDULE 'B' OF THE TITLE COMMITMENT NO. 24-3281-D, EFFECTIVE DATE: OCTOBER 28, 2024, BY TITLE RESOURCES GUARANTY COMPANY, AND RELISTED BELOW WERE REVIEWED FOR THIS SURVEY. NO ADDITIONAL RESEARCH FOR EASEMENTS OR RESTRICTIONS AFFECTING THIS TRACT WAS PERFORMED BY WHITECAP SURVEY COMPANY, LLC.

10) EASEMENT EXECUTED BY WATSON CLAYTON AND GERTRUDE CLAYTON, TO THE SOUTHWESTERN STATES TELEPHONE CO., DATED NOVEMBER 4, 1959, RECORDED IN VOLUME 187, PAGE 483, OF THE DEED RECORDS OF HAYS COUNTY, TEXAS.
- DOES AFFECT. BLANKET EASEMENT/NOT PLOTTABLE

10) EASEMENT EXECUTED BY WATSON CLAYTON AND WIFE, GERTRUDE CLAYTON, TO DRIPPING SPRINGS WATER SUPPLY CORPORATION, DATED FEBRUARY 13, 1964, RECORDED IN VOLUME 139, PAGE 556, OF THE DEED RECORDS OF HAYS COUNTY, TEXAS.
- MAY AFFECT. VARIABLE TO ACQUIRABLE PLAC EASEMENT BY DESCRIPTION PROVIDED IN DEED RECORDS. EASEMENT LOCATION IS BASED ON AS-BUILT LOCATION OF UNDERGROUND WATERLINE WHICH WAS NOT VISIBLE AT THE TIME OF SURVEY.

WHITECAP SURVEY COMPANY, LLC
SURVEY COMPANY

LAND TITLE SURVEY

251 OLD FITZHUGH ROAD
DRIPPING SPRINGS, TX

PROJECT NAME: 251 OLD FITZHUGH ROAD
CLIENT: MAUREEN CASEDY
JOB NUMBER: 2400198
SURVEY DATE: NOVEMBER 21, 2024
SURVEYOR: WH
TECHNICIAN: WHLES

PAGE 1
OF 1

CITY OF DRIPPING SPRINGS

ORDINANCE No. 2025-_____

CONDITIONAL USE PERMIT

AN ORDINANCE APPROVING THE EXTENSION OF A CONDITIONAL USE PERMIT FOR THE USE OF PERMANENT MAKEUP FACILITY WITHIN THE GENERAL RETAIL ZONING DISTRICT FOR A PROPERTY LOCATED AT 251 OLD FITZHUGH ROAD. UNDER EXHIBIT A, ZONING ORDINANCE, SECTION 3.17, CONDITIONAL USE PERMIT AS ATTACHED IN EXHIBIT “A”; AND PROVIDING FOR THE FOLLOWING: FINDINGS OF FACT; ENACTMENT; REPEALER; SEVERABILITY; PUBLICATION; EFFECTIVE DATE; PROPER NOTICE & MEETING.

WHEREAS, the City Council of the City of Dripping Springs (“City Council”) seeks to promote reasonable, sound, and efficient land use and development within the City of Dripping Springs (“City”); and

WHEREAS, pursuant to Chapter 211 of the Texas Local Government Code, the City has the authority to regulate zoning within the City; and

WHEREAS, the City of Dripping Springs desires to approve a conditional use permit because of the unique nature of this property, and the land use is compatible with the permitted land uses in a given zoning district only under current conditions; and

WHEREAS, after notice and hearing required by law, a public hearing was held before the Dripping Springs Planning and Zoning Commission on March 26, 2025, to consider the proposed extension of the Conditional Use Permit and the Planning and Zoning Commission recommended approval of the proposed change; and

WHEREAS, after public hearing held by the City Council on April 15, 2025, the City Council voted to approve the proposed change; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City has general authority to adopt an ordinance or police regulation that is for the good government, peace or order of the City and is necessary or proper for carrying out a power granted by law to the City; and

WHEREAS, the City Council finds that it is necessary and proper for the good government, peace or order of the City of Dripping Springs to adopt this Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Dripping Springs:

1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as expressly set forth herein.

2. ENACTMENT

The Conditional Use Permit is approved as presented in Exhibit “A” to this ordinance.

3. REPEALER

All ordinances, resolutions, or parts thereof, that 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 regulated, herein.

4. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

5. EFFECTIVE DATE

This Ordinance and Conditional Use Permit shall be effective immediately upon passage and publication.

6. PROPER NOTICE & MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, a public hearing was held, and that public notice of the time, place and purpose of said hearing and meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

PASSED & APPROVED this, the 15 day of April 2025, by a vote of ___(ayes) to ___ (nays) to ___ (abstentions) of the City Council of Dripping Springs, Texas.

CITY OF DRIPPING SPRINGS:

by: _____
Bill Foulds, Jr., Mayor

ATTEST:

Diana Boone, City Secretary

Attachment "A"



City of Dripping Springs | Conditional Use Permit

Granted to allow the land use of “permanent makeup facility” on a property that is currently zoned General Retail (GR) District located at:

251 Old Fitzhugh Road, Dripping Springs, Texas, 78620

Approved by the City of Dripping Springs City Council on April 15, 2025

1. The Conditional Use Permit is limited to the provision of permanent makeup and related cosmetic procedures as permitted under state regulations.



Contract Cover Sheet

Contract Number	<p style="text-align: center;">EVE04042025</p> <p><i>Use first three letters of contractor and date of approval. Ex: contract approved for HDR on Jan.18, 2022 the Contract number is HDR20220118. If administratively approved, use the date the contract is submitted to the city signator.</i></p>
Contractor with Contact Information	<p style="text-align: center;">Company: Everon LLC POC:</p>
	<p style="text-align: center;">Address: 1591 Yamato Road, Boca Raton, FL, 33431</p>
	<p style="text-align: center;">Phone Number: 844-538-3766</p>
Effective Date	April 4, 2025
Termination Date	April 4, 2026
Renewal/ Termination Notice Date	30 days
Bid/Quotes/ Budgeted	Dripping Springs Ranch Park has current service agreement with Everon, formerly ADT. We did not receive any additional quotes because of the current service agreement. Everon is the company monitoring our system and knows it extensively. The previous fire system failed and needed to be replaced as soon as possible.
Department	Parks & Community Services - Dripping Springs Ranch Park
Reporting Requirements	Insurance Certificate: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NA
	Conflict Disclosure: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NA
	1295 Reporting: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NA
	Other Reporting Requirements:
Council Meeting Date (if applicable)	Approved administratively but Council updated on April 15, 2025

PROFESSIONAL SERVICES AGREEMENT

This Agreement, made and entered into this _____ day of _____, 2025 by and between the **City of Dripping Springs**, Texas (hereinafter referred to as the “City”) and **Everon, LLC**, (hereinafter referred to as “Contractor”), is understood and agreed to be as set forth herein:

- 1. Project Summary:** Provision and installation of Edwards FACP at Dripping Springs Ranch Park, 1042 Event Center Drive, Dripping Springs, Texas.
- 2. Scope of Work:** Scope of Work includes all work in Attachment “A” (the “Goods and Services”) and including inclusions and exclusions as outlined in Attachment “A”. The Contractor will report directly to Emily Nelson at (737) 702-6399 or Lily Sellers at (512) 435-7607.
- 3. Standard of Care:** The Contractor will provide the Good and Services in accordance with the terms of this Agreement in a timely, courteous, professional, and workmanlike manner consistent with applicable generally accepted industry standards of quality and integrity. The Contractor represents and warrants that it has the skill, expertise and qualifications to perform and provide the Goods and Services described in Attachment “A”.
- 4. Attachment:** All attachments to this Professional Services Agreement are hereby made part hereof as if fully set out herein, and any reference herein to “Agreement” includes the body of this Professional Services Agreement and the following attachment:

Attachment A: City of Dripping Springs Proposal

- 5. Payment for Goods and Services:** The City will pay the Contractor for the performance of the Contract, in current funds, not to exceed \$36,519.06 as set out in Attachment “A” (the “Cap”). If additional work is needed, payments in excess of the Cap must be approved by the City in writing.
- 6. Duration:** This Agreement shall remain in effect for one year from date of execution, unless terminated as provided below or if all work associated with Agreement is completed. Contractor shall start work immediately after the execution of this Agreement.
- 7. Termination:** Either party may terminate this Agreement by a thirty (30) day written notice.
- 8. Relationship of Parties:** It is understood by the parties that Contractor is an independent contractor with respect to the City and not an employee of the City. City will not provide fringe benefits, including health insurance benefits, paid vacation, or any employee benefit, for the benefit of Contractor. The City may contract with other individuals or firms for services of any kind.
- 9. Employees:** Contractor employees, if any, who perform services for City under this Agreement shall also be bound by the provisions of this Agreement. At the request of City, Contractor shall provide adequate evidence that such persons are Contractor’s employees.

- 10. Mandatory Disclosures:** Texas law requires that vendors make certain disclosures. Prior to the effective date of this Contract, the Contractor has submitted to the City a copy of the Conflict of Interest Questionnaire form (CIQ Form) approved by the Texas Ethics Commission (Texas Local Government Code Chapter 176). The Contractor also confirms it is in compliance with all Texas requirements related to government contracts including: (1) no boycott of Israel; (2) not listed as a foreign terrorist organization by the Texas Comptroller of Public Accounts; (3) Contractor does not have a policy or practice of discriminating against firearm entities or firearm trade associations; (4) Contractor does not boycott energy companies; and Contractor is compliant with all other Texas laws including any additional disclosure requirements.
- 11. Indemnification.** Despite anything to the contrary in this Agreement, and in accordance with applicable law and the *Texas Constitution*, the City does not agree to indemnify the Contractor for any expenses in any way connected with this Agreement
- 12. Insurance.** Contractor shall provide statutory Workers' Compensation insurance as required by state law, covering all employees of Contractor engaged in the performance of work under this Agreement. Contractor shall maintain Commercial General Liability (CGL) insurance with minimum limits of \$500,000 per occurrence for bodily injury, personal injury, and property damage. The CGL insurance shall include coverage for premises-operations, products-completed operations, contractual liability, and independent contractors. Contractor shall maintain Automobile Liability insurance covering all owned, hired, and non-owned vehicles used in connection with the work performed under this Agreement, with a minimum combined single limit of \$500,000 per accident for bodily injury and property damage. Contractor shall provide the City with certificates of insurance evidencing all required coverages and endorsements. The certificates shall be signed by a person authorized by that insurer to bind coverage on its behalf. All policies shall be endorsed to provide thirty (30) days' advance written notice to the City of cancellation, non-renewal, or material change in coverage. The City of Dripping Springs shall be named as an additional insured on all required liability policies. All insurance policies required herein shall be primary and non-contributory with any insurance or self-insurance maintained by the City. Each liability policy shall provide for a waiver of subrogation in favor of the City. Failure to maintain the insurance required herein may result in termination of this Agreement at the City's option.
- 13. Assignment:** Contractor's obligation under this Agreement may not be assigned or transferred to any other person, firm, or corporation without the prior written consent of City.

14. Notice: All notice required or permitted under this Agreement shall be in writing and shall be delivered either in person or deposited in the United States mail, postage prepaid, addressed as follows:

For the City:

Attention: City Administrator
City of Dripping Springs
P.O. Box 384
Dripping Springs, TX 78620

For the Contractor:

Attention: General Counsel
Everon LLC
1591 Yamato Road
Boca Raton, FL 33431

Either party may change such address from time to time by providing written notice to the other in the manner set forth above. Notice is deemed to have been received three (3) days after deposit in U.S. mail.

15. Entire Agreement: This Agreement contains the entire Agreement of the parties and there are no other promises or conditions in any other Agreement whether oral or written. This Agreement supersedes and prior written agreements between the parties. If a conflict exists between the body of this Agreement and Attachment "A", the body of this Agreement shall prevail.

16. Amendment: This agreement may be modified or amended only if the amendment is made in writing and is signed by both parties.

17. Severability: If any provision of this Agreement shall be held to be invalid or unenforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

18. Waiver of Contractual Right: The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of that party's right to subsequently enforce and compel strict compliance with every provision of the Agreement.

19. Applicable Law: The laws of the State of Texas shall govern this Agreement.

20. Governing Law and Venue: This Agreement shall be construed under and in accordance with the laws of The State of Texas. The venue for any and all legal disputes arising under this Agreement shall be a court of competent jurisdiction located in Hays County, Texas. Despite anything to the contrary in this Agreement, no disputes arising out of or related to this Agreement shall be subject to arbitration or non-binding mediation unless both parties agree in writing to submit a specific dispute to arbitration or non-binding mediation after such dispute arises.

21. Consequential Damages. Neither party shall be liable to the other for loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; or for any special, consequential, indirect, punitive, or exemplary damages.

22. Site Access and Safety. City shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the Services and will execute any necessary site access agreement. Contractor will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any third parties, including City’s contractors, subcontractors, or other parties present at the site.

THE CITY:
City of Dripping Springs

CONTRACTOR:
Everon LLC

Ginger Faught
Deputy City Administrator

Name:
Title:

Date

Date

ATTACHMENT "A"

Proposal prepared for:

CITY OF DRIPPING SPRINGS

Presented by:

Arthur Ruiz

4.3.2025

Sales Agreement ID: 892091028

Proposal pricing is valid for 30 days

Equipment and Investment Statement for: Updating FACP System Design

Item 10.

Site Information: CITY OF DRIPPING SPRINGS, 1042 EVENT CENTER DRIVE, 1042 EVENT CENTER DRIVE, DRIPPING SPRINGS, TX 78620

Theory of Operation:

Customer has a Gamewell FACP that is no longer working.

We are proposing to replace with an Edwards FACP.

We are replace device per device with a new controller.

We will program and use the same cellular communicator.

Extra monies have been included for the lift rental, engineering drawings, and any Fire Marshal requirements.

Site contact is Emily Nelson at 737-701-6399 and Lilly Sellers at 512-435-7607.

Inclusions/Exclusions:

CUSTOMER will be responsible for providing any 110VAC required for the proper operation of the security equipment. CUSTOMER will be responsible for providing IT support for Firewall and Port opening on their network when using an IP device.

CUSTOMER will be responsible for providing updated drawings of the facilities. If the new drawings reflect changes not identified in the original proposal additional charges will be incurred by the CUSTOMER.

CUSTOMER will be responsible for City, County and State alarm permit fees.

Everon will perform the installation, conduct tests and inspections during normal business hours and days: 8AM to 5 PM Mon-Fri. using standard labor rates excluding Union and prevailing wage rates.

CUSTOMER will be responsible for providing a dedicated 120 VAC Power Circuit at location of Fire Alarm Control Panel per NFPA 72 guidelines

Equipment changes or location changes due to CUSTOMER request, or if necessary for the system to operate properly, will be considered a change order from the original scope of work and billed accordingly at the labor and material rates already in effect on this contract.

Connection To Existing Equipment: It is mutually understood and agreed that Everon assumes no responsibility whatsoever for the maintenance, operation, non-operation, actuation, non-actuation or needless or erroneous actuation of the existing equipment; that service may be terminated by Everon in the event the existing equipment is not in good working operating condition and Everon shall not be liable for any damage of subject to any penalty as a result of such termination. Any repairs to or replacement of existing equipment at the time of reconnection will be charged to the customer on a time and materials basis at the prevailing rates.

CUSTOMER shall provide electrical power and access doors / hatches to all duct smoke detectors and/or fire/smoke dampers for fire alarm connection.

If required, CUSTOMER shall provide and install a KNOX box and conduit/raceway to facilitate wiring and connection of device. CUSTOMER is responsible for any patching, painting, replacement of ceiling tiles, and wall coverings.

Fire Alarm Monitoring

Everon will respond to fire alarm signals received from customer premise. Fire alarm signals can be generated by approved devices on the customers fire alarm panel. Fire alarm signals may also be received from sprinkler system activation.

FIRE ALARM RESPONSE PROTOCOL

1. Dispatch fire department
2. Call premise for signal verification.

If contact made with proper passcode and authorization to cancel, cancel dispatch and full clear.

If no contact or improper passcode

3. Call contact list following notification procedures.

If no contact with live person or invalid passcode, partial clear to delay signal for 60 minutes, to re-attempt notification. Must make 3 attempts to notify a live person.

4. If contact made with live person on contact list

5. Full clear

Process Assumptions

Must notify even if a restore or cancel has been received

Commercial fire signals require "Confirmed Notification" before full clear. Up to 3 attempts will be made to attempt live notification with the customer.

When calling fire department and the operator states "they" are at the premises testing, representative should still proceed with calling the premises and contact list to notify of alarm. Advise that the fire marshal is testing the fire system, the monitoring company's time of alarm receipt, time of call to fire department, and time premises was called.

eSuite Online Services

eSuite is an online portal that gives customers access to information, video, and hosted service subscriptions. eSuite offerings include:

eSuite 1Data Manager Burglary and fire signal account management, reporting, and management subscription service available in two levels:

Primary Available to all monitored commercial customers for no additional fee. Includes the ability to manage site contacts and to view site level signal activity.

Premier Includes open and close signal logging services, ad hoc and scheduled reporting options and access to the Business Partner tabs and functions including daily dashboards.

PIN MANAGEMENT SERVICES

PIN (Personal Identification Number) Management service is provided on a subscription-basis only and must be purchased as an addition to eSuite 1Data Manager Premier level service. PIN Management refers to the ability to request edits to actual site level user panel codes. PIN Management service allows an authorized customer user to request PIN code changes to their on-site panels via the 1Data Manager Premier portal. PIN code edits are then downloaded to the customer site panels as requested as soon as possible. The PIN Management subscription entitles the customer to one (1) PIN code change request per month, per subscribed site. Site PIN Management change request maximums may be aggregated across the total number of customer sites, not to exceed the total number of two per site. Everon reserves the right to charge for PIN Management change requests that exceed the two per site maximum per month, per download.

Everon Extended Service Plan (ESP) includes the following:

Labor (M-F normal working hours)

All listed head end parts are covered.

All listed peripherals are covered.

Annual test for Cities that do not require REG IV Certification

28 Annual Testing of Fire Alarm

29 Annual Test will including Building & Fireman Communication System

- 30 Annual Testing of the Central Station
- 31 Annual Testing of the Automatic Closing Fire Assemblies
- 32 Annual Testing of the Fire Pump
- 33 Annual Testing of the Smoke Removal
- 34 Annual Testing of the Stairway Pressurization
- 35 Annual Testing of the Mechanically Ventilated Smoke Proof Enclosures (Smoke Towers)
- 36 Annual Testing of the Emergency Power (Customer to turn off main breaker)
- 37 Annual Inspection of the Combined Standpipe Sprinkler System
- 38 Annual Test of the Combined Standpipe Sprinkler System
- 39 Annual Inspection of the Automatic Sprinkler System
- 40 Annual Test of the Automatic Sprinkler System
- 41 Annual Test of the Pre-Action System
- 42 Annual Inspection of the Sprinkler System
- 43 Annual Test of the Sprinkler System
- 44 Annual Inspection of the Class II Fire Hoses
- 45 Annual Test of the Class II Fire Hoses
- 46 Annual Test of the Private Fire Hydrant
- 47 Annual Test of the Fire Drill
- 48 Annual Test of the Main Drain
- 49 Annual Testing of Pressure Reducing Valves (Partial Flow)
- 50 Annual Testing of the Elevator Recall (Customer to provide elevator mechanic)
- Or
- 51 Annual Testing of the Elevator Recall (Everon to provide elevator mechanic)
- 52 Annual Testing of the Fire Escape
- 53 Annual Testing of the 905/909 Smoke Control Stairway Pressurization
- 54 Annual Testing of the Pre Action System
- 55 UL FEE of \$ 690.00 (if possible we should be able to separate the Annual UL FEE)

Compliance Engen Fee is Included on this proposal

Extinguisher Inspection

Annual Extinguisher inspection will cover the following services for 132 Extinguishers: (if possible there should be a space to enter the quantity of extinguishers being serviced)

1. Visual Inspection
2. Break-up Powder
3. Weigh the Extinguisher
4. Tagging
5. Certification

TERMS OF PAYMENT:

It is understood and agreed by and between the parties hereto, that the payment terms for contracts less than five thousand dollars (\$5,000.00) will be 60% upon signing of the contract and 40% upon completion of the installation or delivery of equipment. Contracts for five thousand (\$5,000.00) dollars and over, payment terms are as follows; 30% upon signing of the contract, 40% will be invoiced 30 days from the contract date of the project, and the final 30% will be due upon completion of the installation and/or delivery of the equipment. All invoice are due NET30. Past due invoices are subject to finance charges.

DRY SPRINKLER SYSTEM TESTING AND INSPECTION SERVICE (applicable if included in our scope of work)

All of the dry sprinkler system(s) testing and inspection services listed below will be performed on an annual basis if included in the scope of work:

- Owner to provide:
- o Location of all equipment

- o All manufacturers cut sheets
- o Plans on the system including detection system where applicable.
- o Owner to provide locations of all low point drains.
- o Records from most recent inspections if provided by others as applicable.

Partial trip test of dry sprinkler system(s)

Only the dry sprinkler system(s) components listed below will be tested on a quarterly basis:

High/ low air switches.

Priming Water.

Testing of quick opening devices. (Accelerators)

Provide repair proposals for any deficiencies noted during the inspection

Equipment List:

Quantity	Description
1	PS Series Power Supply Remote Charger Power Supply, 6A, Red
1	Single Input (Riser) Module. Features a built-in RING TONE g
3	Dual Input Module. Two circuit input module for use with Nor
10	Manual Pull Station - Double Action, 1-stage
5	Edwards intelligent multi-criteria optical smoke detector, U
2	BATTERY,SLA,12V,55AH
1	Battery Cabinet Black backbox, Red Door. Supports up to 40AH

2	Chassis Assembly. Fits in any Lobby or Remote Closet Cabinet
1	Single Signature Driver Controller. Comes with one 3-SDC1 De
1	Modem / Communicator (DACT). Takes one local rail space
4	Zoned Amplifier, 40 Watt, Class A/B. 40 Watt selectable for
1	Primary Power Supply w/ local rail module 120-240V 50/60 Hz.
1	Service replacement cable, 4-LCD to 4-CPU flex interconnect
19	Blank Filler Plate
1	Control Display Module with - 24 indicators and 24 switches
1	Paging Microphone
1	Audio and Telephone Interface/Riser Module
1	Main color touchscreen LCD display
1	Central Processor Module
2	SFP Network Controller, 2Mbps Shared TX/RX, Twisted Pair
1	LCD Annunciator - Comes with 4-LCDANN color touchscreen disp
1	Mounting assembly for 4-2ANN, two wide annunciator. Supports
1	Door Assembly Red outer door and black inner door with 24 us
1	Wallbox with 2 Chassis Spaces
2000	14/2 STR FPLP 1M REEL RED

Summary of Charges for: Updating FACP System Design		
Installation Price		\$36,519.06
Total Installation Price*		\$36,519.06
Total Monthly Recurring Services Charges*		\$0.00
		<small>*Plus applicable tax</small>
Schedule of Values	30/30/30/10	30% of Contract Value Upon Contract Acceptance 30% of Contract Value at Progress Billing 30% of Contract Value at Substantial Completion 10% of Contract Value at Final Acceptance
<i>Proposal pricing is valid for 30 days</i>		

Investment Summary

Item 10.

Total Proposal Option

Installation Price	\$36,519.06
<hr/> <hr/>	
Total Installation Price*	\$36,519.06
Total Monthly Recurring Services Charges*	\$0.00

*Plus applicable tax

Proposal pricing is valid for 30 days

If Everon and Customer are parties to a mutually signed, written agreement, then the terms of that agreement control. If Everon and Customer are not parties to a signed contract, then the scope of work and prices set forth above are based upon and subject to the Everon Terms and Conditions ("Terms") available at <https://www.everonsolutions.com/terms-and-conditions-sale>. Any modifications to the Terms may result in pricing changes. Any other terms and conditions are rejected by Everon unless in a document signed by an authorized representative of Everon.



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78602

Submitted By: Dane Sorensen, Utilities Director

Council Meeting Date: 04/15/2025

Agenda Item Wording: **Discuss and consider approval of staff and mayor to finalize agreement with Burgess and Niple to submit the 3rd amendment to wastewater permit WQ0014488001 Sponsor: Mayor Bill Foulds, Jr.**

Agenda Item Requestor:

Summary/Background: In order to increase capacity for our wastewater permit, City staff is looking to amend the permit for the existing regional plant. This amendment would utilize 309 credits generated by the use of reclaimed water to increase capacity of the existing system. Initially, capacity will be increased by approximately 26,000 gallons per day. This initial phase would not require any additional improvements. With additional improvements the permit would be increased by another approximately 100,000 gallons per day. The increase is needed to help manage flows before new facilities (discharge plant) are built. This is not associated with the discharge permit. This would be funded through budget amendment #3.

**Commission
 Recommendations:**

**Recommended
 Council Actions:** City Staff recommends authorizing staff to finalize and execute agreement with Burgess and Niple.

Attachments: Burgess and Niple 3rd Amendment Proposal

Next Steps/Schedule:

BURGESS & NIPLE

Firm Registration No. F-10834

235 Ledge Stone Drive | Austin, TX 78737 | 512.432.1000

March 10, 2025

Mayor Bill Foulds
City of Dripping Springs
P.O. Box 384
Dripping Springs, Texas 78620

Re: City of Dripping Springs
Engineering Services Agreement
South Regional Wastewater System
Wastewater Major Permit Amendment No. 3
TCEQ Permit WQ0014488001

Dear Mayor Foulds:

Burgess and Niple, Inc. (ENGINEER) proposes to render engineering services to the City of Dripping Springs (CLIENT) in connection with the further development of the City of Dripping Springs South Regional Wastewater Facilities in Hays County, Texas. All Services shall be performed by ENGINEER in accordance with the generally accepted standards of care, skill, diligence and professional competence applicable to ENGINEER. Work will include assisting the CLIENT in preparing a major permit amendment application to the City of Dripping Springs' existing Municipal Wastewater Permit WQ0014488001 for submittal to the TCEQ (PROJECT). The amendment application will increase effluent irrigation disposal capacity via surface irrigation area by applying for the 309 beneficial reuse credit through the TCEQ. The CLIENT is expected to furnish ENGINEER with full information as to the requirements for the PROJECT, and also to make available all pertinent existing data. ENGINEER shall be able to rely upon the accuracy of all information provided by the CLIENT.

SCOPE OF WORK

The following assumptions and general understanding pertain to the provision of the Services and form the basis of this Agreement/Proposal:

- A. The TCEQ Wastewater Permit to be amended is Permit Number 14488-001 issued to the City of Dripping Springs.
- B. CLIENT will be responsible for providing as much information as possible on the existing WWTP treatment and disposal facilities required for the permit amendment application such as, operating data, effluent and sludge sampling (if any), sludge disposal contract(s), and analysis of soil samples from the root zone of the irrigated site(s), etc.
- C. The irrigation data that will be used for the 309 beneficial reuse credit will be irrigation water data taken from the Driftwood Golf Course as well as irrigation water data from the Dripping Springs Sports and Recreation Park. All water data will be provided by the City.

- D. The ENGINEER will at all times have access to the Work wherever it is in preparation or progress.
- E. All fees and public notice costs will be paid by CLEINT or will be considered reimbursable costs and are not included in the Project Budget.
- F. PROJECT is not located in the Edwards Aquifer Recharge Zone, but is within the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer. Work required for developing a Contributing Zone Permit for submittal to the TCEQ is not included in this Scope of Work or Project Budget.
- G. The Scope of Work does not include the design of any equipment or instrumentation for measuring rainfall, or soil moisture in the irrigation fields to determine if the soils are saturated within the proposed irrigation areas.
- H. ENGINEER and CLIENT will work together to resolve any responses to deficiencies or variance requests with the TCEQ or any other reviewing authority. However, none are anticipated and are not included in this Scope of Work or Project Budget.
- I. Work required to request 210 Beneficial Reuse Authorization from the TCEQ to utilize treated effluent for irrigation is not included in the Scope of Work or Project Budget.

Our engineering services and the Scope of Work will consist of the following:

ENGINEER will develop a major permit amendment application to Wastewater Permit Number WQ0014488001 issued to the City of Dripping Springs for submittal to the TCEQ. The permit amendment application will generally include the existing permitted subsurface irrigation areas for effluent disposal and new areas for surface irrigation. Actual permit phases will be established during amendment application preparation, based on credit allowed by the TCEQ.

ENGINEER will develop a 309 Beneficial Reuse Report to support increased permit capacity and permit phasing. The report will include the water data provided by the City as well as the calculations to determine the credit that will be awarded.

The application will include the necessary information required to make the application complete and acceptable for administrative review by the TCEQ. The estimated cost of professional services identified for this PROJECT is based on the standard and customary TCEQ approval processes. Work required to assist the CLIENT in protracted disputes or negotiations with governmental authorities or other interested parties, or as an expert witness in any litigations with third parties arising from the development of the PROJECT, will be considered Additional Services.

The Scope of Work, as set forth previously, shall be considered performed at such time as the application is declared administratively complete by the TCEQ. Any work required to address issues raised by the general public or any other party that may comment on the application after it is administratively complete will be considered Additional Services.

SCHEDULE

ENGINEER acknowledges the importance to the CLIENT of the PROJECT schedule and agrees to put forth reasonable efforts in performing the services with due diligence under this Agreement. The CLIENT understands, however, that the performance must be governed by sound professional practices. ENGINEER will start work on the PROJECT immediately after execution of this Agreement.

COMPENSATION

ENGINEER will perform the work on a reimbursable time and expenses basis at the hourly rates included as Attachment A, plus expenses. Expenses will include direct expenses incurred by ENGINEER plus 10%. Billing for professional services will be based upon the actual amount of time required to complete the work. Upon mutual agreement of CLIENT and ENGINEER, rates included on Attachment A may be amended annually.

Invoices will be submitted monthly and payment is due within 30 days of CLIENT's receipt of the invoice. If payment is not received by the 45th day after the invoice date, then ENGINEER may suspend services under the Agreement until all invoice amounts due are paid in full. The PROJECT schedule shall be extended the total amount of time after ENGINEER suspends services to the time payments are received.

ENGINEERING BUDGET

Total Amount of This Contract	\$ 90,000
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ADDITIONAL SERVICES

It is recognized that certain items required for completion may require the services of subcontractors and are not included in the Project Budget. Such services may include surveying, agronomy consulting, environmental engineering, environmental investigations, electrical/instrumentation engineering, structural engineering, and geotechnical engineering, etc.

It is also recognized that certain elements within the scope of engineering work cannot be accurately predetermined or controlled entirely by the ENGINEER. Such engineering work will be performed as Additional Services. Such work may include but not be limited to:

- Assist the CLIENT as an expert witness in any litigation with third parties, arising from the development of the PROJECT.
- Changes in scope of work after receiving initial directions from the CLIENT.
- Change in design as a result of unexpected field conditions discovered during further site investigations of the PROJECT.
- Assist the CLIENT in protracted disputes or negotiations with governmental authorities or other interested parties.

- Support the CLIENT during regulatory agency review processes beyond administrative or technical reviews including public comments or contested case hearings, as required and requested by CLIENT.

Out of Scope and Additional Services will be reimbursable per hour based on the attached fee schedule Attachment A, plus expenses. Expenses for Out of Scope and Additional Services will include direct expenses incurred by ENGINEER plus 10%. Such expenses will include subcontractors, reproduction costs, mileage, postage and delivery, etc., as required to complete the PROJECT. Billing for all additional professional services will be based upon the actual amount of time required to complete the additional work. Out of Scope services and Additional Services will only be performed with approval from CLIENT.

CLIENT understands that ENGINEER cannot be held accountable in the case that an amended TCEQ Wastewater Permit is not issued, approved, and/or accepted by the TCEQ. In addition, CLIENT understands the ENGINEER cannot be held accountable if the amended TCEQ Wastewater Permit is not issued as a result of any opposition to the application.

This Proposal is subject to the General Provisions included as Attachment B and may only be modified in writing when signed by both Parties. The Proposal is in addition to any other agreement regarding a permit amendment for this Project.

If this Proposal satisfactorily sets forth your understanding of our agreement, please sign the letter in the space provided below and return to us. This Proposal is valid for 45 days.

Sincerely,

Burgess and Niple, Inc.

City of Dripping Springs



William Ball, P.E.
Vice President

Bill Foulds
Mayor

.....
Accepted this _____ day of _____, 2025.

ATTACHMENT A – Rates
2025 Billing Rates for Professional Services

Principal	\$295.00/hour
Project Engineer II (More than 15 years of experience)	\$250.00/hour
Project Engineer I (Less than or equal to 15 years of experience)	\$210.00/hour
Assistant Engineer II (More than 5 years of experience)	\$190.00/hour
Assistant Engineer I (Less than or equal to 5 years of experience)	\$165.00/hour
Senior Engineering Technician	\$210.00/hour
Engineering Technician	\$130.00/hour
Field Construction Representative II	\$205.00/hour
Field Construction Representative I	\$130.00/hour
Administrative Assistant	\$ 95.00/hour

ATTACHMENT B

GENERAL PROVISIONS

TERMINATION

Either Party may terminate this Agreement upon giving written notice to the other Party at least thirty (30) days prior to the date of termination. In the event of termination, the ENGINEER shall deliver to the CLIENT one (1) reproducible copy of all finished documents, data, studies, surveys, drawings, maps, CADD files, models, reports, etc. prepared by the ENGINEER and paid by the CLIENT under this Agreement. Additional copies of these materials shall be made available to CLIENT upon CLIENT compensating ENGINEER for time and expenses required to produce same. The ENGINEER shall be entitled to receive just and equitable compensation for any work performed in accordance with the provisions of this Agreement prior to termination notice. If the ENGINEER has completed the specified Tasks and phases prior to termination, ENGINEER will be entitled to the fees stipulated under this Agreement for such work completed. If termination should occur prior to the completion of a Task or phase, the ENGINEER shall be reimbursed for his work under that particular Task and phase based on the hours completed for that particular Task and phase.

OWNERSHIP OF DOCUMENTS

The CLIENT acknowledges the ENGINEER's Report and permit application, including electronic files, as the work papers of the ENGINEER are the ENGINEER's instruments of professional service. Nevertheless, upon completion of the services and payment in full of all monies due to the ENGINEER, the CLIENT shall receive ownership of the Report and permit application prepared under this Agreement. The CLIENT agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless the ENGINEER, its officers, directors, employees and subconsultants (collectively, ENGINEER) against any damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising from or allegedly arising from or in any way related to or connected with the unauthorized reuse or modification of the Report and/or permit application by the CLIENT or any person or entity that acquires or obtains the Report and/or permit application from or through the CLIENT without the written authorization of the ENGINEER.

CONFIDENTIALITY

All information and all materials, records, data, drawings, specifications, engineering and other documents and all other products of the services provided under this Agreement produced by, or coming into the possession of ENGINEER (including its subcontractors) in connection with the performance of the services shall be maintained in absolute confidence, and ENGINEER shall not at any time, except at the direction of CLIENT or its legal counsel, disseminate, transmit, publicize, or divulge to anyone any portion of such information, except as necessary to carry out the services pursuant to this Agreement.

MISCELLANEOUS

CONTROLLING LAW - This Agreement is to be governed by the laws of Hays County, Texas, and venue for any suit in conjunction with this Agreement shall be in the District Courts of Hays County, Texas.

LIMITATION OF LIABILITY - To the fullest extent permitted by law, the total liability, in the aggregate, of ENGINEER and ENGINEER's officers, directors, employees, agents and independent professional associates and consultants, and any of them, to CLIENT and anyone claiming by, through and under CLIENT, for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to ENGINEER's services, the PROJECT or this Agreement from any cause or causes whatsoever, including but not limited to the negligence, errors, omissions, strict liability or breach of contract of ENGINEER or ENGINEER's officers, directors, employees, agents and independent professional associates and consultants, and any of them, shall not exceed the total compensation received by ENGINEER under this Agreement, or the total amount of \$250,000.00, whichever is greater.

OPINIONS OF COST - Since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, ENGINEER's opinions of probable total PROJECT costs and construction costs provided herein are to be made on the basis of ENGINEER's experience and qualifications and represent ENGINEER's best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but ENGINEER cannot and does not guarantee that proposals, bids or actual total PROJECT or construction costs will not vary from opinions of probable cost prepared by ENGINEER. If prior to the bidding or negotiating phase CLIENT wishes greater assurance as to total PROJECT or construction costs, CLIENT shall employ an independent cost estimator to modify the contract documents to bring the construction cost within any limitation established by CLIENT and will be considered Additional Services and paid for as such by CLIENT.

SUCCESSORS AND ASSIGNS - CLIENT and ENGINEER each binds himself and his partners, successors, executors, administrators, assigns and legal representatives to the other Party to this Agreement and to the partners, successors, executors, administrators, assigns and legal representatives of such other Party, in respect to all covenants, agreements and obligations of this Agreement.

- a. Neither CLIENT nor ENGINEER shall assign, sublet or transfer any rights under or interest in (including, but without limitation, monies that may become due or monies that are due) this Agreement without the written consent of the other, except as stated above and except prior to the extent that the effect of the limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in the paragraph shall prevent the ENGINEER from employing such independent consultants, associates and subcontractors as he may deem appropriate to assist him in the performance of services hereunder.
- b. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than CLIENT and ENGINEER.

ATTORNEY'S FEES - If any action be brought to either Party against the other, the prevailing Party shall be entitled to recover reasonable attorney fees.

DISPUTE RESOLUTION - Any claims or disputes between the CLIENT and ENGINEER, made during or after providing engineering services, shall be first submitted to non-binding mediation, thereby providing for mediation as the primary method for dispute resolution between the CLIENT and ENGINEER.

CERTIFICATE FOR ORDINANCE NO. _____

THE STATE OF TEXAS
COUNTY OF HAYS
CITY OF DRIPPING SPRINGS

§
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We, the undersigned officers and members of the City of Dripping Springs, Texas (the "City"), hereby certify as follows:

1. The City Council of the City convened in a **REGULAR MEETING ON THE 15TH DAY OF APRIL, 2025**, and the roll was called of the duly constituted officers and members of the City, to-wit:

- Bill Foulds, Jr., Mayor
- Taline Manassian, Mayor Pro Tem, Council Member, Place 1
- Wade King, Council Member, Place 2
- Geoffrey Tahuahua, Council Member, Place 3
- Travis Crow, Council Member, Place 4
- Sherrie Parks, Council Member, Place 5

and all of the persons were present, except: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF DRIPPING SPRINGS, TEXAS COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025; AUTHORIZING THE LEVY OF AN AD VALOREM TAX AND THE PLEDGE OF CERTAIN NET REVENUES IN SUPPORT OF THE CERTIFICATES; APPROVING AN OFFICIAL STATEMENT, A PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; AND AUTHORIZING OTHER MATTERS RELATED TO THE CERTIFICATES

was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Ordinance be passed; and, after due discussion, said motion carrying with it the passage of the Ordinance, prevailed and carried by the following vote:

AYES: _____

NOES: _____

2. A true, full and correct copy of the Ordinance passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the Ordinance has been duly recorded in the City Council's minutes of the Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as

indicated therein; that each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose, and that the Meeting was open to the public and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

3. The Mayor of the City has approved and hereby approves the Ordinance; that the Mayor and the City Secretary of the City have duly signed the Ordinance; and that the Mayor and the City Secretary of the City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of the Ordinance for all purposes.

SIGNED AND SEALED the 15th day of April, 2025.

City Secretary

Mayor

[CITY SEAL]

ORDINANCE NO. _____

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF DRIPPING SPRINGS, TEXAS COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025; AUTHORIZING THE LEVY OF AN AD VALOREM TAX AND THE PLEDGE OF CERTAIN NET REVENUES IN SUPPORT OF THE CERTIFICATES; APPROVING AN OFFICIAL STATEMENT, A PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; AND AUTHORIZING OTHER MATTERS RELATED TO THE CERTIFICATES

**THE STATE OF TEXAS
COUNTY OF HAYS
CITY OF DRIPPING SPRINGS**

**§
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§**

WHEREAS, the City Council of the City of Dripping Springs, Texas (the "City") deems it advisable to issue certificates of obligation in the amount of \$12,810,000* (the "Certificates") for the purpose of paying contractual obligations incurred or to be incurred by the City for (1) designing, constructing, improving, extending, expanding, upgrading and/or developing City streets, roads, intersections and traffic signalization, including related signage, landscaping, purchasing property, including necessary rights-of-way, drainage easements, and other related transportation costs, including, but not limited to, for Old Fitzhugh Road; (2) constructing a public parking structure in the City’s downtown area; (3) constructing a city public works facility to support the City’s utility system and city streets, including a building for maintenance staff and a holding yard for related materials and equipment; (4) constructing, improving, renovating, upgrading, expanding, and/or equipping the Stephenson Building to be used as part of the City’s park system, including ADA and restroom improvements, with such facility to include meeting spaces that will be generally accessible to the public; (5) acquiring, constructing, improving, expanding, and equipping park and recreational facilities; (6) purchasing materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes in relation to the aforementioned capital improvements, including acquiring land for park and recreational purposes; and (7) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates; and

WHEREAS, the Certificates hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Local Government Code, as amended, and Section 1502.052, Texas Government Code, as amended; and

WHEREAS, on February 4, 2025 the City Council passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates; and

WHEREAS, the notice was published on February 13, 2025 and February 20, 2025 in the *Dripping Springs Century News*, a newspaper of general circulation in the City and a "newspaper" as defined in Section 2051.044, Government Code; and

* Preliminary, Subject to change.

WHEREAS, the notice was also posted with the City's website continuously for at least 45 days before the date tentatively set for the passage of this Ordinance; and

WHEREAS, upon the advice of the City's staff, the City found it necessary to delay action on the ordinance authorizing the issuance of the Certificates until a regular meeting of the City Council to commence at 6:00 p.m. on April 15, 2025; and

WHEREAS, the City has not received a petition from the qualified electors of the City protesting the issuance of the Certificates; and

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates was submitted to the voters of the City during the preceding three years and failed to be approved; and

WHEREAS, it is considered to be in the best interest of the City that the Certificates be issued; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Texas Government Code.

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

SECTION 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES.

The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this section. The Certificates are hereby authorized to be issued and delivered in the aggregate principal amount of \$12,810,000* for the purpose of paying contractual obligations incurred or to be incurred by the City for: (1) designing, constructing, improving, extending, expanding, upgrading and/or developing City streets, roads, intersections and traffic signalization, including related signage, landscaping, purchasing property, including necessary rights-of-way, drainage easements, and other related transportation costs, including, but not limited to, for Old Fitzhugh Road; (2) constructing a public parking structure in the City’s downtown area; (3) constructing a city public works facility to support the City’s utility system and city streets, including a building for maintenance staff and a holding yard for related materials and equipment; (4) constructing, improving, renovating, upgrading, expanding, and/or equipping the Stephenson Building to be used as part of the City’s park system, including ADA and restroom improvements, with such facility to include meeting spaces that will be generally accessible to the public; (5) acquiring, constructing, improving, expanding, and equipping park and recreational facilities; (6) purchasing materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes in relation to the aforementioned capital improvements, including acquiring land for park and recreational purposes; and (7) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates.

* Preliminary, Subject to change.

SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES OF CERTIFICATES. Each Certificate issued pursuant to this Ordinance shall be designated: "**CITY OF DRIPPING SPRINGS, TEXAS COMBINATION TAX AND LIMITED REVENUE CERTIFICATE OF OBLIGATION, SERIES 2025**", and initially there shall be issued, sold, and delivered hereunder fully registered certificates, without interest coupons, dated April 15, 2025, in the respective denominations and principal amounts hereinafter stated, numbered consecutively from R-1 upward (except the Initial Certificate submitted to the Attorney General of the State of Texas which shall be numbered T-1), payable to the respective initial registered owners thereof (as designated in Section 12 hereof), or to the registered assignee or assignees of the Certificates or any portion or portions thereof (in each case, the "Registered Owner"), and the Certificates shall mature and be payable serially on September 1 in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2025	\$	2035	\$
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	
2034			

The term "Certificates" as used in this Ordinance shall mean and include collectively the Certificates initially issued and delivered pursuant to this Ordinance and all substitute Certificates exchanged therefor, as well as all other substitute Certificates and replacement Certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

SECTION 3. INTEREST. The Certificates scheduled to mature during the years, respectively, set forth below shall bear interest from the dates specified in the FORM OF CERTIFICATE set forth in this Ordinance to their respective dates of maturity or redemption prior to maturity at the following rates per annum:

<u>YEAR</u>	<u>RATE</u>	<u>YEAR</u>	<u>RATE</u>
2025	%	2035	%
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	

2034

Interest shall be payable in the manner provided and on the dates stated in the FORM OF CERTIFICATE set forth in this Ordinance.

SECTION 4. CHARACTERISTICS OF THE CERTIFICATES. (a) Registration, Transfer, Conversion and Exchange; Authentication. The City shall keep or cause to be kept at BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar shall make a copy of the Registration Books available within the State of Texas. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

Except as provided in Section 4(c) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign the Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and the Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, as amended, and particularly Subchapter D thereof, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(b) Payment of Certificates and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment 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 (which shall be 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 Registered Owner appearing on the Registration Books at the close of business on the last business day immediately preceding the date of mailing of such notice.

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 45 days prior to any such redemption date), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Initial Certificate initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

(d) Substitute Paying Agent/Registrar. The City covenants with the Registered Owners of the Certificates that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 30 days written notice to the Paying Agent/Registrar, to be effective at such time which will not disrupt or delay payment on the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying

Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry-Only System. The Certificates issued in exchange for the Initial Certificate initially issued as provided in Section 4(i) shall be issued in the form of a separate single fully registered Certificate for each of the maturities thereof registered in the name of Cede & Co. as nominee of The Depository Trust Company of New York ("DTC") and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to 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 securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. 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 DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, but to the extent permitted by law, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal, premium, if any, and interest, with respect to such Certificate, for the purposes of registering transfers with respect to such Certificates, and for all other purposes of registering transfers with respect to such Certificates, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a 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 being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the City determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Certificates, the City shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. 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 Blanket Representation of the City to DTC.

(h) Cancellation of Initial Certificate. On the closing date, one Initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the order of the Underwriter or its designee set forth in Section 12 of this Ordinance, executed by manual or facsimile signature of the Mayor or Mayor Pro-Tem and City Secretary, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Underwriter set forth in Section 12 of this Ordinance or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of the Underwriter one separate single fully registered Certificate for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in Section 4(f), all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

SECTION 5. FORM OF CERTIFICATE. The form of the Certificate, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, the form of Initial Certificate and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Initial Certificate initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

FORM OF CERTIFICATE

**UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF HAYS
CITY OF DRIPPING SPRINGS, TEXAS
COMBINATION TAX AND LIMITED REVENUE CERTIFICATE OF OBLIGATION,**

SERIES 2025

NO. R-__

**PRINCIPAL
AMOUNT**
\$ _____

**INTEREST
RATE**

**DATE OF
CERTIFICATE**

**DATE OF
DELIVERY**

**MATURITY
DATE**

**CUSIP
NO.**

April 15, 2025

May 13, 2025

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the **CITY OF DRIPPING SPRINGS, TEXAS** in Hays County, Texas (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon from the Date of Delivery set forth above, on September 1, 2025 and semiannually on each March 1 and September 1 thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above calculated on the basis of a 360-day year of twelve 30-day months; except that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date immediately preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged or converted from is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Certificates is determined only by a book entry at a securities depository for the Certificates, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the City and the securities depository.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") at its designated office for payment currently in Dallas, Texas (the "Designated Payment/Transfer Office"). The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment

date, to the Registered Owner hereof, at its address as it appeared at the close of business on the fifteenth day of the month immediately preceding each such date (the "Record Date") on the registration books kept by the Paying Agent/Registrar (the "Registration Books"). In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 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 (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day immediately preceding the date of mailing of such notice. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Certificate Ordinance.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the Registered Owner of this Certificate that on or before each payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal 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 Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates dated April 15, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$12,810,000* for the purpose of paying contractual obligations incurred or to be incurred by the City for: (1) designing, constructing, improving, extending, expanding, upgrading and/or developing City streets, roads, intersections and traffic signalization, including related signage, landscaping, purchasing property, including necessary rights-of-way, drainage easements, and other related transportation costs, including, but not limited to, for Old Fitzhugh Road; (2) constructing a public parking structure in the City's downtown area; (3) constructing a city public works facility to support the City's utility system and city streets, including a building for maintenance staff and a holding yard for related materials and equipment; (4) constructing, improving, renovating, upgrading, expanding, and/or equipping the Stephenson Building to be used as part of the City's park system, including ADA and restroom improvements, with such facility to include meeting spaces that will be generally accessible to the public; (5) acquiring, constructing, improving, expanding, and equipping

* Preliminary, Subject to change.

park and recreational facilities; (6) purchasing materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes in relation to the aforementioned capital improvements, including acquiring land for park and recreational purposes; and (7) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates.

ON SEPTEMBER 1, 2034, or on any date thereafter, the Certificates of this Series maturing on and after September 1, 2035 may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, at par plus accrued interest to the date fixed for redemption as a whole, or in part, and, if in part, the particular maturities to be redeemed shall be selected and designated by the City and if less than all of a maturity is to be redeemed, the Paying Agent/Registrar shall determine by lot the Certificates, or a portion thereof, within such maturity to be redeemed (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000).

THE CERTIFICATES maturing on September 1 in the years 20__, 20__ and 20__, (the "Term Certificates") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date.

Term Certificates Maturing September 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__*	

*Final Maturity

Term Certificates Maturing September 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__*	

*Final Maturity

Term Certificates Maturing September 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__*	

*Final Maturity

THE PRINCIPAL AMOUNT of the Term Certificates required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of

the City by the principal amount of any Term Certificates of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Certificates plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

NO LESS THAN 30 DAYS prior to the date fixed for any such redemption, the City shall cause the Paying Agent/Registrar to send notice by United States mail, first-class postage prepaid to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the Registration Books of the Paying Agent/Registrar at the close of business on the business day immediately preceding the date of mailing such notice and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificates. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Certificates or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificates shall be redeemed a substitute Certificates or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Certificate Ordinance.

WITH RESPECT TO any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Certificate Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

DURING ANY PERIOD in which ownership of the Certificates is determined only by a book entry at a securities depository for the Certificates, if fewer than all of the Certificates of the

same maturity and bearing the same interest rate are to be redeemed, the particular Certificates of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered Certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance of the Certificate.

WHENEVER the beneficial ownership of this Certificate is determined by a book entry at a securities depository for the Certificates, the foregoing requirements of holding, delivering or transferring this Certificate shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate, together with other obligations of the City, is additionally secured by and payable from a limited pledge of the surplus revenues of the City's wastewater system, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or part of the Net Revenues of the City's wastewater system, which amount shall not exceed \$5,000, all as provided in the Certificate Ordinance.

BY BECOMING the Registered Owner of this Certificate, the Registered Owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each Registered Owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Certificate.

City Secretary

Mayor

[CITY SEAL]

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a Certificate, Certificates, or a portion of a Certificate or Certificates of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

BOKF, NA,
Dallas, Texas

Paying Agent/Registrar

By: _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer
Identification Number of Transferee

(Please print or typewrite name and address,
including zip code, of Transferee)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to register the transfer of the within
Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed
by a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature above must
correspond with the name of the Registered
Owner as it appears upon the front of this
Certificate in every particular, without
alteration or enlargement or any change
whatsoever.

**FORM OF REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS FOR THE INITIAL CERTIFICATE
ONLY:**

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

INSERTIONS FOR THE INITIAL CERTIFICATE

The Initial Certificate shall be in the form set forth in this Section, except that:

- A. immediately under the name of the Certificate, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.
- B. the first paragraph shall be deleted and the following will be inserted:

"ON THE MATURITY DATE SPECIFIED ABOVE, the City of Dripping Springs, Texas (the "City"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year	Amount	Interest Rate
(Information from Sections 2 and 3 to be inserted)		

The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Delivery set forth above at the respective Interest Rate per annum specified above. Interest is payable on September 1, 2025 and semiannually on each March 1 and September 1 thereafter to the date of payment of the principal installment specified above; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date immediately preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

- C. The Initial Certificate shall be numbered "T-1."

SECTION 6. TAX LEVY. A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Certificates, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates are outstanding and unpaid, the governing body of the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of the Certificates as such principal matures (but never less than 2% of the original principal amount of the Certificates as a sinking fund each year); and the tax shall be based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City, for each year while any of the Certificates are outstanding and unpaid, and the tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Accrued interest on the Certificates shall be deposited in the Interest and Sinking Fund and used to pay interest on the Certificates.

Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the ad valorem taxes and Surplus Revenues granted by the City under this Section and Section 7 of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid, such that the pledge of the ad valorem taxes and Surplus Revenues granted by the City under this Section and Section 7 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then, in order to preserve to the Owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 7. REVENUES. The Certificates together with other obligations of the City, are additionally secured by and shall be payable from and secured by a limited pledge of the surplus revenues of the City's wastewater system, after payment of all operation and maintenance expenses or collections thereof, and all debt service, reserve and other requirements in connection with all of the City's revenue bonds or other obligation (now or hereafter outstanding) which are payable from all or any part of the revenues of the City's wastewater system, which amount shall not exceed \$5,000, with such amount constituting "Surplus Revenues." The City shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to Section 6, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of Section 6, if Surplus Revenues are actually on deposit or budgeted for deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to Section

6 may be reduced to the extent and by the amount of the Surplus Revenues then on deposit in the Interest and Sinking Fund or budgeted for deposit therein.

The Mayor or Mayor Pro-Tem and the City Secretary are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest.

SECTION 8. DEFEASANCE OF CERTIFICATES. (a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the City with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Certificates shall have become due and payable or (3) any combination of (1) and (2). At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the City will have no further responsibility with respect to amounts available to such Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Certificate, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by law) to receive payment when due on the Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Certificate as aforesaid when proper notice of redemption of such Certificates shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this Ordinance. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the City Council also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Certificate and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the City Council.

(c) Notwithstanding any provision of any other Section of this Ordinance which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in

trust pursuant to the provisions of this Section for the payment of principal of the Certificates and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Certificates and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) Notwithstanding anything elsewhere in this Ordinance, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Certificates and such Certificates shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Certificate affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Certificate to be paid at its maturity, the City retains the right under Texas law to later call that Defeased Certificate for redemption in accordance with the provisions of this Ordinance, the City may call such Defeased Certificate for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Certificate as though it was being defeased at the time of the exercise of the option to redeem the Defeased Certificate and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Certificate.

As used in this Section, "Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Certificates 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 City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Certificates, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Certificates.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

SECTION 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES. (a) Replacement Certificates. In the event any outstanding Certificate is

damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the Registered Owner applying for a replacement Certificate shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the Registered Owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificate shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Subchapter B of Chapter 1206, Texas Government Code, as amended, this Section shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

SECTION 10. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor of the City is hereby authorized to have control of the Initial Certificate issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination,

and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate attached to the Initial Certificate, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's bond counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance or other credit enhancement is obtained, the Certificates may bear an appropriate legend.

The obligation of the initial purchaser to accept delivery of the Certificates is subject to such purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the City, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchaser. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed. The execution and delivery of an engagement letter, to the extent desired by the City, between the City and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor, and the Mayor is hereby authorized to execute such engagement letter. Additionally, a closing instruction letter executed by the City's Treasurer/Deputy City Administrator shall further provide for the fees and expenses to be paid for such bond counsel services.

SECTION 11. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES. (a) Covenants. The City 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 City 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 City, 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 bonds 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); and

(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.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "Rebate Fund" is hereby established by the City 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 City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the City 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 City 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 City 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 City hereby authorizes and directs the City Administrator or the City Treasurer/Deputy City Administrator to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The City 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 Code. The City 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 City recognizes that in order for proceeds to be expended under the 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 City 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 of this subsection, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The City covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that

such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of this subsection, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this subsection, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

SECTION 12. SALE OF CERTIFICATES. The Certificates are hereby sold and shall be delivered to FHN Financial Capital Markets, a division of First Horizon Bank (the "Underwriter"), at the price of [\$_____] (which amount is equal to the principal amount of the Certificates plus a net premium of [\$_____] and less an underwriting discount of [\$_____]), all pursuant to the terms and provisions of a Purchase Agreement in substantially the form attached hereto as Exhibit "A" which the Mayor or Mayor Pro-Tem is hereby authorized to execute and deliver and which the City Secretary of the City is hereby authorized to attest. The City will initially deliver to the Underwriter one certificate for each maturity of the Certificates authorized under this Ordinance. The Initial Certificates shall initially be registered in the name of the Underwriter.

Pursuant to Sections 1201.029 and 1201.042, Texas Government Code, the [\$_____] of net premium generated by the sale of the Certificates is allocated to be used as follows: (i) [\$_____] for the Underwriter's discount, (ii) [\$_____] for costs of issuance of the Certificates, and (iii) [\$_____] to the costs of the projects financed by the Certificates.

SECTION 13. DEFAULT AND REMEDIES. (a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special

proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

SECTION 14. ESTABLISHMENT OF PROJECT FUND. (a) Project Fund. The Series 2025 Certificate Project Fund is hereby created and shall be established and maintained by the City at an official depository bank of the City. Proceeds from the sale of the Certificates shall be deposited in the Project Fund.

(b) Investment of Funds. The City hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued. Obligations purchased as an investment of money in any fund shall be deemed to be a part of such fund. Any money in any fund created by this Ordinance may be invested as permitted by the Public Funds Investment Act, as amended and the City's Investment Policy.

(c) Security for Funds. All funds created by this Ordinance shall be secured in the manner and to the fullest extent required by law for the security of funds of the City.

(d) Maintenance of Funds. Any funds created pursuant to this Ordinance may be created as separate funds or accounts or as subaccounts of the City's General Fund held by the City's depository, and, as such, not held in separate bank accounts, such treatment shall not constitute a commingling of the monies in such funds or of such funds and the City shall keep full and complete records indicating the monies and investments credited to each such fund.

(e) Interest Earnings. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with the Certificate proceeds for the purpose for which the Certificates are issued as set forth in Section 1 hereof or to pay principal or interest payments on the Certificates; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Certificate proceeds which are required to be rebated to the United States of America pursuant to Section 11 hereof in order to prevent the Certificates from being arbitrage certificates shall be so rebated and not considered as interest earnings for the purposes of this Section.

SECTION 15. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT, LETTER OF REPRESENTATIONS AND OFFICIAL STATEMENT. Attached hereto as Exhibit "B" is a substantially final form of Paying Agent/Registrar Agreement. Each the Mayor or Mayor Pro-Tem, the City Administrator and the Chief Financial Officer are hereby authorized to amend, complete or modify such agreement as necessary and are further authorized to execute such agreement.

The City confirms execution of a Blanket Issuer Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Certificates.

The City hereby approves the form and content of the Notice of Sale and Preliminary Official Statement and Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated March [___], 2025, prior to the date hereof is ratified and confirmed. The City Council of the City hereby finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" (as that term is defined in 17 C.F.R. Section 240.15c-12) as of their respective dates.

SECTION 16. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The City shall provide annually to the MSRB, (1) within twelve months after the end of each fiscal year of the City 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 15 of this Ordinance, being information of the type described in Exhibit "C" hereto, including financial statements of the City if audited financial statements of the City are then available, and (2) 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 to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit "C" 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 in substantially the form included in the Official Statement, 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 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the City changes its fiscal year, it will file notice of the 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.

(b) Event Notices. The City shall file notice of any of the following events with respect to the Certificates with the MSRB in a timely manner and not more than 10 business days after the 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 Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

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 City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection.

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the 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 in accordance with Section 8 of this Ordinance.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City makes no 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 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 Certificates. 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 Certificates, giving effect to (i) such provisions as so amended and (ii) any amendments or interpretations of the Rule. 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 subsection (a) 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.

(d) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to subsection (a) of 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 on the MSRB's Internet Web site or filed with the SEC.

(e) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"*Financial Obligation*" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"*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.

SECTION 17. AMENDMENT OF ORDINANCE. The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The City may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, (v) obtain insurance or ratings on the Certificates, (vi) obtain the approval of the Attorney General of the State Texas, or (vii) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the City's bond counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, any bond insurer of the Certificates (the "Bond Insurer") and the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates and the Bond Insurer, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;

- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the City shall desire to amend this Ordinance under this Section, the City shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in the City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the City for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of publication of such notice the City shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the City may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the City and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the City, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

SECTION 18. NO RECOURSE AGAINST CITY OFFICIALS. No recourse shall be had for the payment of principal of or interest on any Certificates or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificates.

SECTION 19. PAYMENT OF ATTORNEY GENERAL FEE. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Certificates or (ii) \$9,500, provided that such fee shall not be less than \$750, to the

Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the City's staff is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the Certificates.

SECTION 20. FURTHER ACTIONS. 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 Certificates, the initial sale and delivery of the Certificates, the Paying Agent/Registrar Agreement, the Purchase Agreement, any insurance commitment letter or insurance policy and the Official Statement. In addition, prior to the initial delivery of the Certificates, the Mayor, the City Administrator or Deputy City Administrator, the City Treasurer, the City Attorney, 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 necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy requirements of the Bond Insurer or (iii) obtain the approval of the Certificates by the Texas Attorney General's office.

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 21. INTERPRETATIONS. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Certificates and the validity of the lien on and pledge of ad valorem taxes and revenues to secure the payment of the Certificates.

SECTION 22. INCONSISTENT PROVISIONS. All ordinances, orders or 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 contained herein.

SECTION 22. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City and the registered owners of the Certificates, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the registered owners of the Certificates.

SECTION 23. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

SECTION 24. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 25. EFFECTIVE DATE. This Ordinance shall become effect immediately from and after its passage on first and final reading in accordance with Section 1201.028, Texas Government Code, as amended.

SECTION 26. PERFECTION. Chapter 1208, Government Code, applies to the issuance of the Certificates and the pledge of ad valorem taxes and surplus net revenues granted by the City under Sections 6 and 7 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of ad valorem taxes and surplus net revenues granted by the City under Sections 6 and 7 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 27. PAYMENT OF ATTORNEY GENERAL FEE. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Certificates or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the City's staff is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the Certificates.

SECTION 28. ELECTRONIC SIGNATURES. The Mayor or Mayor Pro-Tem and the City Secretary hereby authorize the use of their electronic signatures in connection with the offering and sale of the Bonds and hereby authorize the City's Financial Advisor, City Attorney and Bond Counsel to use such electronic signatures in connection with the offering and sale of the Bonds.

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IN ACCORDANCE WITH SECTION 1201.028, Texas Government Code, passed and approved on the first and final reading on April 15, 2025.

CITY OF DRIPPING SPRINGS, TEXAS

By: Mayor
City of Dripping Springs, Texas

ATTEST:

City Secretary
City of Dripping Springs, Texas

APPROVED AS TO FORM:

City Attorney

EXHIBIT "A"
PURCHASE AGREEMENT

EXHIBIT "B"
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT "C"

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 17 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) Table 1 – General Purpose, General Obligation Bonds and Certificates
- (2) Table 2 – Tax Collection Data
- (3) Table 3 – Municipal Sales Tax
- (4) Table 4 – Top 10 Taxpayers and Their 2024 Valuations
- (5) Table 5 – Taxpayers by Classification
- (6) Table 7 – Comparative Condensed Statement of Revenues, Expenditures, and Changes in General Fund Balance
- (7) Appendix A

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in the paragraph above.

APPENDIX A
SELECTED FINANCIAL INFORMATION
OF THE CITY OF DRIPPING SPRINGS, TEXAS

VALUATION AND DEBT DATA

Table 1 - General Purpose, General Obligation Bonds and Certificates

2024 Total Appraised Valuation	\$2,165,886,240
Less Exemptions and Exclusions	<u>87,443,559</u>
2024 Net Taxable Assessed Valuation (100% of market value) ⁽¹⁾	\$2,078,442,681
2025 Total Preliminary Appraised Valuation	\$2,406,150,710
Less Exemptions and Exclusions	<u>75,616,000</u>
2025 Preliminary Net Taxable Assessed Valuation (100% of market value) ⁽²⁾	\$2,330,534,710

⁽¹⁾ Source: Hays Central Appraisal District. The Appraisal Review Board approved 2024 Certified Values as of February 21, 2025.

⁽²⁾ Source: Hays Central Appraisal District. 2025 Preliminary Certified Values as of March 3, 2025.

<u>Outstanding Debt By Issues</u>	<u>Amount Outstanding At 1-31-2025⁽¹⁾</u>
Combination Tax & Limited Revenue Certificates of Obligation, Taxable Series 2013	325,000
General Obligation Refunding Bonds, Series 2015	1,310,000
Combination Tax & Surplus Revenue Certificates of Obligation, Series 2019	19,845,000
Combination Tax & Surplus Revenue Certificates of Obligation, Series 2022	18,145,000
Tax Notes, Series 2024	2,500,000
The Certificates ⁽²⁾	<u>12,755,000</u> ⁽²⁾
Total General Obligation Debt	\$54,880,000 ⁽²⁾
Less: Self-supporting Debt	<u>54,880,000</u> ⁽³⁾
Net Tax Supported General Obligation Debt	\$0.00
Less: Interest and Sinking Fund Balance (as of 9-30-2024)	<u>0.00</u>
Net General Obligation Debt Outstanding	\$0.00
Ratio Net Tax Supported General Obligation Debt to 2024 Net Taxable Assessed Valuation	0%
Ratio Net General Obligation Debt to 2024 Net Taxable Assessed Valuation	0%

⁽¹⁾ Unaudited

⁽²⁾ Preliminary; subject to change.

⁽²⁾ The City has an agreement with the TRIZ Board to fund approximately 61.41% of the certificates.

2010 U.S. Census Population – 1,788
 2020 U.S. Census Population – 4,650
 2024 Estimated Population – 10,550
 Per Capita 2024 Net Taxable Assessed Valuation - \$197,008.78
 Per Capita 2025 Preliminary Net Taxable Assessed Valuation - \$220,903.76
 Per Capita Total Net Tax Supported General Obligation Debt - \$0.00
 Per Capita Net General Obligation Debt - \$0.00

Future Issues

The City anticipates issuing approximately \$51,000,000 of general obligation debt within the next two to three years for a wastewater system project that will be split into two phases. The City also anticipates issuing approximately \$11,000,000 of general obligation debt within the next five years for its share of infrastructure for the Wildridge subdivision.

TAXATION DATA

Tax Rate Distribution

Tax Year	2024	2023	2022	2021	2020
Local Maintenance	\$0.1794	\$0.1718	\$0.1778	\$0.1900	\$0.1900
Interest and Sinking Fund	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Totals	\$0.1794	\$0.1718	\$0.1778	\$0.1900	\$0.1900

Table 2 - Tax Collection Data

Taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of twenty percent (20%) of taxes, penalty and interest may be imposed to defray costs of collection for taxes delinquent after July 1. All percentage of collections set forth below exclude penalties and interest.

Tax Year	Taxable Assessed Valuation ⁽¹⁾⁽³⁾	Tax Rate	% Collections ⁽²⁾⁽³⁾		Year Ending
			Current	Total	
2019	682,615,003	0.1900	99.56%	99.92%	09-30-20
2020	849,677,918	0.1900	99.27%	99.92%	09-30-21
2021	1,063,358,915	0.1900	99.83%	99.95%	09-30-22
2022	1,455,419,132	0.1778	99.63%	99.79%	09-30-23
2023	1,949,312,326	0.1718	99.54%	99.79%	09-30-24
2024	2,078,442,681	0.1794	96.04%	96.04%	09-30-25

⁽¹⁾ Hays Central Appraisal District.
⁽²⁾ Collections as of March 5, 2025. Hays County Tax Office.
⁽³⁾ Unaudited.

Taxable Assessed Valuation for Tax Years 2019-2024

Tax Year	Net Taxable Assessed Valuation	Change from Preceding Year	
		Amount	Percent
2019	682,615,003	129,453,785	23.40%
2020	849,677,918	167,062,915	24.47%
2021	1,063,358,915	213,680,997	25.15%
2022	1,455,419,132	392,041,462	36.87%
2023	1,949,312,326	493,909,907	33.93%
2024	2,078,442,681	129,130,355	6.62%
2025 ⁽¹⁾	2,330,534,710	252,092,029	12.13%

⁽¹⁾ Preliminary.
 Source: Hays Central Appraisal District.

Schedule of Delinquent Taxes Receivable as of March 5, 2025 (Unaudited)

<u>Fiscal Year Ended 9/30</u>	<u>Ending Balance</u>
2020	\$998.07
2021	1,246.29
2022	1,102.60
2023	5,511.16
2024	6,879.53
2025 (a)	<u>147,837.56</u>
Total	\$163,575.21

Source: Hays County Tax Office.
(a) In process of collection.

Table 3 - Municipal Sales Taxes

The City has adopted the provisions of Municipal Sales and Use Tax Act V.T.C.A, Tax Code, Chapter 321, which grants the City power to impose and levy a 1.25% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds in this report. Net allocations on fiscal year basis are as follows:

<u>Fiscal Year</u>	<u>Rate</u>	<u>Total Collected</u>	<u>% of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>
2018	1.25%	\$2,387,554	226.22%	0.43
2019	1.25%	2,804,424	215.89%	0.41
2020	1.25%	3,195,392	197.86%	0.38
2021	1.25%	3,830,211	187.12%	0.36
2022	1.25%	4,275,408	164.68%	0.29
2023	1.25%	4,535,615	135.27%	0.23
2024	1.25%	4,737,906	126.41%	0.23

Source: Comptroller of Texas.

Table 4 - Top 10 Taxpayers and Their 2024 Valuations

<u>Name</u>	<u>Type of Property</u>	<u>2024 Net Taxable Assessed Valuation</u>	<u>Percent of Total 2024 Assessed Valuation</u>
Regency Ridge at Headwaters Apartments LLC	Apartments	\$28,222,282	1.36%
Meritage Homes of Texas LLC	Homebuilder	23,692,576	1.14%
Center Lake Business Park Inc.	Commercial	12,450,000	0.60%
H. E. Butt Grocery Co. LP	Commercial	12,243,917	0.59%
WSH TX Sawyer Ranch LLC	Commercial	10,046,102	0.48%
D3 Equipment Co.	Commercial	9,933,057	0.48%
Hudson Commons LLC	Commercial	9,381,890	0.45%
Verdugo South LLC	Commercial	7,793,216	0.37%
Caissa Properties LLC	Commercial	7,525,114	0.36%
HIE Dripping Springs LLC	Commercial	<u>7,375,665</u>	<u>0.35%</u>
Total		\$128,663,819	6.19%

Source: Hays Central Appraisal District.

Table 5 - Taxpayers by Classification

<u>Classification</u>	<u>2024 Assessed Valuation</u>	<u>Percent of Total</u>	<u>2023 Assessed Valuation</u>	<u>Percent of Total</u>	<u>2022 Assessed Valuation</u>	<u>Percent of Total</u>
Single Family Residential	\$1,667,887,754	67.67%	\$1,644,319,958	66.89%	\$1,186,953,100	64.24%
Multi-Family Residential	58,881,866	2.39%	55,956,092	2.28%	46,33,414	2.51%
Vacant-Platted Lots	86,240,317	3.50%	129,999,348	5.29%	72,466,819	3.92%
Acreage (Land Only)	75,612,850	3.07%	80,260,900	3.26%	65,290,370	3.53%
Farm and Ranch Improvement	45,104,730	1.83%	44,389,784	1.81%	43,473,906	2.35%
Commercial and Industrial	300,984,311	12.21%	280,305,492	11.40%	243,164,291	13.16%
Real & Intangible Personal, Utilities	6,698,077	0.27%	7,046,400	0.29%	7,831,792	0.42%
Tangible Personal, Business	46,244,800	1.88%	45,549,362	1.85%	31,363,089	1.70%
Tangible Personal, Other	681,233	0.03%	763,443	0.03%	440,083	0.02%
Inventory	40,359,045	1.64%	41,730,896	1.70%	51,567,840	2.79%
Exempt	9,152,203	0.37%	8,114,233	0.33%	6,383,809	0.35%
Special Inventory	83,270	0.00%	92,482	0.00%	121,100	0.01%
Total Exempt Property	<u>126,664,660</u>	<u>5.14%</u>	<u>119,830,197</u>	<u>4.87%</u>	<u>92,193,287</u>	<u>4.99%</u>
Total Market Value	\$2,464,595,116	100.00%	\$2,458,358,587	100.00%	\$1,847,582,910	100.00%

Source: *Hays Central Appraisal District.*

Table 6 - Direct and Estimated Gross Overlapping Funded Debt Payable from Ad Valorem Taxes

Expenditures of the various taxing bodies overlapping the territory of the City are paid out of ad valorem taxes levied by these taxing bodies on properties overlapping the City. These political taxing bodies are independent of the City and may incur borrowings to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax bonds was developed from information contained in the "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have authorized or issued additional bonds since the date stated below, and such entities may have programs requiring the authorization and/or issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of direct and overlapping extended debt of these various taxing bodies:

Political Subdivision	Gross Debt		Percent Overlapping	Amount Overlapping
	Amount	As Of		
Dripping Springs ISD	\$319,145,000	1/31/2025	15.88%	\$50,680,226
Hays County	475,118,993	1/31/2025	4.17%	19,812,462
Hays County Development District #1	39,915,000	1/31/2025	0.30%	119,745
Headwaters MUD ⁽¹⁾	88,490,000	1/31/2025	6.69%	5,919,981
Total Net Overlapping Debt				\$ 76,532,414
Dripping Springs, City of	54,880,000	4/1/2025	100.00%	<u>54,880,000</u> ⁽²⁾
Total Direct and Estimated Overlapping Debt				\$131,412,414 ⁽²⁾
Ratio Total Direct and Estimated Overlapping Debt to 2024 Net Taxable Assessed Valuation ... (\$2,078,442,681)				6.32%
Ratio Total Direct and Estimated Overlapping Debt to 2025 Preliminary Net Taxable Assessed to Valuation (\$2,330,534,710)				5.64%

⁽¹⁾ Only residents of Headwaters MUD are responsible for this Debt.

⁽²⁾ Preliminary; subject to change. Includes the Certificates.

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ESTIMATED INTEREST & SINKING FUND MANAGEMENT INDEX 2023/24

Item 13.

Interest and Sinking Fund Balance at 2-28-2025	\$3,601,345
Other Funds Available at 2-28-2025	<u>22,108,566</u> ⁽¹⁾
Estimated Total Funds Available	\$25,709,911
 2024/25 Net Debt Service Requirement (Includes the Certificates)	 <u>\$4,345,600</u> ⁽¹⁾

⁽¹⁾ Includes \$9,754,501 from General Fund; \$6,926,279 from Utility Fund; and \$2,984,131 in Reserve Fund. Also, it includes approximately \$2,443,655 that is due to the Utility Fund from the Escrow Fund at UMB.

⁽²⁾ Preliminary. Subject to change.

CONSOLIDATED DEBT SERVICE REQUIREMENTS

FISCAL YEAR 30-SEPT	CURRENTLY OUTSTANDING DEBT SERVICE	PLUS: THE CERTIFICATES AT ASSUMED RATES				GRAND TOTAL OF ALL DEBT SERVICE
		PRINCIPAL * DUE 9/1	INTEREST DUE 3/1	INTEREST DUE 9/1	TOTAL	
2025	3,494,871.43	585,000.00		265,729.17	850,729.17	4,345,600.60
2026	3,511,340.10	245,000.00	304,250.00	304,250.00	853,500.00	4,364,840.10
2027	2,874,707.50	460,000.00	298,125.00	298,125.00	1,056,250.00	3,930,957.50
2028	2,906,456.00	485,000.00	286,625.00	286,625.00	1,058,250.00	3,964,706.00
2029	2,845,660.50	510,000.00	274,500.00	274,500.00	1,059,000.00	3,904,660.50
2030	2,881,213.50	535,000.00	261,750.00	261,750.00	1,058,500.00	3,939,713.50
2031	2,424,071.50	560,000.00	248,375.00	248,375.00	1,056,750.00	3,480,821.50
2032	2,461,125.50	590,000.00	234,375.00	234,375.00	1,058,750.00	3,519,875.50
2033	2,491,572.50	620,000.00	219,625.00	219,625.00	1,059,250.00	3,550,822.50
2034	2,525,241.00	650,000.00	204,125.00	204,125.00	1,058,250.00	3,583,491.00
2035	2,562,424.50	680,000.00	187,875.00	187,875.00	1,055,750.00	3,618,174.50
2036	2,593,132.00	715,000.00	170,875.00	170,875.00	1,056,750.00	3,649,882.00
2037	2,632,575.00	750,000.00	153,000.00	153,000.00	1,056,000.00	3,688,575.00
2038	2,665,562.00	790,000.00	134,250.00	134,250.00	1,058,500.00	3,724,062.00
2039	2,702,180.00	830,000.00	114,500.00	114,500.00	1,059,000.00	3,761,180.00
2040	2,737,360.50	870,000.00	93,750.00	93,750.00	1,057,500.00	3,794,860.50
2041	1,196,172.00	915,000.00	72,000.00	72,000.00	1,059,000.00	2,255,172.00
2042	1,193,517.00	960,000.00	49,125.00	49,125.00	1,058,250.00	2,251,767.00
2043		1,005,000.00	25,125.00	25,125.00	1,055,250.00	1,055,250.00
	46,699,182.53	12,755,000.00	3,332,250.00	3,597,979.17	19,685,229.17	66,384,411.70

*PRELIMINARY SUBJECT TO CHANGE.

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**TABLE 7 - COMPARATIVE CONDENSED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN GENERAL FUND BALANCE**

The following statements reflect the historical operations of the City. Such summary has been prepared for inclusion herein based upon information obtained from the City's audited financial statements and records. Reference is made to such statements for further and complete information.

	2025 ⁽¹⁾	2024 ⁽²⁾	2023	2022
REVENUES				
Ad Valorem Taxes	\$3,295,701	\$3,312,522	\$2,213,996	\$1,845,325
Sales and Use Tax	2,194,676	4,669,852	3,636,171	3,342,204
Franchise Taxes	20,259	61,203	60,542	45,563
Mixed Drink Taxes	26,977	102,055	100,666	91,068
Licenses and Permits	698,628	1,665,795	3,460,708	4,332,356
Intergovernmental Revenues	-0-	-0-	-0-	279,513
Charge for Services	-0-	-0-	993,156	692,491
Interest Income	76,879	215,351	128,270	97,912
Donations	-0-	-0-	5,440	8,206
Miscellaneous	<u>1,135,330</u>	<u>936,959</u>	<u>663,066</u>	<u>66,437</u>
Total Revenues	\$7,448,449	\$10,963,736	\$11,262,015	\$10,801,075
EXPENDITURES				
General Government	2,118,312	5,988,539	3,012,367	2,520,813
Public Safety	75,486	87,863	310,127	131,803
Public Works	2,200,622	4,832,575	2,309,908	1,750,065
Development	647,993	1,914,460	1,976,714	2,192,078
Culture and Recreation	-0-	-0-	1,137,755	902,501
Debt Service: Principal	<u>-0-</u>	<u>-0-</u>	<u>14,036</u>	<u>-0-</u>
Total Expenditures	5,042,412 ⁽⁵⁾	12,823,437 ⁽⁴⁾	8,994,907 ⁽³⁾	7,497,260
Excess of Revenues Over (Under) Expenditures	<u>2,406,037</u>	<u>(1,859,701)</u>	<u>2,267,108</u>	<u>3,303,815</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-0-	-0-	253,506	132,833
Transfers Out	-0-	-0-	(807,294)	(870,260)
Proceeds from SBITAs	<u>-0-</u>	<u>-0-</u>	<u>69,019</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	-0-	-0-	(484,769)	(754,427)
Net Change in Fund Balance	<u>2,406,037</u>	<u>(1,859,701)</u>	<u>1,782,339</u>	<u>2,549,388</u>
Fund Balance at Beginning of Year	7,644,514	9,504,215	7,721,876	5,431,312
Prior Period Adjustment	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(258,824)</u>
Fund Balance - September 30	<u>\$10,050,551</u>	<u>\$7,644,514</u>	<u>\$9,504,215</u>	<u>\$7,721,876</u>

Source: City's Comprehensive Annual Financial Reports.

⁽¹⁾ Unaudited. As of February 28, 2025.

⁽²⁾ Unaudited. As of September 30, 2024.

⁽³⁾ The City used \$867,210 for one-time Capital Improvement projects to fund maintenance of Sportplex Drive Street, construction middle school sidewalks, and fund other street maintenance.

⁽⁴⁾ The City used \$3,732,824 for one-time Capital Improvement projects to acquire property, and for various improvement projects including, transportation, street, Stephenson, Founders, and Founders Park lighting.

⁽⁵⁾ The City budgeted to use \$1,100,000 for various Capital Improvement for City Hall.

APPENDIX B
GENERAL INFORMATION REGARDING
THE CITY OF DRIPPING SPRINGS AND ITS ECONOMY

The following information has been provided for informational purposes only.

Major Employers in Hays County

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Texas State University	Education	3,653
Hays CISD	Education	3,058
Amazon Fulfillment Center	Distribution	1,953
San Marcos Premium Outlets	Retail	1,600
Tanger Factory Outlet Center	Retail	1,540
San Marcos CISD	Education	1,264
Hays County	Government	1,120
Dripping Springs ISD	Education	1,029
Christus Santa Rosa Hospital	Medical	700
HEB Distribution Center	Distribution	692

Source: The Municipal Advisory Council of Texas.

Building Permits in City of Dripping Springs

Year Ended 30-Sep	Commercial		Residential		Grand Total (\$)
	Number ⁽¹⁾	Value (\$)	Number	Value (\$)	
2019	14	11,837,845	458	168,561,910	180,399,754
2020	15	75,629,532	790	296,722,925	372,352,457
2021	21	36,202,000	913	383,330,433	419,532,433
2022	12	82,147,472	598	261,969,798	344,117,271
2023	19	192,887,264	519	802,150,135	995,037,400
2024	18	81,907,472	444	120,337,809	202,245,281
2025 (2)	1	1,984,108	75	47,511,291	49,495,399

Source: City of Dripping Springs.

- (1) Includes multi-family new building permits.
- (2) As of January 31, 2025.

APPENDIX C
EXCERPTS FROM THE CITY OF DRIPPING SPRINGS, TEXAS
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2024

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

Financial Advisory Services
Provided By:



NEW ISSUE - BOOK-ENTRY-ONLY

Ratings: Moody's – Aa1

(See “OTHER PERTINENT INFORMATION - Ratings” herein)

In the opinion of Bond Counsel, assuming compliance with certain covenants and based on certain representations, interest on the Certificates (defined below) will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date of delivery thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations.

\$12,755,000*

CITY OF DRIPPING SPRINGS, TEXAS

(A political subdivision of the State of Texas located in Hays County, Texas)

COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025

Dated Date: April 1, 2025 (interest to accrue from the Delivery Date)

Due: September 1, as shown on the inside cover page

The City of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2025 (the “Certificates”) are being issued pursuant to the Constitution and general laws of the State of Texas (the “State”) 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, Chapter 1502, as amended, Texas Government Code, and an ordinance (the “Ordinance”) of the City Council of the City of Dripping Springs, Texas (the “City”) to be adopted on April 1, 2025 (see “THE CERTIFICATES - Authority for Issuance” herein).

The Certificates constitute direct and general obligations of the City payable primarily from ad valorem taxes levied against all taxable property therein, within the limits prescribed by law. The Certificates are additionally secured by a limited pledge of the “Surplus Revenues” derived from the operation of the City’s wastewater system, as provided in the Ordinance. See “THE CERTIFICATES - Security for Payment” and “AD VALOREM PROPERTY TAXATION – Debt Tax Rate Limitation” herein.

Interest on the Certificates will accrue from the Delivery Date (as defined below) and will be payable on September 1 and March 1 of each year, commencing September 1, 2025, until stated maturity or prior redemption, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Certificates will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository. Book entry interests in the Certificates will be made available for purchase in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Certificates (“Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by BOKF, NA, Dallas, Texas, as the initial paying agent/registrant (the “Paying Agent/Registrar”) to the securities depository, which will in turn remit such principal and interest to its participants, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates (see “BOOK-ENTRY-ONLY SYSTEM” herein).

The proceeds of the Certificates will be used for the purpose of paying contractual obligations incurred or to be incurred by the City for: (1) designing, constructing, improving, extending, expanding, upgrading and/or developing City streets, roads, intersections and traffic signalization, including related signage, landscaping, purchasing property, including necessary rights-of-way, drainage easements, and other related transportation costs, including, but not limited to, for Old Fitzhugh Road; (2) constructing a public parking structure in the City’s downtown area; (3) constructing a city public works facility to support the City’s utility system and city streets, including a building for maintenance staff and a holding yard for related materials and equipment; (4) constructing, improving, renovating, upgrading, expanding, and/or equipping the Stephenson Building to be used as part of the City’s park system, including ADA and restroom improvements, with such facility to include meeting spaces that will be generally accessible to the public; (5) acquiring, constructing, improving, expanding, and equipping park and recreational facilities; (6) purchasing materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes in relation to the aforementioned capital improvements, including acquiring land for park and recreational purposes; and (7) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates.

FOR MATURITY SCHEDULE, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS, AND REDEMPTION PROVISIONS FOR THE CERTIFICATES SEE INSIDE PAGE OF THIS FRONT COVER.

This cover page contains certain information for quick reference only. It is not a summary of the Certificates. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Certificates are offered for delivery, when, as and if issued and received by the Underwriter named below (the “Underwriter”) and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel. (See Appendix D – Form of Legal Opinion of Bond Counsel.) Certain legal matters will be passed upon for the Underwriter by their counsel, Orrick, Herrington & Sutcliffe LLP (see “LEGAL MATTERS” herein). It is expected that the Certificates will be available for initial delivery through DTC on or about April 29, 2025 (the “Delivery Date”).

FHN Financial Capital Markets

* Preliminary; subject to change.

\$12,755,000
CITY OF DRIPPING SPRINGS, TEXAS,
(A political subdivision of the State of Texas located in Hays County, Texas)
COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025

CUSIP NO. PREFIX: _____

Stated Maturity (September 1)	Principal Amount	Interest Rate (%)	Initial Yield (%)⁽²⁾	CUSIP No. Suffix⁽¹⁾
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				

(Interest to accrue from the Delivery Date)

The City reserves the right, at its option, to redeem Certificates having stated maturities on and after September 1, 2035, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. The Certificates may also be subject to mandatory sinking fund redemption if the Underwriter elects to aggregate two or more consecutive serial maturities as "Term Certificates" (see "THE CERTIFICATES – Redemption Provisions of the Certificates" herein).

** Preliminary; subject to change.*

(1) CUSIP numbers are included solely for the convenience of owners of the Certificates. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City's Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.

(2) Yield represents the initial offering yield to the public which has been established by the Underwriter for offers to the public and which may be subsequently changed by the Underwriter and is the sole responsibility of the Underwriter.

**CITY OF DRIPPING SPRINGS, TEXAS
CITY COUNCIL**

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Bill Foulds, Jr.	Mayor	2026
Taline Manassian	Place 1, Mayor Pro Tem	2025
Wade King	Place 2	2026
Geoffrey Tahuahua	Place 3	2025
Travis Crow	Place 4	2026
Sherrie Parks	Place 5	2025

ADMINISTRATION

<u>Name</u>	<u>Position</u>	<u>Length of Service With City</u>
Michelle Fischer	City Administrator	26 Years
Ginger Faught	Deputy City Administrator	24 Years
Shawn Cox	Deputy City Administrator	4 Years
Diana Boone	City Secretary	8 months
Laura Mueller	City Attorney	5 Years

CONSULTANTS AND ADVISORS

AUDITORS

Whitley Penn LLP

FINANCIAL ADVISOR TO THE CITY

SAMCO Capital Markets, Inc.

BOND COUNSEL

McCall, Parkhurst & Horton L.L.P.

UNDERWRITER'S COUNSEL

Orrick, Herrington & Sutcliffe LLP

For additional information regarding the City, please contact:

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City Administrator
City of Dripping Springs
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Dripping Springs, Texas 78620
(512) 858-4725
mfischer@cityofdrippingsprings.com

Christina M. Lane
Senior Managing Director, Austin
SAMCO Capital Markets, Inc.
6805 N. Capital of Texas Highway, Suite 350
Austin, Texas 78731
(512) 343-0268
clane@samcocapital.com

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule") and in effect on the date of this Preliminary Official Statement, this document constitutes an "official statement" of the City with respect to the Certificates that has been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

No dealer, broker, salesman, or other person has been authorized by the City to give any information or to make any representation with respect to the Certificates, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

This Official Statement, which includes the cover page and appendices thereto, does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Certificates by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been obtained from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its respective responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE CERTIFICATES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION FOR THE PURCHASE THEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THIS ISSUE AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

None of the City, the Financial Advisor, or the Underwriter make any representation or warranty with respect to the information contained in this Official Statement regarding The Depository Trust Company ("DTC") or its book-entry-only system described under the caption "BOOK-ENTRY-ONLY SYSTEM" as such information has been provided by DTC.

The agreements of the City and others related to the Certificates are contained solely in the contracts described herein. Neither this Official Statement, nor any other statement made in connection with the offer or sale of the Certificates, is to be construed as constituting an agreement with the purchasers of the Certificates. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE CERTIFICATES.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. See "FORWARD LOOKING STATEMENTS" herein.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in the Rule.

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TABLE OF CONTENTS

SELECTED DATA FROM THE OFFICIAL STATEMENT..... 1
INTRODUCTION..... 3
THE CERTIFICATES..... 3
REGISTRATION, TRANSFER, AND EXCHANGE 8
BOOK-ENTRY ONLY SYSTEM10
SOURCES AND USES OF FUNDS.....12
INVESTMENT POLICIES.....12
PENSION FUND AND OTHER POST-EMPLOYMENT BENEFITS15
AD VALOREM PROPERTY TAXATION16
TAX MATTERS.....21
CONTINUING DISCLOSURE OF INFORMATION.....24
LEGAL MATTERS26
FORWARD LOOKING STATEMENTS.....27
OTHER PERTINENT INFORMATION.....27

- APPENDIX A - Selected Financial Information of the City of Dripping Springs, Texas
- APPENDIX B - General Information Regarding the City of Dripping Springs and Its Economy
- APPENDIX C - Excerpts from the City of Dripping Springs, Texas Audited Financial Statements for the **Year Ended September 30, 2024**
- APPENDIX D - Form of Opinion of Bond Counsel

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SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The City	The City of Dripping Springs, Texas (the “City”) is a political subdivision and municipal corporation of the State of Texas (the “State”), located in Hays County, Texas. The City is located in northern Hays County, and sits approximately 23 miles east of Austin, Texas. Access to the City is provided by State Highway 290. The City covers approximately 9.93 square miles. The City’s location is part of the growing Austin - Hays County area and has resulted in rapid growth over the last several years. The City’s 2020 census population was 4,650. The City’s population estimate as of March 2025 is 10,550 (see “APPENDIX B – General Information Regarding the City of Dripping Springs and Its Economy”).
The Certificates	The Certificates are being issued pursuant to Subchapter C, Chapter 271, Texas Local Government Code (the “Certificates of Obligation Act of 1971”), as amended, Chapter 1502, Texas Government Code, as amended, an ordinance (the "Ordinance") to be adopted by the City Council of the City on April 1, 2025. (See "THE CERTIFICATES - Authority for Issuance" herein.)
Paying Agent/Registrar	The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas.
Security	The Certificates constitute direct and general obligations of the City payable primarily from ad valorem taxes levied against all taxable property therein, within the limits prescribed by law. The Certificates are additionally secured by a limited pledge of the “Surplus Revenues” derived from the operation of the City’s wastewater system, as provided in the Ordinance (see “THE CERTIFICATES - Security for Payment” and “AD VALOREM PROPERTY TAXATION – Debt Tax Rate Limitation” herein).
Redemption Provisions	The City reserves the right, at its option, to redeem Certificates having stated maturities on and after September 1, 2035, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. The Certificates may also be subject to mandatory sinking fund redemption if the Underwriter elects to aggregate two or more consecutive serial maturities as “Term Certificates” (see "THE CERTIFICATES – Redemption Provisions of the Certificates" herein).
Tax Matters	In the opinion of Bond Counsel, assuming compliance with certain covenants and based on certain representations, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date of delivery thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations. (See "TAX MATTERS" and “APPENDIX D – Form of Legal Opinion of Bond Counsel" herein.)
Use of Proceeds	The Certificates will be issued for the purpose of paying contractual obligations incurred or to be incurred by the City for: (1) designing, constructing, improving, extending, expanding, upgrading and/or developing City streets, roads, intersections and traffic signalization, including related signage, landscaping, purchasing property, including necessary rights-of-way, drainage easements, and other related transportation costs, including, but not limited to, for Old Fitzhugh Road; (2) constructing a public parking structure in the City’s downtown area; (3) constructing a city public works facility to support the City’s utility system and city streets, including a building for maintenance staff and a holding yard for related materials and equipment; (4) constructing, improving,

renovating, upgrading, expanding, and/or equipping the Stephenson Building to be used as part of the City’s park system, including ADA and restroom improvements, with such facility to include meeting spaces that will be generally accessible to the public; (5) acquiring, constructing, improving, expanding, and equipping park and recreational facilities; (6) purchasing materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes in relation to the aforementioned capital improvements, including acquiring land for park and recreational purposes; and (7) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates.

Ratings

Moody’s Investors Service, (“Moody’s”) has assigned an unenhanced, underlying rating of “Aa1” to the Certificates. (See "OTHER PERTINENT INFORMATION – Ratings" herein.)

Payment Record

The City has never defaulted with respect to the payment of the principal and interest requirements on any of its bonded indebtedness.

Future Bond Issues

The City anticipates issuing approximately \$51,000,000 of general obligation debt within the next two to three years for a wastewater system project that will be split into two phases. The City also anticipates issuing approximately \$11,000,000 of general obligation debt within the next five years for its share of infrastructure for the Wildridge subdivision.

Delivery

When issued, anticipated on or about April 29, 2025.

Legality

Delivery of the Certificates is subject to approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality of the Certificates by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel.

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PRELIMINARY OFFICIAL STATEMENT

RELATED TO

\$12,755,000

CITY OF DRIPPING SPRINGS, TEXAS

(A political subdivision of the State of Texas located in Hays County, Texas)

COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025

INTRODUCTION

This Official Statement of the City of Dripping Springs, Texas (the “City”) is provided to furnish certain information in connection with the sale of the City's \$12,755,000 Combination Tax and Limited Revenue Certificates of Obligation, Series 2025 (the “Certificates”).

This Official Statement, which includes the cover page and the appendices hereto, provides certain information about the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained upon request from the City and, during the offering period, from the City's Financial Advisor, SAMCO Capital Markets, Inc., 6805 N. Capital of Texas Highway, Suite 350, Austin, Texas 78731, by electronic mail or upon payment of reasonable copying, mailing, and handling charges.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the Official Statement pertaining to the Certificates will be filed by the Underwriter with the Municipal Securities Rulemaking Board through its Electronic Municipal Markets Access (“EMMA”) system. See “CONTINUING DISCLOSURE OF INFORMATION” herein for a description of the City’s undertaking to provide certain information on a continuing basis. Capitalized terms used, but not defined herein, shall have the meanings ascribed thereto in the Ordinance (defined below).

THE CERTIFICATES

Authority for Issuance

The Certificates are being issued pursuant to the Constitution and general laws of the State of Texas (the “State”) 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, Chapter 1502, as amended, Texas Government Code, and an ordinance (the “Ordinance”) to be adopted by the City Council of the City on April 1, 2025.

General Description

The Certificates are dated April 1, 2025 (the “Dated Date”) and will accrue interest from the Delivery Date, and such interest shall be payable on March 1 and September 1 in each year, commencing September 1, 2025, until stated maturity or prior redemption. Interest on the Certificates will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Certificates will mature on the dates, in the principal amounts and will bear interest at the rates set forth on the inside cover page of this Official Statement.

Interest on the Certificates is payable to the registered owners appearing on the bond registration books of the Paying Agent/Registrar on the Record Date (defined below) and such interest shall be paid by the Paying Agent/Registrar (i) by check sent by United States mail, first class postage prepaid, to the address of the registered owner recorded in the bond register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and

*Preliminary, subject to change

expense of, the registered owner. The principal of the Certificates is payable at maturity or redemption, upon their presentation and surrender to the Paying Agent/Registrar. The Certificates will be issued only in fully registered form in any integral multiple of \$5,000 principal for any one maturity.

Initially the Certificates will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. No physical delivery of the Certificates will be made to the owners thereof. Notwithstanding the foregoing, as long as the Certificates are held in the Book-Entry-Only System, principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Certificates. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Use of Proceeds

The proceeds of the Certificates will be used for the purpose of paying contractual obligations incurred or to be incurred by the City for: (1) designing, constructing, improving, extending, expanding, upgrading and/or developing City streets, roads, intersections and traffic signalization, including related signage, landscaping, purchasing property, including necessary rights-of-way, drainage easements, and other related transportation costs, including, but not limited to, for Old Fitzhugh Road; (2) constructing a public parking structure in the City's downtown area; (3) constructing a city public works facility to support the City's utility system and city streets, including a building for maintenance staff and a holding yard for related materials and equipment; (4) constructing, improving, renovating, upgrading, expanding, and/or equipping the Stephenson Building to be used as part of the City's park system, including ADA and restroom improvements, with such facility to include meeting spaces that will be generally accessible to the public; (5) acquiring, constructing, improving, expanding, and equipping park and recreational facilities; (6) purchasing materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes in relation to the aforementioned capital improvements, including acquiring land for park and recreational purposes; and (7) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates.

Security for Payment

The Certificates constitute direct and general obligations of the City payable primarily from ad valorem taxes levied against all taxable property therein, within the limits prescribed by law. The Certificates are additionally secured by a limited pledge of the "Surplus Revenues" derived from the operation of the City's wastewater system, as provided in the Ordinance (see "THE CERTIFICATES - Security for Payment" and "AD VALOREM PROPERTY TAXATION – Debt Tax Rate Limitation" herein).

Redemption Provisions of the Certificates

The City reserves the right, at its option, to redeem Certificates having stated maturities on and after September 1, 2035, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. The Certificates may also be subject to mandatory sinking fund redemption if the Underwriter elects to aggregate two or more consecutive serial maturities as "Term Certificates" (see "THE CERTIFICATES – Redemption Provisions of the Certificates" herein).

If less than all of the Certificates are to be redeemed, the City may select the maturities of Certificates to be redeemed. If less than all the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from

and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

Selection of Certificates for Redemption

If less than all of the Certificates are redeemed within a stated maturity at any time, the Certificates to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot or other customary method in multiples of \$5,000 within any stated maturity.

Notice of Redemption

Not less than 30 days prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each registered owner of a Certificate to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books relating to the Certificates kept by the Paying Agent/Registrar (the "Security Register") at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE OF REDEMPTION SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE CERTIFICATEHOLDERS FAILED TO RECEIVE SUCH NOTICE.

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 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 designated corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the registered owner. 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 provided in the Ordinance, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and on the redemption date designated in such notice, interest on said Certificate (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificate shall not be deemed to be Outstanding.

The Paying Agent/Registrar and the City, so long as a Book-Entry-Only System is used for the Certificates, will mail any notice of redemption, notice of proposed amendment to the Ordinance or other notices with respect to the Certificates only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, shall not affect the validity of the redemption of the Certificates called for redemption or any other action premised on any such notice. Redemption of portions of the Certificates held by the City will reduce the outstanding principal amount of such Certificates held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Certificates held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Certificates from the Beneficial Owners. Any such selection of Certificates to be redeemed will not be governed by the Ordinance and will not be conducted by the City or the Paying Agent/Registrar. Neither the City nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Certificates or the providing of notice to DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Certificates for redemption (see "BOOK-ENTRY-ONLY SYSTEM" herein).

Legality

The Certificates are subject to the approval of legality by the Attorney General of the State of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel. A form of the legal opinion of Bond Counsel appears in APPENDIX D attached hereto.

Delivery

When issued; anticipated on or about April 29, 2025.

Payment Record

The City has never defaulted with respect to the payment of the principal and interest requirements on any of its bonded indebtedness.

Future Bond Issues

The City anticipates issuing approximately \$51,000,000 of general obligation debt within the next two to three years for a wastewater system project that will be split into two phases. The City also anticipates issuing approximately \$11,000,000 of general obligation debt within the next five years for its share of infrastructure for the Wildridge subdivision.

Defeasance

The Ordinance provides for the defeasance of the Certificates when payment of the principal of and premium, if any, on such Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent (or other financial institution permitted by applicable law), in trust (1) money sufficient to make such payment and/or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for such Certificates, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. The Ordinance provides that "Defeasance Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (c) 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 are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and, (d) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Certificates. The City has additionally reserved the right subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Certificates. Because the Ordinance does not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or those for any other Defeasance Security will be maintained at any particular rating category.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. After firm banking and financial arrangements for the discharge and final payment or redemption of the Certificates have been made as described above, all rights of the City to initiate proceedings to call the Certificates for redemption or take any other action amending the terms of the Certificates are

extinguished; provided, however, that the right to call the Certificates for redemption that have been defeased to stated maturity is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Amendments

The City may amend the Ordinance without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the written consent of the holders of a majority in aggregate principal amount of the Certificates then outstanding, amend, add to, or rescind any of the provisions of the Ordinance; except that, without the consent of all of the registered owners of the Certificates then outstanding, no such amendment, addition, or rescission may (1) make any change in the maturity of any of the outstanding Certificates; (2) reduce the rate of interest borne by any of the outstanding Certificates; (3) reduce the amount of the principal or maturity value of, or redemption premium, if any, payable on any outstanding Certificates; (4) modify the terms of payment or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or (5) change the minimum percentage amount of the Certificates necessary to be held by Registered Owners for consent to such amendment.

Remedies

If the City defaults in the payment of principal or interest, or redemption price, on the Certificates when due, or if it fails to make payments into any fund or funds created in the Ordinance, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Certificates, if there is no other available remedy at law to compel performance of the Certificates or the Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. Texas cities are generally immune from suits for money damages for breach of contracts under the doctrine of sovereign immunity. The Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("*Tooke*") that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Furthermore, *Tooke*, and subsequent jurisprudence, held that a municipality is not immune from suit for torts committed in the performance of its proprietary functions, as it is for torts committed in the performance of its governmental functions (the "Proprietary-Governmental Dichotomy"). Governmental functions are those that are enjoined on a municipality by law and are given by the State as a part of the State's sovereignty, to be exercised by the municipality in the interest of the general public, while proprietary functions are those that a municipality may, in its discretion, perform in the interest of the inhabitants of municipality.

In *Wasson Interests, Ltd., v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("*Wasson*") the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources". While the Court recognized that the distinction between government and proprietary functions is not clear, the *Wasson* opinion held that Proprietary-Governmental Dichotomy applies in contract-claims context. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function is proprietary or governmental based upon the statutory guidance and definitions found in the Texas Civil Practice and Remedies Code.

Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will

be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgment, is justiciable against a municipality.

If a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City’s property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. As noted above, the Ordinance provides that Certificate holders may exercise the remedy of mandamus to enforce the obligations of the City under the Ordinance. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract). Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Ordinance and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

REGISTRATION, TRANSFER, AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas. The Certificates will be issued in fully registered form in multiples of \$5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. If the Certificates are not held in the Book-Entry-Only System, interest on the Certificates will be paid by check or draft mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books on the Record Date (see “REGISTRATION, TRANSFER, AND EXCHANGE - Record Date” herein) or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner, and principal of the Certificates will be paid to the registered owner at stated maturity or earlier redemption upon presentation to the Paying Agent/Registrar.

Successor Paying Agent/Registrar

The City covenants that until the Certificates are paid, it will at all times maintain and provide a Paying Agent/Registrar. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the City, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the City shall be a bank, trust company, financial institution or other entity duly qualified and legally authorized to serve and perform the duties of Paying Agent/Registrar for the Certificates. Upon any change in the Paying Agent/Registrar for the Certificates, the City will promptly cause a notice thereof to be sent to each

registered owner of the Certificates by United States mail, first class, postage prepaid, which notice shall give the address of the new Paying Agent/Registrar.

Record Date

The record date ("Record Date") for determining the person entitled to the payment of interest on a Certificate is the fifteenth day of the month next preceding each interest payment date.

If the date for the payment of the principal of or interest on the Certificates is 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 is the next succeeding day which is not such a day and payment on such date will have the same force and effect as if made on the original date payment was due.

Special Record Date for Interest Payment

In the event of a non-payment of interest on a scheduled payment date, and for 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. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 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 registered owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Registration, Transferability and Exchange

In the event the Book-Entry-Only System shall be discontinued, printed certificates will be issued to the registered owners of the Certificates and thereafter the Certificates may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Certificate may be assigned by the execution of an assignment form on the Certificate or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Certificate or Certificates will be delivered by the Paying Agent/Registrar in lieu of the Certificates being transferred or exchanged at the designated office of the Paying Agent/Registrar or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. New Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Certificates to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in denominations of \$5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and at the same maturity or maturities as the Certificate or Certificates surrendered for exchange or transfer (see "BOOK-ENTRY-ONLY SYSTEM" herein).

Limitation on Transferability of Certificates Called for Redemption

Neither the City nor the Paying Agent/Registrar are required (1) to make any transfer or exchange during a period beginning at the opening of business 45 days before the day of the first mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Certificates so selected for redemption when such redemption is scheduled to occur within 45 calendar days; provided however, that such limitation of transfer is not applicable to an exchange by the registered owner of the uncalled balance of a Certificate.

Replacement Certificates

If any Certificate is mutilated, destroyed, stolen or lost, a new Certificate of like kind and in the same amount as the Certificate mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Certificate, such new Certificate will be delivered only upon surrender and cancellation of such mutilated Certificate. In the case of any Certificate issued in lieu of and in substitution for a Certificate which has been destroyed, stolen, or lost, such new Certificate will be delivered only (a) upon filing with the City and the Paying Agent/Registrar evidence satisfactory to establish to the City and the Paying Agent/Registrar that such Certificate has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the City and the Paying Agent/Registrar with Certificate or indemnity satisfactory to them. The person requesting the authentication and delivery of a new Certificate must comply with such other reasonable regulations as the Paying Agent/Registrar may prescribe and pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Certificates is to be transferred and how the principal of premium, if any, and interest on the Certificates are to be paid to and credited by DTC, while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter take responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has an S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Certificates of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered. Thereafter, the Certificates may be transferred and exchanged as described in the Ordinance.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City’s Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE PAYING AGENT, THE CITY’S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE CERTIFICATES. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE CERTIFICATES PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the Certificates will be applied approximately as follows*:

<u>Sources</u>	
Par Amount of Certificates	\$
[Net] Reoffering Premium on the Certificates	
Total Sources	\$ _____
<u>Uses</u>	
Deposit to Project Fund	\$ _____
Underwriter’s Discount	
Cost of Issuance	
Total Uses	\$ _____

INVESTMENT POLICIES

The City invests its investable funds in investments authorized by State law and in accordance with investment policies approved and reviewed annually by the City Council of the City. Both State law and the City’s investment policies are subject to change.

Legal Investments

Under Texas law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities,

* Preliminary; subject to change.

including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their respective successors; (8) interest-bearing banking deposits, other than those described by clause (7), if (A) the funds invested in the banking deposits are invested through (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution as described in clause (8)(A), above, arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City’s account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing City appoints as the City’s custodian of the banking deposits issued for the City’s account: (i) the depository institution selected as described by Paragraph (A); (ii) an entity described by Section 2257.041(d) of the Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit or share certificates (i) meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code) that are issued by or through an institution that either has its main office or a branch in Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund (or their respective successors), or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and amount provided by law for City deposits or, (ii) where the funds are invested by the City through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the City; (iii) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (iv) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (v) the City appoints the depository institution selected under (ii) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3- 3) as custodian for the City with respect to the certificates of deposit issued for the account of the City; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1), and require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City’s name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City’s name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer (as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003) or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less; (12) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (13) commercial paper with a stated maturity of 270 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, and that complies with SEC Rule 2a-7; and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations described in this paragraph or (ii) have a duration of less

than one year and an investment portfolio limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the City's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the City's investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified

representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization (i) is dependent on an analysis of the makeup of the City's entire portfolio, (ii) requires an interpretation of subjective investment standards, or (iii) relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

Current Investments*

As of February 28, 2025, the following percentages of the City's investable funds were invested as indicated below:

<u>Category of Investments</u>	<u>Amount</u>	<u>Percentage</u>	<u>Term of Investments</u>
Depository Bank – Cash	\$29,408,601	100.00%	N/A
Total	\$29,408,601	100.00%	

* Unaudited. All accounts are interest-bearing.

PENSION FUND AND OTHER POST-EMPLOYMENT BENEFITS

See Note 1 – Summary of Significant Accounting Policies – Assets, Liabilities, Deferred Inflows/Outflows of Resources and Fund Balances/Net Position - Pensions and Other Post-Employment Benefits (OPEB), Note 8 – Defined – Benefit Pension Plans – Plan Description and Provisions, and Note 9 – Other Post-Employment Benefits - in the Notes to the Financial Statements of September 30, 2024 included in “APPENDIX C - Excerpts from the City of Dripping Springs, Texas Audited Financial Statements for the Year Ended September 30, 2024.”

AD VALOREM PROPERTY TAXATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Reference is made to Title 1 of the Texas Tax Code, as amended (the “Property Tax Code”), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (“Appraisal Review Board”) responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the Hays Central Appraisal District (the “Appraisal District”). Except as described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market

value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property (the 10% Homestead Cap). The 10% increase is cumulative meaning the maximum increase is 10% times the number of years since the property was last appraised.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity ("Productivity Value"). The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the City, in establishing their tax rolls and tax rates. See "AD VALOREM PROPERTY TAXATION – City and Taxpayer Remedies."

State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the market value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of all homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit. The City grants an additional exemption of 1% or \$10,000 of the market value of a residential homestead and grants a local exemption of \$25,000 to the market value of the residence homestead of persons 65 years of age or older and the disabled.

Local Option Freeze for the Elderly and Disabled

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible

personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Freeport and Goods-In-Transit Exemptions

Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication (“Freeport Property”) are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue to tax Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal. Certain goods that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transferred from that location to another location within 175 days (“Goods-in-Transit”), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer’s motor vehicle, boat, or heavy equipment inventory. A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Temporary Exemption for Qualified Property Damaged by a Disaster

The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. The governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the Governor declares the area to be a disaster area. The Texas Legislature amended Section 11.35, Tax Code to clarify that “damage” for purposes of such statute is limited to “physical damage.” For more information on the exemption, reference is made to Section 11.35 of the Tax Code.

Tax Increment Reinvestment Zones and Chapter 380 Economic Development Agreements

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment financing reinvestment zones (“TIRZ”) within its boundaries. At the time of the creation of the TIRZ, a “base value” for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the “tax increment.” During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all overlapping taxing units that elected to participate, are restricted to paying project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units. The City has created two TIRZs for the promotion of economic development.

Cities are also authorized, pursuant to Chapter 380 of the Texas Local Government Code (“Chapter 380”), to establish programs to promote State or local economic development and to stimulate business and commercial activity. In accordance with programs established pursuant to Chapter 380, a City may make loans or grant public funds for

economic development purposes; however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by the voters of the City. The City has entered into such Chapter 380 agreements in recent years.

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. The City has no currently active tax abatement agreements.

Public Hearing and Maintenance and Operations Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

“adjusted” means lost values are not included in the calculation of the prior year’s taxes and new values are not included in the current year’s taxable values.

“de minimis rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year’s taxable value, plus the debt service tax rate.

“no-new-revenue tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

“special taxing unit” means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

“unused increment rate” means the cumulative difference between a city’s voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city’s tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

“voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the “unused increment rate”.

The City’s tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

A city must annually calculate, and prominently post on its internet website, its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its “de minimis rate”, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its "voter-approval tax rate" using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Certificates.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Debt Tax Rate Limitation

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax-supported debt within the limits prescribed by law. Article XI, Section 4, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$1.50 per \$100 of taxable assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.00 of the maximum \$1.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance and based on a 90% collection ratio.

City and Taxpayer Remedies

Under certain circumstances, the City and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$59,562,331 for the 2024 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases. See "AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operations Tax Rate Limitations." The Property Tax Code also

establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

City's Rights in the Event of Tax Delinquencies

Taxes levied by the City are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all State and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each local taxing unit, including the City, having power to tax the property. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes.

At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Future and Proposed State Legislation

The 89th Texas Legislature convened in regular session on January 14, 2025. The regular session will last for 140 days, and thereafter the Governor may call one or more special sessions. During any legislative session the Texas Legislature may enact laws that materially change current law relating to the City including with respect to property taxes. Both the Governor and Lt. Governor of the State have prioritized passing legislation during the current 89th Texas Legislature for significant property tax relief. The City makes no representation regarding any actions the Texas Legislature may take during this current or future legislative sessions but intends to monitor proposed legislation for any developments applicable to the City.

Levy and Collection of Taxes

The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. Taxpayers 65 years old or older, disabled veterans or an unmarried surviving spouse of a disabled veteran are permitted by State law to pay taxes on homesteads in four installments with the first installment due before February 1 of each year and the final installment due before August 1. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the City. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the City may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

City Application of the Property Tax Code

The City grants a local exemption to the market value of the residence homestead of person 65 years of age or older.

The City grants an additional exemption of the market value of residence homestead.

The City does not provide an additional freeze on total amount of ad valorem taxes levied on the residence of a disabled person or persons 65 years of age or older.

The City does not tax nonbusiness personal property.

The City is one of the few communities in Central Texas that offers a “Triple Freeport” exemption on qualified inventories.

The City does not collect the one-half cent sales tax for economic development.

The City participates in Tax Increment Reinvestment Zones for economic development.

TAX MATTERS

Opinion

On the date of initial delivery, McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Certificates for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Certificates will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the “Code”). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Certificates. See Appendix D – Form of Legal Opinion of Bond Counsel.

In rendering its opinion, Bond Counsel will rely upon (a) the City’s federal tax certificate and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Certificates and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Certificates to become includable in gross income retroactively to the date of issuance of the Certificates.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Certificates in order for interest on the Certificates to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Certificates to be included in gross income retroactively to the date of issuance of the Certificates. The opinion of Bond Counsel is conditioned on compliance by the City with the covenants and the requirements described in the preceding paragraph, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Certificates.

Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. Existing Law is subject to change by Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Certificates.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Certificates or the property financed or refinanced with proceeds of the Certificates. Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence

an audit of the Certificates, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Certificate holders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Certificates may be less than the principal amount thereof or one or more periods for the payment of interest on the Certificates may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Certificates”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Certificate, and (ii) the initial offering price to the public of such Original Issue Discount Certificate would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Certificates less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Certificate in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Certificate equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Certificate prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Certificate was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Certificate is accrued daily to the stated maturity thereof (in amounts calculated as described below for each accrual period and ratably within each such accrual period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Certificate for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Certificate.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Certificates should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Certificates and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Certificates.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Certificates. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers

qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE CERTIFICATES.

Interest on the Certificates may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code. Under section 6012 of the Code, holders of tax-exempt obligations, such as the Certificates, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation. Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Certificates, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Certificates under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Certificates under Federal or state law and could affect the market price or marketability of the Certificates. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Certificates should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the holders and beneficial owners of the Certificates. The City is required to observe the agreement for so long as it remains an obligated person with respect to the Certificates within the meaning of the Securities and Exchange Commission's Rule 15c2-12 (the "Rule"). Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually and timely notice of certain specified events to the Municipal Securities Rulemaking Board (the "MSRB"). The information provided to the MSRB will be available to the public free of charge via the Electronic

Municipal Market Access (“EMMA”) system through an internet website accessible at www.emma.msrb.org., as described below under “Availability of Information from MSRB” below.

Annual Reports

The City will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in Tables 1 through 5 and 7 of Appendix A to this Official Statement. The City will update and provide this information within six months after the end of each fiscal year ending in or after 2025. The City will additionally provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in and after 2025. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX C or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation. The City will provide the updated information to the MSRB in an electronic format, which will be available through EMMA to the general public without charge.

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule.

The City's current fiscal year end is September 30. Accordingly, it must provide updated financial information and operating data by March 31 of each year and the audited financial statements must be provided by September 30 of each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

Notice of Certain Events

The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten business days after the 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 Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) redemption calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, 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 trustee or the change of name of a trustee, if material to a decision to purchase or sell Certificates; (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties. The term “material” when used in this paragraph shall have the meaning as ascribed to it under federal securities laws. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under “Annual Reports”. Neither the Certificates nor the Ordinance make provisions for liquidity enhancement or debt service reserves.

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession

but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. As used in this section, the term “Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The City intends the words used in the above clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

Availability of Information from MSRB

The City has agreed to provide the foregoing information only to the MSRB. All documents provided by the City to the MSRB described above under “Annual Reports” and “Notice of Certain Events” will be in an electronic format and accompanied by identifying information as prescribed by the MSRB. This information will be available from the MSRB via its EMMA system at www.emma.msrb.org.

Limitations and Amendments

The City has agreed to update information and to provide notices of certain events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Certificates may seek a writ of mandamus to compel the City to comply with its agreement. No default by the City with respect to its continuing disclosure agreement shall constitute a breach of or default under the Ordinance for purposes of any other provision of the Ordinance. Nothing in this paragraph is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws. The City's undertakings and agreements are subject to appropriation of necessary funds and to applicable legal restrictions.

The City may amend its continuing disclosure agreement 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, if the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein 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 either the holders of a majority in aggregate principal amount of the outstanding Certificates consent or any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Certificates. The City may also repeal or amend these provisions 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 the continuing disclosure agreement 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 prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Undertakings

Except as described below, during the past five years, the City has complied in all material respects with its continuing disclosure agreements in accordance with the Rule.

On March 26, 2024, the City privately placed its \$2,500,000 Tax Note, Series 2024 (the “Note”). On July 8, 2024, the City filed a material event notice, as part of its continuing disclosure requirements, regarding its incurrence of a financial obligation. On the same day, the City filed a notice of failure to file. The Notice provides that a Notice of Incurrence of a Financial Obligation for the City was not filed within 10 business days of closing of a debt obligation, such as the Note. For further information regarding the Note, please refer to the ordinance attached to such Notice of Incurrence of a Financial Obligation. The Notice was provided solely to comply with the City’s agreement to provide ongoing financial information pursuant to one or more continuing disclosure agreements.

On July 8, 2024, within 12 months of its fiscal year ending September 30, 2023, the City filed its Audited Financial Statements and Other Financial Information.

On March __, 2025, the City filed its September 30, 2024, Audited Financial Statement (see CONTINUING DISCLOSURE OF INFORMATION – Annual Reports).

LEGAL MATTERS

The City will furnish the Underwriter with a complete transcript of proceedings for the Certificates incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of the State of Texas to the effect that the Certificates are valid and legally binding general obligations of the City, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Certificates, issued in compliance with the provisions of the Ordinance, are valid and legally binding general obligations of the City and, subject to the qualifications set forth herein under "TAX MATTERS," the interest on the Certificates is exempt from federal income taxation under existing statutes, published rulings, regulations, and court decisions. In its capacity as Bond Counsel, such firm has reviewed the information relating to the Certificates and the Ordinance contained in this Official Statement under the captions “THE CERTIFICATES” (except under the subcaptions “Payment Record,” “Future Bond Issues,” and “Remedies”), “TAX MATTERS,” “OTHER PERTINENT INFORMATION - Registration and Qualification of Certificates for Sale” “REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE,” “CONTINUING DISCLOSURE OF INFORMATION” (except under the subcaption “Compliance with Prior Undertakings”), “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” and “LEGAL MATTERS,” and such firm is of the opinion that the information contained under such captions is a fair and accurate summary of the information purported to be shown and is correct as to matters of law. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Certificates, will also be furnished. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates are contingent on the sale and delivery of the Certificates. The legal opinion of Bond Counsel will accompany the Certificates deposited with DTC or will be printed on the definitive Certificates in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriter by Orrick, Herrington & Sutcliffe LLP, counsel for the Underwriter. The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation

The City is in litigation with Save Our Springs (“SOS”) in relation to the City’s Wastewater Permit. In its suit, SOS claims that the Texas Commission on Environmental Quality (“TCEQ”) did not properly issue the City’s Wastewater Permit because it used the wrong standard in evaluating the City’s permit. SOS claims that TCEQ should have used a different, federal standard in evaluating the City’s permit. SOS claims that by applying such federal standard, the City would not have received its permit, or if received, would have included more restrictions. SOS seeks that the City’s current wastewater permit be overturned and that the TCEQ reevaluate the City’s application, as well as attorney’s fees. It is unlikely that SOS could recover attorney’s fees in this case because there is no statutory provision that allows for such fees. That does not, however, prevent SOS from seeking such fees if they are successful. The City asserts that TCEQ did follow the appropriate state law and agency rules in issuing its Wastewater Permit. If the Wastewater Permit

is overturned by the court, the City would need to either restart the wastewater permit issuing process or develop another avenue for wastewater. A decision against TCEQ and the City would delay some City and development projects.

The City is in litigation with the Lazy W Conservation District (“Lazy W”) related to condemnation of a right-of-way for the City’s wastewater line. Lazy W claims that the conservation district’s purpose of protecting endangered animals is more important than the City’s purpose in building a regional wastewater line. The City asserts that its purpose is paramount based on the need for wastewater services throughout the region. Lazy W is not seeking damages, other than the already accounted for cost of the condemned property and potential attorney’s fees.

The City can make no representation regarding the timing of the Court’s rulings on the pending litigation. In the opinion of various officials of the City, there is no additional litigation or other proceeding pending against or, to their knowledge, threatened against the City in any court, agency, or administrative body (either state or federal) wherein an adverse decision, including any with regards to the pending litigation that would materially adversely affect the financial condition of the City or the City’s operations.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates are negotiable instruments governed by Chapter 8, as amended, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Certificates be assigned a rating of not less than “A” or its equivalent as to investment quality by a national rating agency. See “RATINGS” herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with at least \$1 million of capital, and savings and loan associations. The Certificates are eligible to insure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

The City has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Certificates for such purposes. The City has made no review of laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. It is important to note that the City’s actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

OTHER PERTINENT INFORMATION

Registration and Qualification of Certificates for Sale

The sale of the Certificates has not been registered under the Securities Act of 1933, as amended, in reliance upon exemptions provided in such Act; the Certificates have not been qualified under the Securities Act of Texas in reliance upon exemptions contained therein; nor have the Certificates been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which they may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

Ratings

Moody's Investors Service ("Moody's") has assigned an unenhanced, underlying rating of "Aa1" to the Certificates. An explanation of the rating may be obtained from Moody's. The rating of the Certificates by Moody's reflects only the view of Moody's at the time the rating is given, and the City makes no representations as to the appropriateness of the rating. There is no assurance that the rating will continue for any given period of time, or that the rating will not be revised downward or withdrawn entirely by Moody's, if, in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Certificates.

Authenticity of Financial Information

The financial data and other information contained herein have been obtained from the City's records, audited financial statements and other sources that are believed to be reliable. All of the summaries of the statutes, documents, and the Ordinance contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Ordinance. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

Underwriting

The Underwriter has agreed, subject to certain conditions, to purchase the Certificates from the City at the initial offering prices to the public as shown on page i of this Official Statement, less an underwriting discount of \$_____. The Underwriter will be obligated to purchase all of the Certificates, if any Certificates are purchased. The Certificates to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing the Certificates into investment trusts) at prices lower than the public offering prices of such Certificates, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its respective responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

Financial Advisor

SAMCO Capital Markets, Inc. is employed as a Financial Advisor to the City in connection with the issuance of the Certificates. In this capacity, the Financial Advisor has compiled certain data relating to the Certificates and has drafted this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for the Financial Advisor are contingent upon the issuance, sale and initial delivery of the Certificates.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Authorization of the Official Statement

This Official Statement will be approved as to form and content and the use thereof in the offering of the Certificates will be authorized, ratified and approved by the City Council on the date of sale, and the Underwriter will be furnished, upon request, at the time of payment for and the delivery of the Certificates, a certified copy of such approval, duly executed by the proper officials of the City.

The Ordinance will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto issued on behalf of the City and authorize its further use in the reoffering of the Certificates by the Underwriter in accordance with the provisions of the Rule.

CITY OF DRIPPING SPRINGS, TEXAS

/s/ Bill Foulds, Jr.

MAYOR

CITY OF DRIPPING SPRINGS, TEXAS

ATTEST:

/s/ Diana Boone

City Secretary

City of Dripping Springs, Texas

APPENDIX A
SELECTED FINANCIAL INFORMATION OF
THE CITY OF DRIPPING SPRINGS, TEXAS

APPENDIX B
GENERAL INFORMATION REGARDING THE CITY OF DRIPPING SPRINGS
AND ITS ECONOMY

APPENDIX C
EXCERPTS FROM THE CITY OF DRIPPING SPRINGS, TEXAS
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2024

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

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purpose of the meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

3. The Mayor of the City has approved and hereby approves the Resolution; that the Mayor and the City Secretary of the City has duly signed the Resolution; and that the Mayor and the City Secretary of the City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of the Resolution for all purposes.

SIGNED AND SEALED the 15th day of April, 2025.

City Secretary

Mayor

[CITY SEAL]

RESOLUTION NO. _____

RESOLUTION DELAYING ACTION ON AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF DRIPPING SPRINGS, TEXAS COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION IN AN AMOUNT NOT TO EXCEED \$14,500,000; AND OTHER MATTERS RELATED THERETO.

THE STATE OF TEXAS §
COUNTY OF HAYS §
CITY OF DRIPPING SPRINGS §

WHEREAS, on February 4, 2025, the City Council of the City of Dripping Springs, Texas (the "City") passed a resolution authorizing the publication of a notice of intention (the "Notice Resolution") to issue the City of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation in a maximum principal amount not to exceed \$14,500,000 (the "Certificates"); and

WHEREAS, the Notice Resolution stated that the City Council tentatively proposed to authorize the issuance of the Certificates and to hold a public hearing on the Certificates at its regular meeting of the City Council to commence at 6:00 p.m. on April 1, 2025; and

WHEREAS, upon the advice of the City's staff, the City found it necessary to delay action on the ordinance authorizing the issuance of the Certificates until a regular meeting of the City Council to commence at 6:00 p.m. on April 15, 2025.

WHEREAS, upon the advice of the City's staff, the City found it necessary to further delay action on the ordinance authorizing the issuance of the Certificates until a regular meeting of the City Council to commence at 6:00 p.m. on [REDACTED], 2025.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DRIPPING SPRINGS, TEXAS THAT:

Section 1. Delaying Action. The City hereby delays action on the ordinance authorizing the issuance of the Certificates and the public hearing on the Certificates until a regular meeting of the City Council to commence at 6:00 p.m. on [REDACTED], 2025, at its regular meeting place in the Board Room located at 300 Sportsplex Drive, Dripping Springs, Texas.

Section 2. Notice of Intention. The City Secretary is authorized to update any posted notice of intention to issue the Certificates with additional language reflecting the new meeting date at which the City Council will consider authorizing the issuance of the Certificates.

Section 3. Other Matters. This Resolution shall become effective immediately upon adoption. The Mayor and City Secretary are hereby authorized and directed to execute the certificate to which this Resolution is attached on behalf of the City and to do any and all things proper and necessary to carry out the intent of this Resolution.

PASSED AND APPROVED this 15th day of April, 2025.

CITY OF DRIPPING SPRINGS, TEXAS

Mayor
City of Dripping Springs, Texas

ATTEST:

City Secretary
City of Dripping Springs, Texas



DATE: April 10, 2025
TO: City of Dripping Springs
FROM: SAMCO Capital Markets
RE: Certificates of Obligation and Market Conditions

On Wednesday, April 9, 2025, the stock and bond markets became extremely volatile due to the pending Tariffs. On Wednesday afternoon President Trump announced he would pause most higher tariffs for 90 days; however, the 10% baseline levy stays in place.

Prior to President Trump issuing a pause in the tariffs, FHN the Underwriter for the Certificates called to discuss the market and the volatility. They wanted us to know that given the conditions and the marketability of bonds we may want to consider postponing the sale for a month to let things settle down.

I discussed this with SAMCO's Underwriting Team, and they agreed.

Over the last 24 hours things have been changing, but the market is still very volatile. Therefore, we are waiting to see what happens over the next few trading days.

We have items on the agenda to approve the sale or delay the sale until next month. Based on the advice from the Underwriting Team on Tuesday, the day of the sale, we will make the decision to hold or sell.

We will keep the City Staff and Council informed as we move forward through this process. We are hoping things will settle down over the next few days.

Please let us know if you have any questions.

We are looking forward to a successful sale to help fund the needed projects for City.

Sincerely,

Christina M. Lane

Sr. Managing Director

SAMCO Capital Markets, Inc.

RESOLUTION NO. _____**RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE
CERTAIN EXPENDITURES**

WHEREAS, the City Council of the City of Dripping Springs, Texas (the "Issuer") expects to pay expenditures in connection with the projects described on Exhibit A attached hereto (collectively, the "Projects") prior to the issuance of obligations to finance the Projects; and

WHEREAS, the Issuer finds, considers and declares that the reimbursement of the Issuer for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the Issuer and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues the respective obligations to finance the Projects.

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
DRIPPING SPRINGS, TEXAS:**

Section 1. The Issuer reasonably expects to incur debt, as one or more separate series of various types of obligations, with an aggregate maximum principal amount not to exceed \$3,500,000 for the purpose of paying the costs of the Projects.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the Issuer in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid.

Section 4. Any reimbursement allocation of the proceeds of any such obligations will only be used to reimburse such capital expenditures that occur no later than 18 months after the later of the date the capital expenditure was paid, in accordance with Treasury Regulation §1.150-2.

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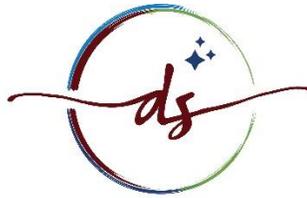
PASSED AND APPROVED THIS April 15, 2025.

Bill Foulds, Jr., Mayor

ATTEST: _____
Diana Boone, City Secretary

EXHIBIT A
PROJECTS

Financing the (1) designing, constructing, improving, extending, expanding, upgrading and/or developing City streets, roads, intersections and traffic signalization, including related signage, landscaping, purchasing property, including necessary rights-of-way, drainage easements, and other related transportation costs, including, but not limited to, for Old Fitzhugh Road; (2) constructing a public parking structure in the City's downtown area; (3) constructing a city public works facility to support the City's utility system and city streets, including a building for maintenance staff and a holding yard for related materials and equipment; (4) constructing, improving, renovating, upgrading, expanding, and/or equipping the Stephenson Building to be used as part of the City's park system, including ADA and restroom improvements, with such facility to include meeting spaces that will be generally accessible to the public; (5) acquiring, constructing, improving, expanding, and equipping park and recreational facilities; (6) purchasing materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes in relation to the aforementioned capital improvements, including acquiring land for park and recreational purposes; and (7) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection with such projects.



DRIPPING SPRINGS
Texas

To: Mayor Bill Foulds, Jr. and City Council, City of Dripping Springs

From: Shawn Cox, Deputy City Administrator 

Date: April 15, 2024

RE: FY 2025 Proposed Budget Amendment #3

Utilities Fund:

Wastewater

Expenditures:

- Big Sky Routine Operations has decreased **\$4,250.00** (From \$23,250.00 to \$19,000.00)
 - The Big Sky package plant is operational yet. This reduction is due to a shorter operation schedule.
- Big Sky Mom-Routine Operations has decreased **\$4,450.00** (From \$21,450.00 to \$17,000.00)
 - The Big Sky package plant is operational yet. This reduction is due to a shorter operation schedule.
- Big Sky Chlorinator Maintenance has decreased **\$1,500.00** (From \$1,500.00 to \$0.00)
 - The Big Sky package plant is operational yet. This reduction is due to a shorter operation schedule.
- Big Sky Chlorinator Alarm has decreased **\$1,000.00** (From \$1,000.00 to \$0.00)
 - The Big Sky package plant is operational yet. This reduction is due to a shorter operation schedule.
- Big Sky Chlorinator Maintenance has decreased **\$1,200.00** (From \$1,200.00 to \$0.00)
 - The Big Sky package plant is operational yet. This reduction is due to a shorter operation schedule.
- Big Sky Chemicals has decreased **\$12,100.00** (From \$13,000.00 to \$900.00)
 - The Big Sky package plant is operational yet. This reduction is due to a shorter operation schedule.
- Big Sky Electricity has decreased **\$5,000.00** (From \$20,000.00 to \$15,000.00)
 - The Big Sky package plant is operational yet. This reduction is due to a shorter operation schedule.
- Big Sky Sludge Hauling has decreased **\$9,000.00** (From \$39,000.00 to \$30,000.00)
 - The Big Sky package plant is operational yet. This reduction is due to a shorter operation schedule.

Development/Capital

Expenditures:

- Planning & Permitting has been added in the amount of **\$100,000.00**.
 - This funding will be utilized for the renewal of the City's 2nd Wastewater Permit application.

- HR Treated Effluent Fill Station has decreased **\$70,000.00** (From \$200,000.00 to \$130,000.00)
 - The Howard Ranch fill station has been reduced due to lower than anticipated costs.

- WWTP Water Supply has reduced **\$50,000.00** (From \$50,000.00 to \$0.00)
 - This project is being put on hold until other projects, which may impact the water line installation, are completed.

- WWTP Road Repair has reduced **\$50,000.00** (From \$50,000.00 to \$0.00)
 - This project is being put on hold until other projects, which may impact the road repair are completed.

- Caliterra Reimbursement: Spray Fields have been added in the amount of **\$353,000.00**.
 - This total is based on the agreement the City has with Caliterra for the installation of the spray fields. This represents the City's portion of the project.

CITY OF DRIPPING SPRINGS

ORDINANCE NO. 2025-_____

BUDGET AMENDMENT

**AN ORDINANCE OF THE CITY OF DRIPPING SPRINGS, TEXAS
AMENDING THE CURRENT 2024-2025 FISCAL YEAR BUDGET;
FINDING MUNICIPAL PURPOSES; AUTHORIZING
EXPENDITURES; PROVIDING FOR A SEVERABILITY CLAUSE;
AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the City Council of the City of Dripping Springs (“City Council”) seeks to amend and otherwise modify the City’s budget for Fiscal Year 2024-2025; and

WHEREAS, the City has had a need to adjust line items in the Utility Fund; and

WHEREAS, the City Council finds that the proposed Budget Amendment is for legitimate municipal purposes, and thus is statutorily authorized by Texas Local Government Code section 102.010; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City has general authority to adopt an ordinance or police regulation that is for the good government, peace or order of the city and is necessary or proper for carrying out a power granted by law to the City; and

WHEREAS, pursuant to Texas Local Government Code Section 101.002, the City Council may manage and control the finances of the municipality; and

WHEREAS, the City Council finds that it is necessary and proper for the good government, peace or order of the City of Dripping Springs to adopt an ordinance amending the current budget.

NOW, THEREFORE, BE IT ORDAINED by the Dripping Springs City Council, that:

1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein. The City of Dripping Springs’ budget for Fiscal Year 2024 -2025 shall read in accordance with *Attachment “A”*, which is attached hereto and incorporated into this Ordinance for all intents and purposes.

2. BUDGET AMENDMENTS

The City of Dripping Springs' budget for Fiscal Year 2024-2025 shall read in accordance with *Attachment "A"*, which is attached hereto and incorporated into this Ordinance for all intents and purposes. Budget changes include:

Utilities Fund:

Wastewater

Expenditures:

- Big Sky Routine Operations has decreased **\$4,250.00** (From \$23,250.00 to \$19,000.00)
- Big Sky Mom-Routine Operations has decreased **\$4,450.00** (From \$21,450.00 to \$17,000.00)
- Big Sky Chlorinator Maintenance has decreased **\$1,500.00** (From \$1,500.00 to \$0.00)
- Big Sky Chlorinator Alarm has decreased **\$1,000.00** (From \$1,000.00 to \$0.00)
- Big Sky Chlorinator Maintenance has decreased **\$1,200.00** (From \$1,200.00 to \$0.00)
- Big Sky Chemicals has decreased **\$12,100.00** (From \$13,000.00 to \$900.00)
- Big Sky Electricity has decreased **\$5,000.00** (From \$20,000.00 to \$15,000.00)
- Big Sky Sludge Hauling has decreased **\$9,000.00** (From \$39,000.00 to \$30,000.00)

Development/Capital

Expenditures:

- Planning & Permitting has been added in the amount of **\$100,000.00**.
- HR Treated Effluent Fill Station has decreased **\$70,000.00** (From \$200,000.00 to \$130,000.00)
-
- WWTP Water Supply has reduced **\$50,000.00** (From \$50,000.00 to \$0.00)
- WWTP Road Repair has reduced **\$50,000.00** (From \$50,000.00 to \$0.00)
- Caliterra Reimbursement: Spray Fields have been added in the amount of **\$353,000.00**.

3. REPEALER

To the extent reasonably possible, ordinances are to be read together in harmony. However, all ordinances, or parts thereof, that 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 regulated, herein.

4. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

5. NOTICE TO COUNTY

The City Secretary has hereby been directed to file this Budget Amendment in the office of the County Clerk in Hays County pursuant to Chapter 102 of the Local Government Code.

6. EFFECTIVE DATE

This Ordinance shall be effective immediately upon passage and publication as provided for by law.

7. PROPER NOTICE & MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED & APPROVED this, the 15th day of April 2025 by a vote of ___ (ayes) to ___ (nays) to ___ (abstentions) of the City Council of Dripping Springs, Texas.

CITY OF DRIPPING SPRINGS:

by: _____
Bill Foulds, Jr., Mayor

ATTEST:

Diana Boone, City Secretary

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
CITY - GENERAL FUND			
Balance Forward	2,682,552.45	3,121,821.56	
Revenue			
AD Valorem	3,707,356.54	3,707,356.54	
AV P&I	4,000.00	4,000.00	
Sales Tax	4,500,000.00	4,500,000.00	
Mixed Beverage	100,000.00	100,000.00	
Alcohol Permits	6,500.00	6,500.00	
Fire Inspections	50,000.00	50,000.00	
Bank Interest	150,000.00	150,000.00	
Development Fees:			
- Subdivision	295,100.00	295,100.00	
- Site Dev	400,000.00	400,000.00	
- Zoning/Signs/Ord	65,000.00	65,000.00	
Building Code	1,500,000.00	1,500,000.00	
Transportation Improvements Reimbursements	1,010,000.00	1,010,000.00	
Solid Waste	55,000.00	55,000.00	
Health Permits/Inspections	75,000.00	75,000.00	
Municipal Court			
Other Income	40,000.00	40,000.00	
TXF from Capital Improvements			
TXF DSRP On Call			
TXF from HOT	55,000.00	255,000.00	
TXF from WWU			
TXF from TIRZ	-	100,000.00	
TXF from Sidewalk Fund	29,000.00	29,000.00	
FEMA			
CARES Act			
Opioid Abatement			
Coronavirus Local Fiscal Recovery Funds (CLFRF)			
Total	14,724,508.98	15,463,778.10	-
Expense			
Supplies	37,000.00	37,000.00	
Office IT Equipment and Support	117,329.00	117,329.00	
Software Purchase, Agreements and Licenses	301,251.76	301,251.76	
Website	7,000.00	7,000.00	
Communications Network/Phone	85,221.64	85,221.64	
Miscellaneous Office Equipment	10,000.00	10,000.00	
Utilities:			
- Street Lights	20,000.00	20,000.00	
- Streets Water	4,000.00	4,000.00	
- Office Electric	8,000.00	8,000.00	
- Office Water	750.00	750.00	
- DT Restroom Electric	2,000.00	2,000.00	
- DT Restroom Water	2,000.00	2,000.00	
- Stephenson Electric	1,500.00	1,500.00	
- Stephenson Water	800.00	800.00	
Transportation:			
- Improvement Projects	790,000.00	790,000.00	
- Street & ROW Maintenance	215,075.00	215,075.00	
- Street Improvements	-	439,269.14	
Office Maintenance/Repairs	36,880.00	36,880.00	

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
Stephenson Building Maintenance	2,500.00	2,500.00		
Maintenance Equipment	115,500.00	115,500.00		
Equipment Maintenance	17,750.00	17,750.00		
Maintenance Supplies	6,500.00	6,500.00		
Fleet Acquisition	50,000.00	50,000.00		
Fleet Maintenance	103,675.00	103,675.00		
City Hall Improvements	1,100,000.00	1,100,000.00		
Maintenance Facility	-	-		
Uniforms	17,500.00	17,500.00		
Special Projects:				
- Family Violence Ctr	7,000.00	7,000.00		
- Lighting Compliance	2,000.00	2,000.00		
- Economic Development	5,000.00	5,000.00		
- Records Management	720.00	720.00		
- Government Affairs	50,000.00	50,000.00		
- Stephenson Parking Lot Improvements				
- Stephenson Building Rehabilitation	-	-		
- Planning Consultant	30,000.00	30,000.00		
- Land Acquisition	10,000.00	10,000.00		
- Downtown Bathroom	-	360,000.00		
- City Hall Planning				
Public Safety:				
- Emergency Management Equipment	67,500.00	67,500.00		
- Emergency Equipment Fire & Safety	611.00	611.00		
- Emergency Mgt PR	3,000.00	3,000.00		
- Emergency Equipment Maintenance & Service	12,299.00	12,299.00		
- Emergency Management Other				
- Animal Control	3,400.00	3,400.00		
Public Relations	15,000.00	15,000.00		
Postage	4,500.00	4,500.00		
TML Insurance:				
- Liability	33,908.00	33,908.00		
- Property	67,191.00	67,191.00		
- Workers' Comp	42,497.00	42,497.00		
Dues, Fees, Subscriptions	74,462.85	74,462.85		
Public Notices	2,600.00	2,600.00		
City Sponsored Events				
Election	8,000.00	8,000.00		
Salaries	3,936,374.84	3,936,374.84		
Taxes	309,012.18	309,012.18		
Benefits	315,432.63	315,432.63		
Retirement	214,341.87	214,341.87		
DSRP Salaries	293,829.00	293,829.00		
DSRP Taxes	23,737.92	23,737.92		
DSRP Benefits	35,267.45	35,267.45		
DSRP Retirement	17,049.43	17,049.43		
Professional Services:				
- Financial Services	37,500.00	37,500.00		
- Engineering	70,000.00	70,000.00		
- Special Counsel and Consultants	16,000.00	16,000.00		
- Muni Court	15,500.00	15,500.00		
- Bldg. Inspector	750,000.00	750,000.00		
- Fire Inspector	40,000.00	40,000.00		
- Health Inspector	-	-		

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
- Architectural and Landscape Consultants	5,000.00	5,000.00		
- Historic District Consultant	29,500.00	29,500.00		
- Lighting Consultant	2,000.00	2,000.00		
- Human Resource Consultant	38,200.00	38,200.00		
Training/CE	100,000.00	100,000.00		
Employee Engagement	20,000.00	20,000.00		
Meeting Supplies	3,120.00	3,120.00		
Code Publication	6,461.47	6,461.47		
Mileage	2,000.00	2,000.00		
Miscellaneous Office Expense	10,000.00	10,000.00		
Bad Debt Expense				
Contingencies/Emergency Fund	62,000.00	62,000.00		
Coronavirus Local Fiscal Recovery Funds (CLFRF)				
Debt Payment 2024	486,041.67	486,041.67		
Debt Payment 2025	865,000.00	865,000.00		
TXF to Reserve Fund	500,000.00	500,000.00		
TXF AV to TIF	575,566.14	575,566.14		
TXF to TIRZ				
Sales Tax TXF to WWU	900,000.00	900,000.00		
SPA & ECO D TXF	259,200.00	259,200.00		
TXF to DSRP				
TXF to Capital Improvement Fund	-	-		
TXF to Vehicle Replacement Fund	115,083.55	115,083.55		
TXF to WWU				
TXF to Founders Day				
TXF to Farmers Market	16,542.01	16,542.01		
Total	13,561,681.40	14,360,950.54		-
PARKS - GENERAL FUND				
Revenue				
Sponsorships and Donations	5,500.00	5,500.00		
City Sponsored Events				
Programs and Events	9,500.00	9,500.00		
Community Service Permit Fees	1,800.00	1,800.00		
Aquatics Program Income	41,750.00	41,750.00		
Pool and Pavilion Rental	21,235.00	21,235.00		
Park Rental Fees	6,000.00	6,000.00		
Reimbursement of Utility Costs				
TXF from HOT Fund	16,500.00	16,500.00		
TXF from Parkland Dedication	8,500.00	8,500.00		
TXF from Parkland Development				
TXF from Landscaping Fund	60,000.00	60,000.00		
Total Revenue	170,785.00	170,785.00		
Expense				
Other	6,500.00	6,500.00		
Park Consultants				
Dues Fees and Subscriptions	2,575.00	2,575.00		
Advertising & Marketing	15,500.00	15,500.00		
Total Other	24,575.00	24,575.00		
Public Improvements				
All Parks	247,000.00	247,000.00		
Triangle Improvement	5,000.00	5,000.00		

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
Rathgeber Improvements	-	-		
Founders Park	175,000.00	155,000.00		
Founders Pool	10,000.00	10,000.00		
Skate Park	25,000.00	25,000.00		
S & R Park	70,000.00	90,000.00		
Charro Ranch Park	-	-		
Total Improvements	532,000.00	532,000.00		-
Utilities				
Portable Toilets	10,000.00	10,000.00		
Hays Trinity Groundwater Permit	150.00	150.00		
Triangle Electric	500.00	500.00		
Triangle Water	500.00	500.00		
Ranch House Network/Phone	8,568.00	8,568.00		
S&R Park Water	13,000.00	13,000.00		
SRP Electric	2,500.00	2,500.00		
FMP Pool/ Pavilion Water	5,300.00	5,300.00		
FMP Pool//Electricity	4,500.00	4,500.00		
Pool Phone/Network	2,500.00	2,500.00		
FMP Pool Propane	10,000.00	10,000.00		
Total Utilities	57,518.00	57,518.00		
Maintenance				
General Maintenance (All Parks)	25,000.00	25,000.00		
Trail Washout repairs				
Equipment Rental	5,000.00	5,000.00		
Founders Pool	21,000.00	21,000.00		
Founders Park	26,000.00	26,000.00		
Skate Park Maintenance	2,500.00	2,500.00		
S&R	43,500.00	43,500.00		
Charro Ranch Park	26,150.00	26,150.00		
Triangle/ Veteran's Memorial Park	5,700.00	5,700.00		
Rathgeber Maintenance				
Ranch Park Maintenance	17,000.00	17,000.00		
Total Maintenance	171,850.00	171,850.00		
Supplies				
General Parks	19,600.00	19,600.00		
Charro Ranch Supplies	1,050.00	1,050.00		
Founders Park Supplies	-	-		
Founders Pool Supplies	26,200.00	26,200.00		
Program and Events	10,950.00	10,950.00		
DSRP & Ranch House Supplies				
Rathgeber Supplies	1,504.00	1,504.00		
S&R Supplies	400.00	400.00		
Total Supplies	59,704.00	59,704.00		
Program Staff				
Camp Staff	-	-		
Program Event Staff	16,840.00	16,840.00		
Aquatics Staff	126,813.64	126,813.64		
Total Staff Expense	143,653.64	143,653.64		
Total Parks Expenditures	989,300.64	989,300.64		

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
FOUNDERS DAY - GENERAL FUND			
Balance Forward	63,778.56	63,778.56	
Revenue			
Craft booths/Business Booths	7,540.00	7,540.00	
Food booths	1,500.00	1,500.00	
BBQ cookers	5,115.00	5,115.00	
Carnival	15,000.00	15,000.00	
Parade	4,675.00	4,675.00	
Sponsorship	100,000.00	100,000.00	
Parking concession	500.00	500.00	
Electric	3,000.00	3,000.00	
Misc.			
TXF from General Fund			
Total	201,108.56	201,108.56	
Expense			
Publicity	1,400.00	1,400.00	
Porta-Potties	10,000.00	10,000.00	
Security	38,000.00	38,000.00	
Health, Safety & Lighting	17,500.00	17,500.00	
Transportation	10,500.00	10,500.00	
Barricades/Traffic Plan	21,500.00	21,500.00	
Bands/Music/Sound	25,000.00	25,000.00	
Clean Up	18,500.00	18,500.00	
FD Event Supplies	1,000.00	1,000.00	
Sponsorship	3,500.00	3,500.00	
Parade	500.00	500.00	
Tent, Tables & Chairs	7,000.00	7,000.00	
Electricity	2,000.00	2,000.00	
FD Electrical Setup	225.00	225.00	
Contingencies			
Total expenses	156,625.00	156,625.00	
Balance Forward	44,483.56	44,483.56	
ECLIPSE - 2024			
Revenue			
Sponsorships			
- Sunblock Party	-	-	
- Glasses	-	-	
- Misc. Sponsorships	-	-	
Sales			
- Glasses	-	-	
- T-Shirts	-	-	
- Other	-	-	
TXF from HOT	-	-	
Total	-	-	
Expense			
Merchandise			
- Glasses	-	-	
- T-Shirts	-	-	
- Stickers	-	-	
- Other	-	-	

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
Maintenance	-	-		
Block Party	-	-		
Other	-	-		
Total expenses	-	-		

CONSOLIDATED GENERAL FUND**Revenue**

City	14,724,508.98	15,463,778.12	-	
Parks	170,785.00	170,785.00	-	
Founders	201,108.56	201,108.56	-	
Eclipse	-	-	-	
Total	15,096,402.54	15,835,671.68	-	-

Expense

City	13,561,681.40	14,360,950.54		
Parks	989,300.64	989,300.64	-	
Founders	156,625.00	156,625.00	-	
Eclipse	-	-	-	
Total Expense	14,707,607.04	15,506,876.18	-	-
Balance Forward	388,795.50	328,795.50	-	-

DRIPPING SPRINGS FARMERS MARKET

Balance Forward	28,193.38	28,193.38		
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Revenue

FM Sponsor	1,000.00	1,000.00		
Grant Income	1,000.00	1,000.00		
Booth Space	66,000.00	66,000.00		
Applications	1,400.00	1,400.00		
Membership Fee	2,200.00	2,200.00		
Interest Income	1,800.00	1,800.00		
Market Event/Merch.	400.00	400.00		
Transfer from General Fund	16,542.01	16,542.01		
Total	118,535.39	118,535.39		

Expense

Advertising	4,700.00	4,700.00		
Market Manager	60,468.30	60,468.30		
Payroll Tax Expense	4,877.83	4,877.83		
DSFM Benefits	7,057.78	7,057.78		
Retirement	3,508.67	3,508.67		
Entertainment& Activities	5,000.00	5,000.00		
Dues Fees & Subscriptions	200.00	200.00		
Training	100.00	100.00		
Office Expense	200.00	200.00		
Supplies Expense	-	-		
Network & Phone	200.00	200.00		
Cleaning & Maintenance	2,200.00	2,200.00		
Other Expense	-	-		
Capital Fund	-	-		
Contingency Fund	500.00	500.00		
Transfer to Reserve Fund	-	-		
Total Expense	89,012.58	89,012.58		
Balance Forward	29,522.81	29,522.81		

FY 2025
AdoptedFY 2025
AmendedFY 2025
Proposed
Amendment #3**PARKLAND DEDICATION FUND**

Balance Forward	10,365.81	10,365.81
Revenue		
Parkland Fees		
Total Revenue	10,365.81	10,365.81

Expense		
Park Improvements	-	-
TXF to AG Facility		
Master Naturalists	-	-
Total Expenses	-	-
Balance Forward	10,365.81	10,365.81

PARKLAND DEVELOPMENT FUND

Balance Forward	
Revenue	
Parkland Development Fees	
Total Revenue	-

Expense	
Transfer to Parks	
Total Expenses	-
Balance Forward	-

AG FACILITY FUND

Balance Forward	-
Revenue	
Ag Facility Fees	-
Total Revenues	-

Expense	
TXF to DSRP	-
Total Expense	-
Balance Forward	-

LANDSCAPING FUND

Balance Forward	509,067.00	509,067.00
Revenue		
Tree Replacement Fees		
Total Revenues	509,067.00	509,067.00

Expense		
Sports and Rec Park		
DSRP		
FMP		
Charro		
Historic Districts		
Professional Services		
Tree Maintenance	25,000.00	25,000.00
City Hall Lawn and Tree Maintenance	2,300.00	2,300.00
Total Expense	27,300.00	27,300.00

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
Balance Forward	481,767.00	481,767.00	

SIDEWALK FUND

Balance Forward	29,828.96	29,828.96	
Revenue			
Fees	-	-	
Total Revenues	29,828.96	29,828.96	
Expense			
Expense	29,000.00	29,000.00	
Total Expense	29,000.00	29,000.00	
Balance Forward	828.96	828.96	

DRIPPING SPRINGS RANCH PARK OPERATING FUND

Balance Forward	156,169.49	156,169.49	
Revenue			
Stall Rentals	40,000.00	40,000.00	
RV/Camping Site Rentals	21,000.00	21,000.00	
Facility Rentals	125,000.00	125,000.00	
Equipment Rental	8,000.00	8,000.00	
Sponsorships & Donations	52,275.00	52,275.00	
Merchandise Sales	22,065.20	22,065.20	
Riding Permits	8,000.00	8,000.00	
Staff & Misc. Fees	4,000.00	4,000.00	
Cleaning Fees	25,000.00	25,000.00	
General Program and Events:			
- Riding Series	35,000.00	35,000.00	
- Coyote Camp	137,100.00	137,100.00	
- Misc. Events	12,000.00	12,000.00	
- Programing	53,000.00	53,000.00	
- Concert Series			
- Ice Rink	229,169.00	229,169.00	
- Ice Rink Merchandise	500.00	500.00	
Concessions			
Other Income	500.00	500.00	
Interest	4,500.00	4,500.00	
TXF from Ag Facility	-	-	
TXF from HOT	330,000.00	330,000.00	
Total Revenue	1,263,278.69	1,263,278.69	
Expense			
Advertising	15,000.00	15,000.00	
Office Supplies	10,000.00	10,000.00	
Postage			
DSRP On Call	-	-	
Programing Staff	154,246.48	154,246.48	
Network and Communications	9,414.00	9,414.00	
IT Equipment & Support	3,000.00	3,000.00	
Co-Sponsored Events	7,900.00	7,900.00	
Sponsorship Expenses	2,100.00	2,100.00	
Supplies and Materials	-	-	
Uniforms	1,000.00	1,000.00	
Ranch House Supplies	1,000.00	1,000.00	

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
Dues, Fees and Subscriptions	5,127.50	5,127.50		
Mileage	500.00	500.00		
Equipment	5,000.00	5,000.00		
House Equipment				
Equipment Rental	3,000.00	3,000.00		
Equipment Maintenance	25,000.00	25,000.00		
Portable Toilets	960.00	960.00		
Electric	60,000.00	60,000.00		
Water	7,000.00	7,000.00		
Septic	750.00	750.00		
Lift Station Maintenance	12,000.00	12,000.00		
Propane/Natural Gas	2,500.00	2,500.00		
On Call Phone				
Alarm	13,317.24	13,317.24		
Stall Cleaning & Repair	4,000.00	4,000.00		
Training and Education	-	-		
General Program and Events:				
- Riding Series	28,000.00	28,000.00		
- Coyote Camp	12,000.00	12,000.00		
- Misc. Events	700.00	700.00		
- Programing	8,000.00	8,000.00		
- Concert Series				
- Ice Rink	229,169.00	229,169.00		
Other Expense	10,000.00	10,000.00		
Improvements	320,000.00	320,000.00		
Tree Planting				
Contingencies	30,000.00	30,000.00		
Fleet Acquisition	-	-		
Fleet Maintenance	3,000.00	3,000.00		
General Maintenance and Repair	149,040.00	149,040.00		
Grounds and General Maintenance	21,690.00	21,690.00		
House Maintenance	5,000.00	5,000.00		
HCLE	13,200.00	13,200.00		
Merchandise	17,065.20	17,065.20		
Sales Tax Remittance				
RV/Parking Lot				
TXF to Vehicle Replacement Fund	31,906.08	31,906.08		
Total Expenses	1,221,585.50	1,221,585.50		
Balance Forward	41,693.19	41,693.19		
HOTEL OCCUPANCY TAX FUND				
Balance Forward	626,259.95	826,259.95		
Revenues				
Hotel Occupancy Tax	900,000.00	900,000.00		
Interest	7,200.00	7,200.00		
Total	1,533,459.95	1,733,459.95		
Expenses				
Advertising	300.00	300.00		
Christmas Lighting Displays	27,290.00	27,290.00		
City Sponsored Events				
Historic Districts Marketing				
Signage	90,200.00	90,200.00		

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
Arts	-	-		
Lighting				
Dues and Fees	5,000.00	5,000.00		
TXF to Debt Service	90,375.00	90,375.00		
RV/ Parking Lot				
Software	5,000.00	5,000.00		
TXF to General Fund	55,000.00	255,000.00		
TXF to DSVB	550,000.00	550,000.00		
TXF to Event Center	330,000.00	330,000.00		
Grants	40,842.00	40,842.00		
Total expenses	1,194,007.00	1,394,007.00	-	
Balance Forward	339,452.95	339,452.95	-	

VISITORS BUREAU

Balance Forward

Revenue	3,323.83	3,323.83		
Fees				
- Brewers Fest	1,000.00	1,000.00		
- Wedding Showcase	9,000.00	9,000.00		
Ticket Sales				
- Brewers Fest	17,000.00	17,000.00		
- Dripping with Taste	-	-		
- Songwriter's Festival	9,000.00	9,000.00		
Merchandise				
- Brewers Fest	-	-		
- Songwriters Festival	4,000.00	4,000.00		
- Eclipse	-	-		
Sponsorships & Donations				
- Songwriter's Festival	70,000.00	70,000.00		
- Brewers Fest	1,000.00	1,000.00		
- Stars in Dripping Springs	20,000.00	20,000.00		
Grants				
TXF from HOT Fund	550,000.00	550,000.00		
Other Revenues	9,000.00	9,000.00		
Interest	5,000.00	5,000.00		
Total	698,323.83	698,323.83		

Expense

Personnel				
- Salaries	143,727.90	143,727.90		
- Taxes	11,499.18	11,499.18		
- Benefits	14,172.99	14,172.99		
- TMRS	8,339.81	8,339.81		
Dues, Fees and Subscriptions	3,065.00	3,065.00		
Advertising & Marketing	66,742.00	66,742.00		
Supplies	2,500.00	2,500.00		
IT Equipment & Support				
Software	21,960.00	21,960.00		
Training & Education	8,800.00	8,800.00		
Professional Services				
- Marketing Consultant	5,000.00	5,000.00		
Utilities				

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
- Water			
- Electricity	1,000.00	1,000.00	
- Phone/Network			
Website	10,000.00	10,000.00	
Office Maintenance/Repairs	10,700.00	10,700.00	
Office Improvements	-	-	
Postage	500.00	500.00	
Other	-	-	
Brewers Fest	17,675.00	17,675.00	
Dripping with Taste	-	-	
Songwriter's Festival	100,000.00	100,000.00	
Wedding Showcases	2,000.00	2,000.00	
Stars in Dripping Springs	40,000.00	40,000.00	
Transfer to Capital	40,000.00	40,000.00	
Total expenses	507,681.89	507,681.89	
Balance Forward	190,641.94	190,641.94	

UTILITY FUND

Balance Forward	8,730,497.32	8,730,497.32
Wastewater		
Revenue		
TXF from TWDB	-	-
Wastewater Service	1,672,883.25	1,672,883.25
Late Fees/Rtn check fees	9,000.00	9,000.00
Portion of Sales Tax	-	-
Delayed Connection Fees	5,000.00	5,000.00
Line Extensions	-	-
Transfer fees	-	-
Overuse fees	-	-
Reuse Fees	-	-
FM 150 WWU Line Reimbursement	-	-
Interest	-	-
Other Income	-	-
Reuse Water Income	-	-
Developer Reimbursed Costs	-	-
TXF from General Fund	-	-
Total Revenues	1,686,883.25	1,686,883.25

Expense

Administrative and General Expense:

- Regulatory Expense	-	-
- Planning and Permitting	-	-
Engineering:		
- Engineering & Surveying	-	-
- Construction Phase Services HR TEFS 1873-001	-	-
- Misc. Planning/Consulting 1431-001	-	-
- 2nd Amendment CIP 1881-001	-	-
- Sewer Planning CAD 1971-001	-	-
- Water Planning 1982-001	-	-
- FM 150 WWU Line 1989-001	-	-
- Parallel West Interceptor Design& Cost	-	-
- Caliterra Plan Review & construction Phase Services 19	-	-
- TLAP Renewal application 1732-001	-	-

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
- Arrowhead PR & Const. Phase Services - 1967-001	-	-	
- Heritage PID PR & Cons. Phase Services - 1734-001	-	-	
- Double L Planning & Const. Phase Services - 1743-001	-	-	
- Cannon Tract - 1842-001	-	-	
- Driftwood 522 PR & Const. Phase Services - 1900-001	-	-	
- Big Sky PR & Const Phase Services - 1913-001	-	-	
- Driftwood Creek PR & Const Phase Services - 1917-001	-	-	
- Cannon/Cynosure/Double L Water CCN App. - 2007-0	-	-	
- Cynosure-Wild Ridge - 2009-001	-	-	
- Oryx Cannon 58 Plan Review & CPS - 60972-2	-	-	
- New Growth Plan Review & CPS - 60972-2	-	-	
- Cannon Ranch Gateway Village Plan Review & CPS -	-	-	
- TLAP Renewal application	-	-	
System Operations and Maintenance:			
- Routine Operations	95,700.00	95,700.00	
- Non-Routine Operations	94,400.00	94,400.00	
- System Maintenance & Repair	30,000.00	30,000.00	
- Chlorinator Maintenance	4,500.00	4,500.00	
- Chlorinator Alarm	1,500.00	1,500.00	
- Odor Control	28,600.00	28,600.00	
- Meter Calibrations	3,500.00	3,500.00	
- Lift Station Cleaning	35,000.00	35,000.00	
- Jet Cleaning Collection lines	50,000.00	50,000.00	
- Drip Field Lawn Maintenance	11,000.00	11,000.00	
- Drip Field Maint & Repairs	30,000.00	30,000.00	
- Drip Field Meter Box Replacement	-	-	
- Lift Station repairs	35,000.00	35,000.00	
- Autodialer Replacement	-	-	
- Lift Station Preventative Maintenance	11,000.00	11,000.00	
- WWTP Repairs/Pump Repairs	70,000.00	70,000.00	
- Chemicals	16,500.00	16,500.00	
- Electricity	88,000.00	88,000.00	
- Laboratory Testing	-	-	
- Sludge Hauling	165,000.00	165,000.00	
- Phone/Network	-	-	
- Supplies	-	-	
- Wastewater Flow Measurement	-	-	
- Backwash Flow Meter & Check valve	-	-	
- Arrowhead Plant Operations	-	-	
- Big Sky Plant Operations	-	-	
Arrowhead Operations and Maintenance:			
- Routine Operations	26,000.00	26,000.00	
- Non-Routine Operations	24,000.00	24,000.00	
- Chlorinator Maintenance	1,750.00	1,750.00	
- Chlorinator Alarm	1,100.00	1,100.00	
- Meter Calibrations	1,400.00	1,400.00	
- Lift Station Cleaning	6,000.00	6,000.00	
- Drip Field Lawn Maintenance	44,000.00	44,000.00	
- Drip Field Maint & Repairs	8,000.00	8,000.00	
- Lift Station repairs	3,000.00	3,000.00	
- Lift Station Preventative Maintenance	2,000.00	2,000.00	
- WWTP Repairs/Pump Repairs	17,000.00	17,000.00	
- Chemicals	14,300.00	14,300.00	
- Electricity	22,000.00	22,000.00	

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
- Sludge Hauling	50,000.00	50,000.00		
- Supplies				
- Equipment				
- Equipment Maintenance				
- Fleet Acquisition				
- Fleet Maintenance				
- Fuel				
- Capital Projects	-	-		
- Arrowhead Plant Lease(s)	286,560.00	286,560.00		
Big Sky Operations and Maintenance:				
- Routine Operations	23,250.00	23,250.00	19,000.00	(4,250.00)
- Non-Routine Operations	21,450.00	21,450.00	17,000.00	(4,450.00)
- Chlorinator Maintenance	1,500.00	1,500.00	-	(1,500.00)
- Chlorinator Alarm	1,000.00	1,000.00	-	(1,000.00)
- Meter Calibrations	1,200.00	1,200.00	-	(1,200.00)
- Lift Station Cleaning	3,000.00	3,000.00		
- Drip Field Maint & Repairs	7,500.00	7,500.00		
- Lift Station repairs	2,500.00	2,500.00		
- Lift Station Preventative Maintenance	1,000.00	1,000.00		
- WWTP Repairs/Pump Repairs	5,000.00	5,000.00		
- Chemicals	13,000.00	13,000.00	900.00	(12,100.00)
- Electricity	20,000.00	20,000.00	15,000.00	(5,000.00)
- Sludge Hauling	39,000.00	39,000.00	30,000.00	(9,000.00)
- Supplies	-	-		
Other Expense	-	-		
Capital Projects:	-	-		
- Road Reconstruction	-	-		
- HRTreated Effluent Fill Station	-	-		
- Parallel West Interceptor	-	-		
- Arrowhead Drain Field	-	-		
- Parallel West Interceptor	-	-		
Other:				
- Reimbursement to Caliterra Oversize of West Intercept	-	-		
TWDB Engineering:				
- West Interceptor, SC, LS, FM and TE line 1950-001	-	-		
- East Interceptor 1951-001	-	-		
- Effluent HP 1952-001	-	-		
- Reclaimed Water Facility 1953-001	-	-		
- WWTP Design Assistance	-	-		
- So Regional WW System Exp P&M 1923-001	-	-		
Miscellaneous:	-	-		
- Consultants and Legal	-	-		
TWDB Capital Projects:	-	-		
- West Interceptor	-	-		
- South Collector, LS and FM and TE Line	-	-		
- East Interceptor	-	-		
- Effluent Holding Pond	-	-		
- WWTP	-	-		
Transfer to General Fund				
Transfer to Vehicle Replacement Fund	50,545.02	50,545.02		
Total Expense	1,466,755.02	1,466,755.02		(38,500.00)

DEVELOPMENT/CAPITAL

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
Revenues				
Developer Reimbursed Costs	567,500.00	567,500.00		
Portion of Sales Tax	900,000.00	900,000.00		
Overuse fees	221,841.43	221,841.43		
Line Extension Fees	-	-		
Reuse Fees	-	-		
FM 150 WWU Line Reimbursement	40,000.00	40,000.00		
Other Income	40,000.00	40,000.00		
PEC	130,000.00	130,000.00		
ROW Fees	3,500.00	3,500.00		
Cable	130,000.00	130,000.00		
TX Gas Franchise Fees	4,250.00	4,250.00		
Interest	180,000.00	180,000.00		
Total Revenue	2,217,091.43	2,217,091.43		
Expense				
- Construction Phase Services HR TEFS 1873-001	15,000.00	15,000.00		
- Misc. Planning/Consulting 1431-001	67,500.00	67,500.00		
- Planning & Permitting	-	-	100,000.00	100,000.00
- 2nd Amendment CIP 1881-001	60,000.00	60,000.00		
- Sewer Planning CAD 1971-001	15,000.00	15,000.00		
- Water Planning 1982-001	5,000.00	5,000.00		
- FM 150 WWU Line 1989-001	40,000.00	40,000.00		
- Parallel West Interceptor Design& Cost	-	-		
- Caliterra Plan Review & construction Phase Services 1'	15,000.00	15,000.00		
- TLAP Renewal application 1732-001				
- Arrowhead PR & Const. Phase Services - 1967-001	10,000.00	10,000.00		
- Heritage PID PR & Cons. Phase Services - 1734-001	60,000.00	60,000.00		
- Double L Planning & Const. Phase Services - 1743-001	75,000.00	75,000.00		
- Cannon Tract - 1842-001	5,000.00	5,000.00		
- Driftwood 522 PR & Const. Phase Services - 1900-001	75,000.00	75,000.00		
- Big Sky PR & Const Phase Services - 1913-001	20,000.00	20,000.00		
- Driftwood Creek PR & Const Phase Services - 1917-00	35,000.00	35,000.00		
- Cannon/Cynosure/Double L Water CCN App. - 2007-001				
- Cynosure-Wild Ridge - 2009-001	25,000.00	25,000.00		
- Oryx Cannon 58 Plan Review & CPS - 60972-2	60,000.00	60,000.00		
- New Growth Plan Review & CPS - 60972-2	60,000.00	60,000.00		
- Cannon Ranch Gateway Village Plan Review & CPS -	60,000.00	60,000.00		
- Effluent HP 1952-001 - Engineering	60,000.00	60,000.00		
- Effluent Holding Pond - Construction				
Other Expense				
- HRTreated Effluent Fill Station	200,000.00	200,000.00	130,000.00	(70,000.00)
- Parallel West Interceptor	-	-		
- Arrowhead Drain Field	1,800,000.00	1,800,000.00		
- WWTP Water Supply	50,000.00	50,000.00	-	(50,000.00)
- WWTP Road Repair	50,000.00	50,000.00	-	(50,000.00)
- Arrowhead Capital Projects	500,000.00	500,000.00		
-Caliterra Reimbursement: Spray Fields	-	-	353,000.00	353,000.00
Total Expense	3,347,500.00	3,347,500.00		283,000.00
TWDB PROJECT				
Revenues				
TXF from TWDB	21,005,000.00	21,005,000.00		

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
Total Revenue	21,005,000.00	21,005,000.00	
Expense			
TWDB Engineering:			
- West Interceptor, SC, LS, FM and TE line 1950-001	150,000.00	150,000.00	
- East Interceptor 1951-001	200,000.00	200,000.00	
- Reclaimed Water Facility 1953-001	25,000.00	25,000.00	
- WWTP Design Assistance			
- So Regional WW System Exp P&M 1923-001	30,000.00	30,000.00	
Miscellaneous:			
- Consultants and Legal	100,000.00	100,000.00	
TWDB Capital Projects:			
- West Interceptor	3,000,000.00	3,000,000.00	
- South Collector, LS and FM and TE Line	3,500,000.00	3,500,000.00	
- East Interceptor	-	-	
- WWTP	14,000,000.00	14,000,000.00	
Total Expense	21,005,000.00	21,005,000.00	

WATER**Revenue**

Fees:

- Tap Fees	-	-	
- Impact Fees	-	-	
- Meter Set Fees	3,000.00	3,000.00	
- Disconnect Fees	-	-	
- Equipment Fees	8,000.00	8,000.00	
- Inspection Fees	1,000.00	1,000.00	

Rates:

- Base Rate	40,000.00	40,000.00	
- Usage	200,000.00	200,000.00	
- Penalties			

Other Revenues

6,000.00 6,000.00

TXF from Wastewater Fund

Total Revenue 258,000.00 258,000.00**Expense**

Administrative and General Expense:

- Regulatory Expense	-	-	
- Planning and Permitting	-	-	

System Operations and Maintenance:

- Routine Operations	27,500.00	27,500.00	
- Non Routine Operations	15,000.00	15,000.00	
- System Maintenance & Repair	25,000.00	25,000.00	
- Laboratory Testing	-	-	
- Supplies	-	-	
- Water Meters	60,000.00	60,000.00	

Operating and Maintenance

Total Expense 127,500.00 127,500.00**ADMINISTRATION****Revenues**

PEC	-	-	
ROW Fees	-	-	
Cable	-	-	

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
TX Gas Franchise Fees	-	-	
Interest	-	-	
TXF from General Fund	-	-	
Total Revenue	-	-	

Expense			
Administrative and General Expense:			
- Administrative/Billing Expense	66,000.00	66,000.00	
- Legal Fees	55,000.00	55,000.00	
- Auditing	10,000.00	10,000.00	
- Software	7,000.00	7,000.00	
- IT Equipment & Support	5,000.00	5,000.00	
Systems Operations and Maintenance:			
- Phone/Network	18,000.00	18,000.00	
- Equipment	320,000.00	320,000.00	
- Equipment Maintenance	11,000.00	11,000.00	
- Fleet Acquisition	50,000.00	50,000.00	
- Fleet Maintenance	14,000.00	14,000.00	
- Fuel	22,000.00	22,000.00	
- Laboratory Testing	45,000.00	45,000.00	
- SCADA	50,000.00	59,450.00	
Supplies	59,500.00	59,500.00	
Other Expense			
Public Relations	-	-	
Uniforms	11,000.00	11,000.00	
Training	20,000.00	20,000.00	
Dispatch	3,000.00	3,000.00	
Salaries	711,493.20	711,493.20	
Overtime	48,672.00	48,672.00	
Taxes	53,169.15	53,169.15	
Benefits	70,133.37	70,133.37	
Retirement	40,977.10	40,977.10	
On Call	26,000.00	26,000.00	
Total Expense	1,716,944.82	1,726,394.82	-

CONSOLIDATED UTILITY FUND

Revenue			
Balance Forward	8,730,497.32	8,730,497.32	
Development/Capital	2,217,091.43	2,217,091.43	
TWDB Project	21,005,000.00	21,005,000.00	
Wastewater	1,686,883.25	1,686,883.25	
Water	258,000.00	258,000.00	
Operations	-	-	
Total	33,897,472.00	33,897,472.00	
Expense			
Development/Capital	3,347,500.00	3,347,500.00	
TWDB Project	21,005,000.00	21,005,000.00	
Wastewater	1,466,755.02	1,466,755.02	
Water	127,500.00	127,500.00	
Operations	1,716,944.82	1,726,394.82	
Total Expense	27,663,699.84	27,673,149.84	-
Balance Forward	6,233,772.16	6,233,772.16	-

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
Balance Forward	906.24	906.24	
Revenues	21,005,000.00	21,005,000.00	
Interest	20.00	20.00	
Total revenue	21,005,926.24	21,005,926.24	
Expenses			
Escrow Fees			
Expenses	21,005,000.00	21,005,000.00	
Total Expenses	21,005,000.00	21,005,000.00	
Balance Forward	926.24	926.24	
IMPACT FUND			
Bal Forward	852,770.61	852,770.61	
Revenue			
Impact Fees			
Impact Fee Deposits			
Interest Income	45,000.00	45,000.00	
Total	897,770.61	897,770.61	
Expense			
TXF to Debt Service 2015	670,405.60	670,405.60	
TXF to Debt Service 2019			
TXF to Debt Service 2022			
Total expense	670,405.60	670,405.60	
Total Bal Forward	227,365.01	227,365.01	
DEBT SERVICE FUND 2015			
Bal Forward	860,634.56	860,634.56	
Revenue			
TXF from Impact Fund	670,405.60	670,405.60	
Interest	20,000.00	20,000.00	
Total Revenue	1,551,040.16	1,551,040.16	
Expenses			
Debt Payment 2015	684,900.76	684,900.76	
Total Expense	684,900.76	684,900.76	
Balance Forward	866,139.40	866,139.40	
DEBT SERVICE FUND 2013			
Bal Forward	125,421.54	125,421.54	
Revenue			
TXF from HOT	90,375.00	90,375.00	
Interest	20,000.00	20,000.00	
Total	235,796.54	235,796.54	
Expense			
Tax Series 2013	88,487.50	88,487.50	
Total Expenses	88,487.50	88,487.50	
Balance Forward	147,309.04	147,309.04	
DEBT SERVICE FUND 2019			

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3
Bal Forward	1,103,641.63	1,103,641.63	
Revenue			
TXF from Impact Fees			
Interest	20,000.00	20,000.00	
Total	1,123,641.63	1,123,641.63	

Expense			
Tax Series 2019	1,043,533.00	1,043,533.00	
Total Expenses	1,043,533.00	1,043,533.00	
Balance Forward	80,108.63	80,108.63	

DEBT SERVICE FUND 2022

Bal Forward	1,195,168.50	1,195,168.50	
Revenue			
TXF from Impact Fees			
Interest			
Total	1,195,168.50	1,195,168.50	

Expense			
Tax Series 2022	1,191,768.50	1,191,768.50	
Total Expenses	1,191,768.50	1,191,768.50	
Balance Forward	3,400.00	3,400.00	

PEG FUND

Balance Forward	154,185.10	154,185.10	
Revenues			
TWC	30,000.00	30,000.00	
Interest Income	4,000.00	4,000.00	
Total Revenues	188,185.10	188,185.10	

Expense			
TXF to Event Center	-	-	
Total Expense	-	-	
Balance Forward	188,185.10	188,185.10	

RESERVE FUND

Balance Forward	2,744,859.25	2,744,859.25	
Revenue			
TXF from General Fund	300,000.00	300,000.00	
Interest	75,000.00	75,000.00	
Total	3,119,859.25	3,119,859.25	

Expense			
Expense			
Total Expense	-	-	
Balance Forward	3,119,859.25	3,119,859.25	

TIRZ 1

Balance Forward	121,804.14	177,204.14	
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	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
Revenues				
City AV	219,023.80	219,023.80		
County AV	346,013.11	346,013.11		
City for GAP Escrow				
Interest Income	20,000.00	20,000.00		
EPS Reimbursements				
Total Revenue	706,841.05	762,241.05	-	

Expense				
TIRZ Expense				
Project Management/Misc. Costs	16,000.00	16,000.00		
Project Administration P3 Works	8,000.00	8,000.00		
Legal Fees				
EPS				
MAS	-	-		
HDR	52,500.00	52,500.00		
TJKM - Grant Writing				
Buie - PR				
Misc. Consulting	155,000.00	155,000.00		
Creation Cost Reimbursements				
TXF to GAP Escrow				
TXF to General Fund		50,000.00		
Stakeholder Reimbursement	-	-		
Total Expense	231,500.00	281,500.00	-	
Balance Forward	475,341.05	480,741.05	-	

TIRZ 2

Balance Forward	1,979,387.49	2,068,387.49		
Revenue				
Interest Income	30,000.00	30,000.00		
City AV	356,542.34	356,542.34		
County AV	596,658.45	596,658.45		
Total Revenue	2,962,588.28	3,051,588.28	-	

Expense				
Project Management/Misc. Costs	16,000.00	16,000.00		
Project Administration P3 Works	8,000.00	8,000.00		
MAS				
HDR	17,500.00	17,500.00		
Misc. Consulting	95,000.00	95,000.00		
Creation Cost Reimbursements				
TXF to General Fund		50,000.00		
Stakeholder Reimbursement	-	-		
Total Expense	136,500.00	186,500.00	-	
Balance Forward	2,826,088.28	2,865,088.28	-	

VEHICLE REPLACEMENT FUND

Balance Forward	317,116.00	317,116.00		
Revenue				
TXF from General Fund	115,083.55	115,083.55		
TXF from DSRP	31,906.08	31,906.08		
TXF from WWU	50,545.02	50,545.02		

	FY 2025 Adopted	FY 2025 Amended	FY 2025 Proposed Amendment #3	Change
Total Revenue	514,650.65	514,650.65		
Expense				
Vehicle Replacement				
Total Expense	-			
Balance Forward	514,650.65			



FY 2025

Parks & Community Services Year in Review

Director/Department Head:
Staff:

Andrew Binz – Director of Parks & Community Services

- Emily Nelson – Assistant Director
- Charlie Reed – Farmers Market Manager
- Drew Hughes – Aquatics Manager
- Patrick Baglietto – Parks Maintenance Manager
- Lily Sellers – Ranch Park Manager
- Nick Spillar – Parks Maintenance Asst. Manager
- Johnna Krantz – Community Events Coordinator
- Madyson Sanchez – Ranch Park Program Coordinator
- Teri Sanders – Ranch Park Facility Rental Coordinator
- Melanie Engels – Ranch Park Customer Specialist
- Katey Ewton – DSRP Program Specialist
- Sheri Kapanka – Parks Maintenance
- Fletcher Engstrom – Park Maintenance
- Chris Segovia – Parks Maintenance
- Harrison Ladue – Parks Maintenance
- Anthony Ortiz – Parks Maintenance
- Vacant – Parks Maintenance

Services & Service Levels:

The Parks & Community Services Department Mission

“It is our mission to foster community by preserving parks and open space, by connecting people to our natural resources and cultural history and by offering engaging programs and events.”

Oversight and Responsibilities:

- Boards, Commissions and Committees
 - Parks & Recreation Commission
 - Dripping Springs Ranch Park Board of Directors
 - Founders Day Commission
 - Farmers Market Committee
- Parks & Open Space
 - Founders Memorial Park – 30.3 acres
 - Charro Ranch Park – 67.3 acres
 - DS Ranch Park – 118.9 acres
 - Sports & Recreation Park – 39.8 acres
 - Veterans Memorial Park – 1.9 acres
 - Arrowhead Park – 10.7 acres
 - Rathgeber Natural Resource Park – 299.8 acres
 - 10 miles of trails

- Facilities
 - Event Center and Arenas
 - Aquatics Center
 - Skate Park
 - Athletic Fields
 - Playgrounds
 - Pavilion
 - Outdoor Basketball and Volleyball Courts
 - Bird Blinds
- Community Events
 - Founders Day
 - Christmas on Mercer
 - Western Wonderland
 - Eggstravaganza
 - Festival of Flight
 - Family Fall Festival
 - Dripping Springs Fair and Rodeo
 - Movie Nights in the Park
 - Star Parties
 - Puppy Plunge
 - Kite Festival
 - Holiday Fun Runs
- Camps and Programs
 - Coyote Kids Nature Camp
 - Nature Rangers After School Program
 - Tween Scene
 - Swim Lessons
 - Skate Camp
 - Archery
 - Family Campout
 - Guided Nature and Bird Walks
 - Family Nerf Night
 - Adult Softball Leagues
 - DSRP Riding Series
- Initiatives
 - Bird City Texas
 - International Dark Sky Community
 - Keep Texas Beautiful
- Community Partners
 - DSUSA
 - Lions Club
 - Hays County Livestock Expo
 - Hays County Master Naturalists
 - Hays County Master Gardeners

- The Pound House
- Ag Boosters
- Texas Beef Initiative
- Texas Hill Country Barrel Racing Association
- Tiger Splash
- Wild Birds Unlimited
- DS Skatepark Inc.
- VFW Post 2933
- American Legion Post 290
- Dripping Springs Independent School District

Performance Measures:

PCS staff track key performance indicators to help the department achieve their goals and better serve the public. The Performance Measures report is compiled monthly and included within the Parks and Recreation Commission monthly meeting agenda packet. The April 2025 Performance Measures report is included in this report.

FY 2025 Budget Highlights:

	2025	YTD
Revenue:		
Parks & Rec.	\$ 107,800	\$ 8,626
Aquatics	\$ 62,985	\$ 1,522
DSRP	\$ 1,107,109	\$ 375,466
Farmers Market	\$ 90,342	\$ 11,105
Founders Day	\$ 137,330	\$ 56,645
Total	\$ 1,505,566	\$ 453,364
Expense:		
Parks & Rec.	\$ 771,987	\$ 530,711
Aquatics	\$ 206,313	\$ 59,161
DSRP	\$ 1,602,468	\$ 667,857
Farmers Market	\$ 89,012	\$ 40,501
Founders Day	\$ 156,625	\$ 628
Total	\$ 2,826,405	\$ 1,298,858
Cost Recovery		
Parks	14%	2%
Aquatics	31%	3%
DSRP	69%	56%
Farmers Market	101%	27%
Founders Day	88%	9027%
Total	53%	35%

FY 2025 Projects:*Completed:*

- SRP – Adult Softball Field Improvements
- DSRP – LCRA Steps Forward Day Projects

In Progress:

- PROS Master Plan
- DSRP – Storage Building
- DSRP – Outdoor Arena
- DSRP – Dirt Removal
- SRP – Fence along Rob Shelton

Not Started:

- FMP – Parking Lot Improvements
- FMP – Pool Chemical Storage Area Improvements
- SRP / VMP – Boulders for Parking Lot

2026 Budget Prep:*Staffing*

- No New Positions
- Contractual labor for large or specialty projects.

Equipment

- Skid Steer
- Z Turn Mower
- Tractor
- Trailer

Potential 2026 Projects

- DSRP – Path to Pond Improvements
- DSRP – Path to Playground Improvements
- Rathgeber Phase I Planning
- SRP – Athletic Field Lighting Improvements
- DSRP – Trail Wayfinding Signage
- FMP – Replace Propane with Gas
- SRP – Fence Improvements
- SRP and FMP – Restroom Improvements
- DSRP – Trail Debris Removal
- SRP – Landscaping Bed Irrigation Improvements
- FMP – Trail Extension and Crossing Improvements
- FMP – Skatepark Improvements

Long Range Planning

- FMP - Aquatic Facility Improvements
- DSRP – Roof Improvements
- DSRP – Restroom Improvements

- DSRP – Outdoor Arena Improvements
- Agency Accreditation

March 2025

	FY 2024		FY 2025	
	Mar-24	Total/Actual	Mar-25	Fiscal YTD
PCS Aquatics				
Programs Offered				
Swim Lesson Classes	0	111	0	0
ARC Certification	0	1	0	0
Number of Registrations				
Swim Lesson Registrations	0	126	0	0
ARC Certification	0	8	0	0
Admission Totals:				
Membership Check-ins	0	2,081	0	0
Day Passes Sold	0	2,586	0	0
Season Passes Sold	1	107	0	0
PCS Athletics				
Leagues Offered				
Adult Softball	0	2	2	2
Youth Sport Camps	0	6	0	0
Number of Teams/Participants				
Adult Softball	0	20	11	11
Youth Sport Camps	0	73	0	0
PCS Special Events				
Events Offered	0	10	1	3
Number of Participants	0	545	550	600
PCS Rentals				
Pool	0	14	0	0
Pavilion	2	16	1	12
Athletic Fields	7	43	2	4
Veterans Memorial Park	0	0	0	0
PCS Permits				
Itinerant Vendor	0	6	0	13
Commercial Trainers/Activity	0	0	0	0
Special Event Permit	1	13	0	4
DSRP				
Programs Offered	18	200	24	191
Number of Participants	161	1,134	26	610
Camp Days Offered	15	76	8	23
Number of Participants	20	506	32	138
DSRP Events	4	49	5	80
Number of Participants	2,500	11,505	125	10,053
Arena Memberships Sold	10	55	6	53
Room Rentals	13	132	12	111
Arena Rentals	12	64	5	39
Other Rentals (Ranch House, Field, Etc..)	2	34	0	8
Free Use Agreements/Co-Sponsorships	32	273	34	212
Farmers Market				
Number of Markets Offered	4	52	4	24
Number of Vendors Registered	187	2,066	174	950
Number of Visitors	1,845	19,995	1,950	10,185