



CITY OF FAIR OAKS RANCH
CITY COUNCIL REGULAR MEETING

Thursday, November 17, 2022 at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

Live Stream: <https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live>

AGENDA

OPEN MEETING

1. Roll Call - Declaration of a Quorum
2. Pledge of Allegiance

CITIZENS and GUEST FORUM

To address the Council, please sign the Attendance Roster located on the table at the entrance in the foyer of the Public Safety Training Room. In accordance with the Open Meetings Act, Council may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.

3. Citizens to be heard.

PRESENTATIONS

4. Presentation of San Antonio Express-News Top Workplaces Award 2022 to the City of Fair Oaks Ranch.

Joanna Merrill, IPMA-SCP, Director of Human Resources and Communications

CONSENT AGENDA

All of the following items are considered to be routine by the City Council, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Council Member by making such request prior to a motion and vote.

5. Approval of the October 13, 2022 City Council and Planning and Zoning Commission Joint Public Hearing Minutes.

Christina Picioccio, TRMC, City Secretary

6. Approval of the November 3, 2022 Regular City Council meeting minutes.

Christina Picioccio, TRMC, City Secretary

7. Approval of a Resolution approving the 2022 Property Tax Levy Roll.

Rosie G. Vela, Director of Finance

CONSIDERATION/DISCUSSION ITEMS

- [8.](#) Consideration and possible action approving the first reading of an Ordinance approving the first amendment to the City's exclusive franchise agreement with Republic Services for the collection, hauling, and disposal of residential garbage and refuse waste in the City of Fair Oaks Ranch.

Carole Vanzant, CPM, TRMC, Assistant City Manager, Public Works & Engineering Services

- [9.](#) Consideration and possible action to approve a Resolution authorizing participation in Texas CLASS investment pool.

Rosie G. Vela, Director of Finance

- [10.](#) Consideration and possible action to approve a Resolution authorizing participation in TexPool Prime investment pool.

Rosie G. Vela, Director of Finance

- [11.](#) Consideration and possible action approving a Law Enforcement & Patrol Agreement between the City of Fair Oaks Ranch and Setterfeld Estates Homeowners Association.

Tim Moring, Chief of Police

- [12.](#) Consideration and possible action authorizing the City Manager to sign a Construction Agreement with G5 Utilities, LLC for the Balcones Creek Waterline Replacement Project.

Clayton Hoelscher, Procurement Manager
Grant Watanabe, P.E., Director of Public Works & Engineering Services

- [13.](#) Consideration and possible action approving a Wastewater Treatment Plant Site Feasibility Study capacity expansion option.

Grant Watanabe, P.E., Director of Public Works & Engineering Services

- [14.](#) Presentation and possible discussion of the Fiscal Year 2021-22 Preliminary Year-End Results.

Rosie G. Vela, Director of Finance

REPORTS FROM STAFF AND COMMITTEES

- [15.](#) Presentation of Quarterly Investment Report for Quarter Ended September 30, 2022.

Rosie G. Vela, Director of Finance

REQUESTS AND ANNOUNCEMENTS

16. Announcements and reports by Mayor and Council Members.

17. Announcements by the City Manager.

18. Requests by Mayor and Council Members that items be placed on a future City Council agenda.

CONVENE INTO EXECUTIVE SESSION

Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of the governing body hereby convenes into closed session:

Sec. 551.071 (Consultation with Attorney) the City Council will meet in private consultation with legal counsel to seek the advice of its attorneys about pending or contemplated litigation, a settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551 of the Government Code; to wit:

19. To receive legal advice from Special Counsel and the City Attorney regarding the City's ground water rights.
20. Case No. 22-090-451; Vincent A. Caldarola, MD vs. City of Fair Oaks Ranch, Texas.
21. Cause No. 2021CI05780: Richard J. Davila Jr. vs. City of Fair Oaks Ranch.

Sec. 551.072 (Deliberation regarding real property)

22. The City Council will meet in closed session to deliberate the purchase, exchange, lease, or value of real property that may be considered for future location of water and wastewater system improvements.

RECONVENE INTO OPEN SESSION

Discussion and possible action on items discussed in Executive Session.

ADJOURNMENT

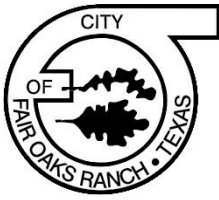
Signature of Agenda Approval: s/Gregory C. Maxton_____

Gregory C. Maxton, Mayor

I, Christina Picioccio, TRMC, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City's website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 6:30 PM, November 14, 2022 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to Texas Government Code Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).



**CITY OF FAIR OAKS RANCH
CITY COUNCIL & PLANNING AND ZONING COMMISSION
SPECIAL MEETING**

Thursday, October 13, 2022 at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum

Council Present: Mayor Maxton

Council Members: Stroup, Elizondo, Koerner, and Parker

Council Absent: Council Members: Bliss, and Muenchow

P&Z Present: Chairperson Barnes & Vice Chairperson Horwath

Commission Members: Tom, Bryant, Martin, Pearson, and Balli

P&Z Absent: None

With both quorums present, the special meeting was called to order at 6:30 PM.

2. Pledge of Allegiance – The Pledge of Allegiance was recited in unison.

CITIZENS and GUEST FORUM

3. **Citizens to be heard** – None.

PUBLIC HEARING

4. **The City Council and the Planning & Zoning Commission of the City of Fair Oaks Ranch, Texas conducted a joint public hearing to receive public testimony on a Replat request for Lots 242, 243, and NE IRR 142.64' of Lot 267 of Fair Oaks Ranch Bexar County Unit C to create one lot of 1.091 acres, generally located north-west of the intersection of Dietz Elkhorn Road and FM 3351, Fair Oaks Ranch, Texas.**

a. Mayor Maxton opened the joint public hearing at 6:34 PM.

b. Consultant, Lata Krishnarao, provided a presentation of the proposed Variance Application.

c. J.A. (Tony) Saucedo Jr. provided a presentation of the proposed Variance Application.

d. Council and P&Z receive citizen testimony for/against the Variance request with the Mayor serving as the presiding officer – Citizen John Collins spoke against awarding the replat request.

e. Mayor Maxton closed the joint public hearing at 6:46 PM.

- f. Council and P&Z discussed the case, inclusive of questions of the applicant, staff, and the consultant.
- g. The Public Hearing was adjourned with no formal action.

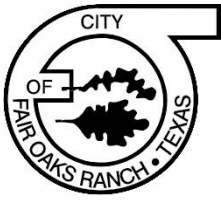
ADJOURNMENT

Mayor Maxton adjourned the meeting at 7:01 PM.

ATTEST:

Gregory C. Maxton, Mayor

Christina Picioccio,
TRMC, City Secretary



CITY OF FAIR OAKS RANCH
CITY COUNCIL REGULAR MEETING

Thursday, November 3 2022 at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

Live Stream: <https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live>

MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum

Council Present: Mayor Maxton and Council Members: Stroup, Elizondo, Bliss, Koerner, Parker and Muenchow.

With a quorum present, the meeting was called to order at 6:31 PM.

2. Pledge of Allegiance – The Pledge of Allegiance was recited in unison.

CITIZENS and GUEST FORUM

3. Citizens to be heard

Sharon Brimhall, resident, invited Council and all residents to attend a Veteran's Day ceremony to be held at Vestal Park, on November 11, 2022 between 4:30 PM and 5:15 PM.

PRESENTATIONS

4. Jennifer Hudson, Human Resources and Communications Specialist presented a 15-year Employee Service Award to Police Lieutenant John Ojeda. Mayor Maxton also spoke of his service to the City.
5. Jennifer Hudson, Human Resources and Communications Specialist presented 5-year Employee Service Awards to Rachel Brown, Administrative Assistant, Building Codes and Maria Pinedo, Court Clerk. Mayor Maxton spoke of their contributions to the City.

CONSENT AGENDA

6. **Approval of the October 20, 2022 City Council Regular Meeting minutes.**
7. **Approval of a Replat request from the applicant Kokopelli Development Team, on behalf of the property owners William S. Jr. & Cynthia W. Beall proposing a Replat of Lot 242, 243, and NE IRR 142.64' of Lot 267 of Fair Oaks Ranch Bexar County Unit C to create one lot of 1.091 acres, generally located northwest of the intersection of Dietz Elkhorn Road and FM 3351, Fair Oaks Ranch, Texas.**

MOTION: Made by Council Member Muenchow, seconded by Council Member Parker, to approve the Consent Agenda.

VOTE: 7-0; Motion Passed.

WORKSHOP**8. Wastewater Treatment Plant Site Feasibility Study Workshop.**

Grant Watanabe, P.E., Public Works Director and Greg Swoboda, P.E., Project Manager of Garver, led a workshop discussion regarding the findings of the Wastewater Treatment Plant Site Feasibility Study.

REPORTS FROM STAFF AND COMMITTEES

9. Police Officers Solace and Downey provided a report to Council on their experiences in their new roles as School Resource Officers at the Fair Oaks Elementary Schools.
10. City Manager Tobin E. Maples provided a report on the Sales Tax compliance Review that was performed by Avenu Insights & Analytics.

REQUESTS AND ANNOUNCEMENTS**11. Announcements and reports by Mayor and Council Members.**

Council Member Stroup commented that Early Voting ends on November 4th and encouraged everyone to vote (Bexar County voters at the Van Raub Elementary School Schoolhouse).

Mayor Maxton stated that next week is Municipal Court Week. (Court Staff is Judge Kim Keller, Ricardo Bautista, and Maria Pinedo) and that Accounting Professional's Day is November 10th (Accounting Department Staff: Rosie Vela, Summer Fleming, Julie Lovelace, Amanda Sturgeon, and Clayton Hoelscher). He recognized the exceptional effort from each individual towards the support of the City.

Mayor Maxton also spoke of the two Veteran Day events to be held in the City of Fair Oaks Ranch on November 11: Resident sponsored event at Vestal Park 4:30 PM – 5:15 PM, and a FORHA sponsored event to be held at the north end of the Country Club parking lot at 5:30 PM – 6:30 PM.

Mayor Maxton announced that our last surviving World War II veteran, Mack McWilliams has passed away at the age of 97. Mayor Maxton honored his memory and offered condolences to his family.

Council Member Laura Koerner mentioned that the City of Boerne will be hosting a Veteran's Day Ceremony in Veteran's Plaza at 11:00 AM. She encouraged citizens to attend.

Council Member Elizondo announced that there is a ¾ size replica of the Vietnam War Memorial located near the Toyota Plant Site halfway to Laredo. It is open for visitors and will be there until the 6th.

12. Announcements by the City Manager.

City Manager Maples announced that a ribbon cutting will be held at 11:00 AM on Friday, November 4th for the Silver Spur/Rock Oak Circle Drainage Maintenance Project.

He also stated that the City Hall Offices will be closed on Veteran's Day.

13. Requests by Mayor and Council Members that items be placed on a future City Council agenda.

None.

CONVENE INTO EXECUTIVE SESSION

Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of City Council convened into Executive Session at 8:10 PM regarding:

Sec. 551.072 (Deliberation regarding real property)

- 17. The City Council met in closed session to deliberate the purchase, exchange, lease, or value of real property that may be considered for future TxDOT improvements to FM 3351.

City Council did not convene into Executive session regarding:

Sec. 551.071 (Consultation with Attorney

- 14. To receive legal advice from Special Counsel and the City Attorney regarding the City's ground water rights.
- 15. Case No. 22-090-451; Vincent A. Caldarola, MD vs. City of Fair Oaks Ranch, Texas.

Sec. 552.072 (Deliberation regarding real property)

- 16. The City Council will meet in closed session to deliberate the purchase, exchange, lease, or value of real property that may be considered for future location of water and wastewater system improvements.

RECONVENE INTO OPEN SESSION

City Council reconvened into Open Session at 8:30 PM. No action was taken.

ADJOURNMENT

Mayor Maxton adjourned the meeting at 8:31 PM.

ATTEST:

Gregory C. Maxton, Mayor

Christina Picioccio, TRMC, City Secretary



CITY COUNCIL CONSENT ITEM
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Approval of a Resolution approving the 2022 property tax levy roll
 DATE: November 17, 2022
 DEPARTMENT: Finance
 PRESENTED BY: Consent - Rosie Vela, Director of Finance

INTRODUCTION/BACKGROUND:

Pursuant to the Texas Property Tax Code, Chapter 26.09(e), after City Council sets the 2022 property tax rate, the levy roll is determined, by the property tax collector, based on said approved property tax rate, and presented to Council for approval: *The assessor shall enter the amount of tax determined as provided by this section in the appraisal roll and **submit it to the governing body of the unit for approval.** The appraisal roll with amounts of tax entered as approved by the governing body constitutes the unit's tax roll.*

City Council, on September 22, set the 2022 property tax rate at \$0.3291 on each \$100 taxable valuation of property. See attached 2022 Levy Total report for calculation of Total Levy.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Compliance with State law.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

M&O Levy @ \$0.3023 tax rate:	\$6,070,914.89	M&O Tax Revenue Budgeted:	\$6,149,433
I&S Levy @ \$0.0268 tax rate:	<u>538,208.80</u>	I&S Tax Revenue Budgeted:	<u>545,768</u>
Total Levy:	\$6,609,123.69	Property Tax Revenue Budgeted:	\$6,695,201*

* Budgeted revenue was based on certified estimates of taxable value and is greater than the levy by \$86,077.31. Due to historical adjustments of property value under protest after the date of certification, we do not anticipate a budget amendment is needed at this time.

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

Consent - As approval of the levy roll is required by statute, "I move to approve a resolution approving the City of Fair Oaks Ranch 2022 property tax levy roll of \$6,609,123.69."

A RESOLUTION

APPROVAL OF THE 2022 PROPERTY TAX LEVY ROLL FOR THE CITY OF FAIR OAKS RANCH, TEXAS

WHEREAS, pursuant to Texas Property Tax Code, Vernon’s Texas Codes Annotated, Section 26.09(e) the City Council of the City of Fair Oaks Ranch, Texas, must officially approve the tax levy roll of the City of Fair Oaks Ranch, Texas for the tax year 2022.

NOW, THEREFORE, be it resolved that:

1. The City Council of the City of Fair Oaks Ranch hereby officially approves the 2022 property tax levy roll as required by the Property Tax Code, Vernon’s Texas Codes Annotated, Section 26.09(e) in the amount of \$6,609,123.69 based on a tax rate of \$0.3291 per \$100 valuation of a total taxable value of \$2,008,161,126.
2. A signed copy of this Resolution shall be submitted, by the City Secretary, to the city’s property tax collector, Bexar County Tax Assessor Collector.
3. This Resolution shall be in full force and effect from and after its passage and approval.

PASSED, APPROVED, AND ADOPTED on this 17th day of November, 2022.

ATTEST:

Gregory C. Maxton, Mayor

Christina Picioccio, TRMC, City Secretary



Albert Uresti, MPA, PCC
Office of the Tax Assessor - Collector

October 26, 2022

Ms. Summer Fleming, Interim Finance Director
City of Fair Oaks Ranch
7286 Dietz Elkhorn Road
Fair Oaks Ranch, Texas 78015

RE: City of Fair Oaks Ranch – 2022 Tax Roll

Dear Ms. Fleming:

Enclosed is a summary of values and levies taken from the initial Tax Roll for the City of Fair Oaks Ranch.

Section 26.09(e) of the State Property Tax Code requires the Tax Roll to be approved by the taxing unit's governing body. Please notify this office, at your earliest convenience, when the tax roll is approved by your governing body.

If you have any question, please contact Mr. Carlos Gutierrez at 210-335-6600.

Sincerely,

A handwritten signature in green ink, appearing to read "AU".

Albert Uresti, MPA, PCAC
Tax Assessor-Collector
Bexar County

AU:JAA/ea

Handwritten initials "JAA" in blue ink.

Enclosure

2022 CERTIFIED TAX ROLL AS OF OCTOBER 1, 2022

TAX ASSESSMENT ROLLS OF FAIR OAKS RANCH FOR THE YEAR 2022 SHOW THE FOLLOWING SUMMARIES:

ROLL	NUMBER ACCTS	MARKET VALUE	TAXABLE VALUE	FREEZE LOSS	TOTAL LEVY
REAL PROPERTY	4,366	2,498,246,895	1,994,947,918	.00	6,565,374.46
PERSONAL PROPERTY	200	17,388,283	13,213,208	.00	43,749.23
MOBILE HOME PROPERTY	0	0	0	.00	.00
MINERAL PROPERTY	0	0	0	.00	.00
OTHER PROPERTY	0	0	0	.00	.00
TOTAL	4,566	2,515,635,178	2,008,161,126	.00	6,609,123.69

RATE OF TAXATION ASSESSMENT RATIO 100%
TOTAL TAX RATE 00.329100

ALBERT URESTI, MPA, PCAC
TAX ASSESSOR-COLLECTOR BEXAR COUNTY
BY :





CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Consideration and possible action approving the first reading of an Ordinance approving the first amendment to the City’s exclusive franchise agreement with Republic Services for the collection, hauling, and disposal of residential garbage and refuse waste in the City of Fair Oaks Ranch

DATE: November 17, 2022

DEPARTMENT: Administration

PRESENTED BY: Carole Vanzant, CPM, TRMC, Assistant City Manager, Public Works & Engineering Services

INTRODUCTION/BACKGROUND:

The city’s exclusive franchise agreement (**Exhibit A attached**) with Republic Services for the collection, hauling, and disposal of residential garbage and refuse waste expired on September 30, 2022. At the June 2, 2022, Regular Business meeting, City Council instructed staff to move forward with exercising the city’s option to renew the agreement with Republic Services, inclusive of negotiating enhancements where possible.

At the request of Republic Services, City Council at the September 1, 2022 Regular Business meeting approved an extension of the 2017 Agreement for an additional two months expiring November 30, 2022 under the conditions of the current Agreement. The extension was requested by Republic in order to provide additional time for their corporate office to review proposed modifications.

The purpose of this agenda item is to consider approval of the first amendment to said exclusive franchise agreement. Because a franchise is adopted by ordinance it may only be amended or extended by ordinance. Because the exiting agreement is being modified as opposed to simply renewed, an amendment is required. **Exhibit A1** of the attached ordinance details the amendments to the existing Agreement (strikethrough/underlined and italics).

Primary elements of the first amendment are as follows:

- Provides for a 2-year renewal expiring on September 30, 2024, and seamless continued service.
- Continued utilization of the trailing twelve (12) month average Consumer Price Index (CPI) to establishing annual base service rates. The following table provides a historical perspective of base rate adjustments over the previous 5-year contract period.

Fiscal Year	Eligible Monthly Service Rate	Adopted Monthly Service Rate
October 2017		\$20.05
October 2018	\$20.69	\$20.05
October 2019	\$21.45	\$20.65
October 2020	\$22.08	\$21.25
October 2021	\$22.72	\$21.87
October 2022	\$23.86	\$22.96 *

*New base rate starting October 1, 2022

- Clarifies that all bulk and brush items shall be placed into one collection pile.
- Clarifies the type and size of containers utilized at City facilities.
- Clarifies that the city will be responsible for advance notices (mailers) regarding customer procedures for the annual brush and bulk events. The contractor will reimburse the city for all cost.
- Confirms the contractor’s annual contribution toward the Household Hazardous Waste collection event is \$20k.
- Increases the franchise fee from 3% to 5%.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

N/A as service cost is paid by customers.

LEGAL ANALYSIS:

Approved as to form

RECOMMENDATION/PROPOSED MOTION:

I move to approve the first reading of an Ordinance approving the first amendment to the city’s exclusive franchise agreement with Republic Services for the collection, hauling, and disposal of residential garbage and refuse waste.

Exhibit A

**EXCLUSIVE FRANCHISE AGREEMENT
FOR THE COLLECTION, HAULING AND DISPOSAL OF
RESIDENTIAL GARBAGE AND REFUSE WASTE
IN THE CITY OF FAIR OAKS RANCH, TEXAS**

STATE OF TEXAS

COUNTY OF KENDALL

THIS EXCLUSIVE FRANCHISE AGREEMENT (this "Agreement") is made and entered into as of August 17, 2017, by and between BFI Waste Services of Texas, LP, d/b/a Allied Waste Services of San Antonio//Republic Services of San Antonio (the "Contractor"), and the City of Fair Oaks Ranch, Texas (the "City").

WHEREAS, the City, subject to the terms and conditions set forth herein and the ordinances and regulations of the City, desires to grant to the Contractor the exclusive franchise, license and privilege to collect, haul and dispose of Residential Garbage and Refuse, Brush and Bulky items, Wastewater Sludge and Screenings (as such terms are defined herein individually and collectively referred to a "Municipal Solid Waste") within the City's corporate limits.

NOW, THEREFORE, in consideration of the premises and the mutual promises, covenants and agreements set forth herein, the Contractor and the City hereby agree as follows:

SECTION 1. EXCLUSIVE FRANCHISE GRANT.

The City hereby grants to the Contractor, in accordance with the City's ordinances and regulations governing the collection, hauling and disposal of Municipal Solid Waste the exclusive franchise, license and privilege to collect, haul and dispose of Municipal Solid Waste over, upon, along and across the City's present and future streets, alleys, bridges and public properties.

SECTION 2. TERM OF AGREEMENT.

The term of this Agreement shall be for a period of five (5) years, commencing on October 1, 2017 and concluding on September 30, 2022.

The City, at its sole discretion, shall have the option to renew this Agreement for up to two (2) additional two (2) year terms. There is no guarantee to the Contractor that the City will exercise this option to continue this Agreement beyond the initial five year period. Both parties, in writing, shall agree to each extension.

SECTION 3. DEFINED TERMS.

The following terms, as used herein, will be defined as follows:

Brush And Bulky Items - Brush includes personally-trimmed and severed parts of all domestically cultivated trees and shrubbery. Above average disposal of brush should be taken into consideration as historically, up to 600 tons, per event has been picked up. Bulky items consist of household items such

as large appliances with Freon removed, household fixtures, furniture, yard equipment with gas removed, mattresses, etc. Items have no size or weight limitations but are limited to residential and domestic items. Does not include commercial construction waste, remodeling materials or demolition debris.

Brush And Bulky Items Curbside Pick Up - The collection and disposal of curbside Brush and Bulky items.

Business Day - Any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City.

City - The City of Fair Oaks Ranch, Texas.

City Facilities - All municipal-owned buildings located at 7286 Dietz Elkhorn (City Hall Complex), 30955 Meadow Creek Trail (Fire Station), 7895 Fair Oaks Parkway (Fire Station), and the Wastewater Treatment Plant off of No Le Haze Road.

City Manager - The Fair Oaks Ranch City Manager or his/her authorized designee.

Commercial Container - Metal receptacle designed to be lifted and emptied mechanically for use at City Facilities.

Contractor - The person, corporation, partnership, or legal entity performing the services provided for under this Agreement.

Contractor's Public Education Program - A Program, maintained by the Contractor, that provides information of materials to be collected, a list of materials that cannot be collected or items which will require a special fee based pick-up, and how to prepare materials for the Residential and Garbage and Refuse services as well as annual brush/bulky item pick up and household hazardous waste events.

Dead Animal Collection - The collection of dead animals stored in the City's storage cooler.

Disposal Site - A legally permitted municipal solid waste depository including, but not limited to, sanitary landfills permitted or approved by all appropriate governmental agencies having jurisdiction and requiring such licenses, franchises, permits or approvals to receive for processing or final disposal municipal solid waste and dead animals.

Franchise Agreement - An agreement granting the right and responsibility to provide the Scope of Services provided for within the RFP.

Hazardous Waste - Means waste defined as, or of a character or in sufficient quantity to be defined as, a Hazardous Waste by the Resource Conservation and Recovery Act, as amended, or by Texas law with respect thereto, or a "toxic substance" as defined in the Toxic Substance Control Act, as amended, or any regulations with respect thereto, or any reportable quantity of a "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any regulations with respect thereto. The term "Hazardous Waste" also includes any waste whose storage, treatment, incineration or disposal requires a special license or permit from a Federal or Texas entity, body or agency.

Holidays - The following days shall be considered Holidays - New Year's Day, Thanksgiving Day, and Christmas Day.

Household Hazardous Waste - Household Hazardous Waste shall mean any liquid or solid waste identified or listed as a hazardous waste by the United States Environmental Protection Agency (EPA) pursuant to the Federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and as may be identified by any state or federal agency as hazardous or toxic and requiring special handling or special disposal treatment. EPA considers some leftover household products that can catch fire, react, or explode under certain circumstances, or that are corrosive or toxic as household hazardous waste. Products, such as paints, cleaners, oils, batteries, and pesticides can contain hazardous ingredients and require special care when disposed of.

Landfill - Any facility or area of land receiving Municipal Solid Waste and operating under the regulation and authority of the Texas Commission on Environmental Quality ("TCEQ") within the State of Texas.

Monthly Residential Rate - Monthly fee charged by the Contractor to all single-family residential receiving solid waste collection, disposal and recycling services authorized by City Council.

Recycling and Recycling Facility- Recycling shall mean a process by which recyclable materials are collected, sorted, processed, or prepared into marketable commodities for manufacturing into new products. Recycling Facility shall mean a facility where recyclable materials are sorted and processed.

Recycling Collection - Weekly residential curbside and City facilities collection of recyclable materials.

Recycling Materials - Recycling Materials includes, but not limited to the following:

Paper Products - Newspaper, magazines, ad circulars, catalogs, envelopes, file folders, flattened cardboard, paper bags, phone books.

Glass - Bottles and jars with labels and lids.

Cans - Empty aluminum and steel/tin cans used for beverages and food.

Rigid Plastic Containers - Household plastic containers labeled #1-7 with recycling symbol on the bottom of container. Labels and lids may be present.

Other: As detailed, in the proposal, by the Contractor such as foil, styrofoam, etc.

Recycling Materials not allowed includes mirrors, window, ceramic or other glass or glazed materials, and scrap metal.

Residential Containers - A 96-gallon wheeled container made of rigid plastic and provided by the Contractor.

Residential Garbage And Refuse - All dry trash, rags, kitchen and household wastes, food containers, lawn trimmings, leaves and other materials typically generated by a residential dwelling unit, which waste is treated by regulation as domestic municipal solid waste. Residential garbage and refuse does not include Unacceptable Waste.

Residential Unit - Garbage collection and recyclable material collection services to single-family, residential units will be billed directly by the Contractor. These types of residences include, but may not

be limited to, single family residences on one electric meter or duplex dwelling units on one or more meters.

Roll-Off Container - An open top dumpster characterized by a rectangular footprint, utilizing wheels to facilitate rolling the dumpster in place. Container is designed to be transported by special roll-off trucks.

Screenings - That floating and suspended matter, both organic and inorganic, that is removed from the wastewater entering the treatment plant by the mechanically cleaned coarse screens.

Special Waste - Special Waste is any nonhazardous solid waste at City locations which, because of its physical characteristics, chemical make-up, or biological nature requires either special handling, disposal procedures including liquids for solidification at the landfill, documentation, and/or regulatory authorization, or poses an unusual threat to human health, equipment, property, or the environment. Special Waste includes, but is not limited, to sludge from the City's wastewater treatment plants. Special Waste must conform in all respects with a Contractor-approved Special Waste Profile.

Special Waste Profile - Contractor's form of documentation, as provided in Attachment A, that the City must complete, and Contractor must approve, with respect to any Special Waste prior to Contractor's acceptance of such Special Waste.

Storm Damage - Storm damage refers to damage and debris produced by strong winds, rain, hail, lightning, flooding, storm, tornadoes or turbulent weather that ultimately will be identified at the City Manager's discretion.

Unacceptable Waste - Means highly flammable substances, Hazardous Waste, liquid wastes, certain pathological and biological wastes, explosives, toxic materials, radioactive materials, material that the disposal facility is not authorized to receive and/or dispose of, and other materials deemed by Texas or federal law, to be dangerous or threatening to health or the environment, or which cannot be legally accepted at the applicable disposal facility. Household Hazardous Waste collected during the designated and approved, once-per-year event by Contractor does not constitute Unacceptable Waste.

Waste - Means non-hazardous residential garbage and refuse, recyclable materials, and non-hazardous special waste. Waste does not include unacceptable waste.

Wastewater Sludge - The accumulated solids separated from the wastewater during processing. That portion of settled solids from the final clarifiers removed from the wastewater treatment processes to the solids drying beds or other solids handling facilities.

SECTION 4. OPERATIONS.

Scope of Service and Operations. It is expressly understood and agreed that the Contractor will provide the following services (the "Services");

1. Weekly Collection. Unless defined a Holiday under this Franchise Agreement Contractor shall provide the following Weekly collection:
 - a. Residential Units - Contractor shall provide one curbside Residential Garbage and Refuse collection and one curbside Recycling Material collection per week, for each of

the residential units located within the City of Fair Oaks Ranch. The Recyclable Material curbside collection will occur on the same day as normal curbside Residential Garbage and Refuse collection. Such collection services must be provided between the hours of 7:00 A.M. and 7:00 P.M.

b. City Facilities – Contractor shall provide collection during the hours of 8:00 A.M. and 4:30 P.M. for each of the following locations as follows:

- 1) City Hall Complex – collected in 96-gallon and five-yard commercial containers at a frequency of once (1) per week and collected by the Contractor on a day as the weekly collection of residential units.
- 2) Fire Stations – collected in 96-gallon containers at a frequency of once (1) per week and collected by the Contractor on a day as the weekly collection of residential units
- 3) Wastewater Treatment Plant – collected in 96-gallon containers and 20 and 30-yard Roll-Off Containers at a frequency of twice (2) per week and collected by the Contractor on days as the weekly collection of residential units.

2. Containers.

a. Residential Containers - Contractor shall provide one Residential Container each for:

- 1) Residential Garbage and Refuse; and
- 2) Recycling Materials to each residential unit. Preferred colors for containers are green and brown.

b. Commercial Containers – At a minimum, Contractor shall provide the following commercial containers to the following City Facilities:

- 1) City Hall Complex – one (1) 5-yard metal receptacle designed to be lifted and emptied mechanically and ten (10) 96-gallon wheeled containers made of rigid plastic
- 2) Fire Stations – one (1) 96-gallon wheeled container made of rigid plastic at each location.
- 3) Wastewater Treatment Plant – one (1) 20- and one (1) 30-yard Roll-Off Container, and four (4) 96-gallon wheeled containers made of rigid plastic.

3. Recycling Education Program. Participation in curbside Recycling Collection shall be voluntary on the part of the resident. To promote maximum participation, Contractor shall, at the contract proposal price, implement, maintain and manage a public education program. Contractor shall provide educational material on acceptable recycling materials. The educational material, at the minimum, shall be sent once a calendar year in customer billing statements.

Contractor shall produce resident education tags, the form of which to be approved by the City Manager, to be left by Contractor if non-recyclable material is rejected.

Publishing and distribution of public education information shall be in hard copy and electronic version for use on City's website. The information shall contain a list of materials to be collected, a list of materials that cannot be collected or items which will require a special fee based pick up, and how to prepare materials for the weekly residential solid waste and recycling service. Said information shall be provided to every new customer, after the initial distribution, and shall be sent to all customers after any changes in collection procedures.

4. Curbside Brush and Bulky Item collections twice per calendar year, preferably February and August, to be coordinated and scheduled through the City Manager. During the collection period, all items of non-hazardous waste placed out along the City's right of way shall be picked up. Contractor is responsible for an advance notice on customer procedures of collection that shall be mailed to each residential unit. Announcements of the pick-up service shall be mailed in appropriate time to allow customers one week to place items out prior to start of pickup service in their zone. At least four zones should be utilized.
5. Dead Animal Collection at city-owned storage cooler located at 7286 Dietz Elkhorn on each day the Contractor provides residential solid waste pick up in the City.
6. Christmas Tree collection on a date to be determined annually by Contractor and City Manager but no later than mid-January of each calendar year.
7. Storm Damage clean up and disposal on City property within 48 hours of written request made by the City Manager.
8. Wastewater Sludge and Screenings removal and disposal:
 - a. Wastewater Sludge – Collected in a 30-yard Roll-Off Container at a frequency of twice (2) per week.
 - b. Screenings - Collected in four (4) 96-gallon wheeled, drainable, plastic waste wheelers at a frequency of twice (2) per week.
9. One scheduled Household Hazardous Waste collection event per calendar year.
10. Recycling Materials shall be disposed of at *400 Probandt, San Antonio, TX*. Contractor may change the location of the Recycling Facility, however, must receive written approval from the City, such approval not to be unreasonably withheld.
11. Residential Garbage and Refuse shall be disposed of at a Landfill.
12. Special Waste Profile If services include Special Waste, the City shall utilize Contractor's approved Special Waste Profile, signed by the City Engineer or an authorized City official who is responsible for environmental compliance, containing a complete and accurate description of the waste stream, including the generating process and chemical and physical characteristics.

- a. Upon successful conclusion of the waste characterization approval process, the City shall thereafter update the Special Waste Profile (1) upon request of Contractor or (2) immediately upon any change in the composition, generating process or characteristics of the waste. The City agrees, upon written request of Contractor, to provide a Special Waste Profile or, in Contractor’s discretion, a representative sample and full analytical characterization of any Waste Material to Contractor or others in connection with the proper management of the Special Waste.
- b. The City warrants that it has sufficient knowledge and information to ensure that the Special Waste Profile provided is true and correct at the time of tender of every load of Special Waste and that each load of Special Waste tendered for management by contractor (1) shall be fully and precisely described in a Special Waste Profile; (2) shall conform to the information provided in the Special Waste Profile; and (3) shall not contain any hazardous waste or Unacceptable Waste.
- c. The City will use best efforts and will provide information to the best of its knowledge but does not assume liability in case of error.

13. Right of Refusal. Contractor may, in its sole discretion, reject any Unacceptable Waste. If Unacceptable Waste is discovered before it is collected by Contractor, Contractor may refuse to collect the entire container of waste.

14. Contractor shall be required to follow all applicable local, state and federal laws and regulation pertaining to the provision of the services detailed herein, including but not limited to those related to safety. Contractor shall acquire title to Waste when the Waste is loaded into Contractor’s vehicle; except when Contractor is providing disposal services only and not collection services, Contractor shall acquire title when the Waste is delivered to Contractor’s premises. Title to and liability for any Unacceptable Waste shall at no time pass to Contractor.

SECTION 5. RATES AND FEES.

The rates and fees to be charged and received by the Contractor are as follows:

- 1. Total Monthly Residential Rate including annual Household Hazardous Waste event inclusive of disposal costs for solid waste services to include collection and disposal of Residential Garbage and Refuse, Brush and Bulky items, and Wastewater Sludge and Screenings, Recycling Materials, and Household Hazardous Waste. **\$20.05/home/month**
- 2. Total Monthly Rate for Additional Containers. **\$12.00/container/month**
- 3. Contractor may increase the rates effective on each anniversary of the effective date of the contract in an amount equal to the percentage increases in the Consumer Price Index for All Urban Consumers (Water, Sewer and Trash Collection Services) U.S. City Average, as published by the United States Department of Labor, Bureau of Statistics (the “CPI”). Rates will be increased using the most recently available trailing 12 months average CPI compared to the 12 months preceding. The Annual Rate Adjustment will be the lesser of the CPI Water, Sewer & Trash index or 3%. For example, if the CPI price increase is scheduled for April 1, 2017, and the latest CPI index available is the month of February, 2017, the CPI price increase percentage would be computed as the % change from:

The average CPI for the 12 months - March 2016 through February, 2017
 Against the average CPI for the 12 months - March 2015 through February, 2016

SECTION 6. FRANCHISE FEE.

In consideration of the grant of the franchise herein the Contractor shall agree to:

1. Pay the City an amount equal to three (3%) percent of the gross receipts of the Contractor for Residential Unit services provided in the City. Said amount shall be paid each annual quarter, within thirty days after the quarter.
2. Pay to the City an amount equal to 50% of the net proceeds from the sale of all Recyclable Material collected from participants in the recycling program. Said amount shall be paid to the City each annual quarter, within thirty days after the quarter.
3. Notwithstanding the terms of this Agreement or any other understanding between the parties, Contractor's Franchise Fee obligations shall extend only to those revenues received and retained by Contractor as its rates or fees for servicing customers, as such rates or fees may be increased from time to time. To the extent Contractor imposes any surcharges on customers, including but not limited to surcharges made for the purpose of satisfying (i) Contractor's own Franchise Fee obligations to the City or (ii) Contractor's sales tax obligations or (iii) the Fuel Recovery Fee, Environmental Recovery Fee, Administrative Fee, or any other separately stated fee, to the extent applicable, the monies received by Contractor as a result of such surcharge(s) shall not be subject to the Franchise Fee and the City shall not be entitled to receive as part of its Franchise Fee any portion or percentage of such monies.
4. Contractor shall make available to City any and all documents and books necessary and related to the services provided under the Agreement upon reasonable notice, at any time during business hours for purpose of audit and verification of the fees to be paid hereunder.

SECTION 7. BILLING.

Contractor shall bill and collect, in accordance with the monthly fee schedule established herein, from all residential units within the contracted service area. City will not be responsible for, and will not provide assistance with collection of delinquent accounts.

SECTION 8. HOURS OF SERVICE.

For all the Services provided hereunder, the Contractor's hours of service shall be as provided for in this Agreement. The Contractor will not be required to provide service on weekends or Holidays except during natural disasters or emergencies, and may, at its sole discretion, observe Holidays during the term of this Agreement; provided, however, that the Contractor shall provide such services on the immediately following business day.

SECTION 9. CUSTOMER SERVICE.

A customer service office for billing, arrangement of services, and receipt of complaints shall be available during normal business hours to respond to customer and city inquiries within two (2) hours of the initial call. Contractor shall, on billing statements, provide the Contractor's customer service phone number. A 24 hour emergency telephone number with a representative available to respond to emergency calls from the City shall be made available.

SECTION 10. VEHICLES AND EQUIPMENT.

Contractor furnished-equipment, such as trash or recycling containers; dumpsters; or open to roll offs, shall remain as Contractor's property. The City and residents shall be liable for loss or damage to such equipment (except for normal wear and tear and for loss or damage resulting from Contractor's handling of the equipment). The City and residents shall use the equipment only for its proper and intended purpose and shall not overload (by weight or volume), move or alter the equipment. The City and residents shall provide safe, unobstructed access to the equipment on the scheduled collection day. Contractor may charge an additional fee for any additional collection service required by the failure to provide access.

Contractor shall provide and maintain a fleet of solid waste collection vehicles sufficient in number and capacity to perform the work and render the service required under this Agreement. All equipment, including collection vehicles shall be kept clean and in good condition and repair at all times. The trucks used in the collection of garbage shall be all metal, with completely enclosed "packer" type bodies that are designed and manufactured for the collection of garbage and rubbish. Said collection vehicles shall have Contractor's name and telephone numbers painted on each side of the vehicle.

Collection vehicles shall carry at all times a shovel and a broom or rake, to be used for collection of spilled refuse. Vehicles shall be equipped with two-way communications for constant contact, during operations, with the local office of the company.

Vehicles used by the Contractor for the collection, hauling and disposal of Residential Garbage and Refuse and Construction and Demolition Waste shall be protected at all times while in transit to prevent the blowing or scattering of Residential Garbage and Refuse and Recycling Materials onto the City's public streets, or properties adjacent thereto. All collection vehicles used by the Contractor shall be washed and deodorized once per week.

SECTION 11. INSURANCE COVERAGE.

Workers Compensation Insurance/Other State-approved Program: Contractor shall carry and maintain during the term of this Agreement, workers compensation or other state-approved program and employers liability insurance meeting the requirements of the State of Texas on all the Contractor's employees carrying out the work involved in this contract.

General Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$2,000,000 for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than \$2,000,000. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000. This coverage shall protect the public or any person from injury or property damages sustained by reason of the Contractor or its employees carrying out the work involved in this Agreement.

Automobile Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$4,000,000 per occurrence for bodily injury and property damage or split limits of at least \$2,000,000 for bodily injury per person per occurrence and \$2,000,000 for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Contractor or its employees.

Subcontractor: In the case of any work sublet, the Contractor shall require subcontractor and independent contractors working under the direction of either the Contractor or a subcontractor to carry and maintain the same workers compensation and liability insurance required of the Contractor.

Qualifying Insurance: The insurance required by this Agreement shall be written by a non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form.

Contractor shall secure the following for the benefit of the City with respect to the above required insurance, so that the City shall:

- Be identified as an additional insured on all policies except Worker Compensation Policy;
- Be provided with thirty-(30) days advance notice in writing of cancellation in any policy;
- Be provided with Certificates of Insurance evidencing the above required insurance pursuant to this Agreement, and thereafter with certificates evidencing renewals or replacement of said policies of insurance; and
- Be provided with waiver of Subrogation on Workers Compensation in favor of the City.

SECTION 12. PERFORMANCE SECURITY.

During the term of this Agreement and any extension thereof, the Contractor agrees to procure and maintain a performance bond (i) payable to the City, (ii) issued by a surety acceptable to the City, and (iii) conditioned upon the Contractor truly and timely performing all of its obligations under this Agreement. Such performance bond shall be in the amount of \$ _____ (a minimum of 100% of the first year value of the Agreement) and shall be in effect for the duration of this Agreement and any extensions thereof.

SECTION 13. EXCLUSIONS.

Notwithstanding anything to the contrary contained herein, this Agreement shall not cover the collection, hauling or disposal of any materials not covered under this Agreement; provided, however, that the Contractor and the owner or occupant of a Residential Unit may negotiate an agreement on an individual basis regarding the collection, hauling or disposal of any such materials.

SECTION 14. ASSIGNMENT.

This Agreement shall not be assignable or otherwise transferable by the Contractor without the prior written consent of the City; provided, however, that the Contractor may assign this Agreement to any direct or indirect affiliate or subsidiary of the Contractor or to any person or entity succeeding to all or substantially all of the Contractor's assets (whether by operation of law, merger, consolidation or otherwise) without the City's consent.

SECTION 15. ENFORCEMENT.

The City shall take any action reasonably necessary to prevent any other solid waste collection company from conducting business in violation of the exclusive franchise granted herein.

SECTION 16. COMPLIANCE WITH APPLICABLE LAWS.

The Contractor shall comply with all applicable federal and state laws regarding the collection, hauling and disposal of Residential Garbage and Refuse, including existing and future laws that may be enacted, as well as any regulations reasonably passed by the City that are not in derogation of this Agreement. Nothing in this Agreement shall be construed in any manner to abridge the City's right to pass or enforce necessary police and health regulations for the reasonable protection of its inhabitants. The City shall have the right to make reasonable inspections of the Contractor in order to insure compliance with this Section.

SECTION 17. DUE CARE.

The Contractor shall exercise due care and caution in providing the Services so that the City's public and private property, including streets and parking areas, will be protected and preserved.

SECTION 18. PERSONNEL AND PERFORMANCE STANDARDS.

The Contractor shall not deny employment to any person on the basis of race, creed or religion, and will insure that all federal and state laws pertaining to salaries, wages and operating requirements are met or exceeded. The Contractor, its agents, servants and employees shall perform the Services in a courteous and competent manner. During the term of this Agreement and any extension thereof, the Contractor shall be responsible for the actions of its agents, servants and employees while such agents, servants and employees are acting within the scope of their employment or agency.

SECTION 19. TERMINATION.

Any failure by the Contractor or its successors and assigns to observe the terms and conditions of this Agreement shall, if continuing or persisting without remedy for more than thirty (30) days after the receipt of due written notice from the City (and signed by the Mayor), constitute grounds for forfeiture and immediate termination of all the Contractor's rights under this Agreement, and all such rights shall become null and void.

City may terminate the Agreement at any time, without cause, upon providing Contractor 180 day's written notice of its intent to terminate.

SECTION 20. INDEMNITY.

THE CONTRACTOR ASSUMES RISKS OF LOSS OR INJURY TO PROPERTY OR PERSONS TO THE EXTENT CAUSED BY ITS PERFORMANCE OF THE SERVICES. THE CONTRACTOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS AGENTS, DIRECTORS, EMPLOYEES, OFFICERS AND SERVANTS FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, LEGAL PROCEEDINGS, CLAIMS, DEMANDS, DAMAGES, COSTS, LIABILITIES, LOSSES OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES) TO THE EXTENT CAUSED BY AN INTENTIONAL, WILLFUL OR NEGLIGENT ACT OR OMISSION OF THE CONTRACTOR, ITS OFFICERS AND EMPLOYEES. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT OR OTHERWISE, CONTRACTOR SHALL HAVE NO OBLIGATION TO INDEMNIFY, DEFEND OR HOLD HARMLESS CITY, OR ANY OTHER PARTIES INDEMNIFIED UNDER THIS AGREEMENT, FOR ANY SUCH

LIABILITY OR CLAIM TO THE EXTENT RESULTING FROM THE NEGLIGENCE OR, WILLFUL MISCONDUCT BY CITY, ANY THIRD PARTY OR ANY OTHER PARTIES INDEMNIFIED UNDER THIS AGREEMENT.

SECTION 21. INDEPENDENT CONTRACTOR.

Contractor acknowledges that Contractor is an independent contractor of the City and is not an employee, agent, official or representative of the City. Contractor shall not represent, either expressly or through implication, that Contractor is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Professional.

SECTION 22. FORCE MAJEURE.

The performance of this Agreement may be suspended and the obligations hereunder excused in the event and during the period that such performance is prevented by a cause or causes beyond reasonable control of such party. The performance of this Agreement will be suspended and the obligations hereunder excused only until the condition preventing performance is remedied. Such conditions shall include, but not be limited to, acts of war, accident, explosion, fire, flood, riot, sabotage, acts of terrorists, unusually severe weather, lack of adequate fuel, or judicial or governmental laws or regulations.

SECTION 23. GOVERNING LAW.

This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the internal laws of the State of Texas, without giving effect to the conflict of laws rules thereof. The parties hereby irrevocably submit to the jurisdiction of the courts of the State of Texas, County of Kendall and the Federal courts of the United States located in the State of Texas, solely in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement may be enforced in or by said courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Texas State or Federal court.

SECTION 24. CUMULATIVE REMEDIES.

Pursuit of the remedies described in herein shall not preclude pursuit of any other remedies provided in this Agreement or any other remedies provided by law, nor shall pursuit of any remedy provided in this Agreement constitute a waiver of any amount or performance due from the Contractor under this Agreement or of any damages accruing by reason of the violation of its term, provisions and covenants. No waiver of any violations shall be deemed or construed to constitute a waiver of any other violation or other breach of any the terms, provisions and covenants contained in this Agreement, and forbearance to enforce one or more of the remedies as provided on an event of default shall not be deemed or construed to constitute a waiver of such default or of any other remedy provided for in this Agreement.

SECTION 25. SAVINGS PROVISION.

In the event that any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, this Agreement shall, to the extent reasonably possible,

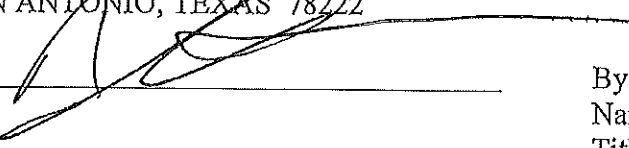
remain in force as to the balance of its terms and provisions as if such invalid term or provision were not a part hereof.


SECTION 26. ACCEPTANCE.

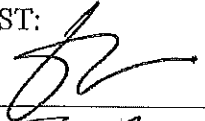
PASSED AND APPROVED BY THE CITY OF FAIR OAKS RANCH CITY COUNCIL MEETING AT A TIME AND PLACE IN COMPLETE CONFORMITY WITH THE OPEN MEETING LAWS OF THE STATE OF TEXAS AND ALL OTHER APPLICABLE LAWS THIS 17th DAY OF AUGUST, 2017.

BFI WASTE SERVICES OF TEXAS, LP
d/b/a ALLIED WASTE SERVICES OF S.A.
//REPUBLIC SERVICES OF SAN ANTONIO
4542 SE LOOP 410
SAN ANTONIO, TEXAS 78222

CITY OF FAIR OAKS RANCH, TEXAS
7286 DIETZ ELKHORN
FAIR OAKS RANCH, TX 78015

By: 

By: 
Name: Tobin Maples
Title: City Manager

ATTEST:
By: 
Name: Tom Armstrong
Title: MUNICIPAL SALES MGR

ATTEST:
By: 
Name:
Title:

AN ORDINANCE

AN ORDINANCE OF THE CITY OF FAIR OAKS RANCH CITY COUNCIL APPROVING THE FIRST AMENDMENT TO AN EXCLUSIVE FRANCHISE AGREEMENT WITH REPUBLIC SERVICES FOR THE COLLECTION, HAULING, AND DISPOSAL OF RESIDENTIAL GARBAGE AND REFUSE WASTE IN THE CITY OF FAIR OAKS RANCH, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT, PROVIDING A SEVERABILITY AND A REPEALER CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Fair Oaks Ranch has determined that it would be in the best interest of the citizens of the City and, would promote the health, safety and general welfare of the inhabitants of said City to contract with Republic Services to provide for the collection, removal and disposal of garbage and refuse waste in the City of Fair Oaks Ranch; and,

WHEREAS, the City Council of the City of Fair Oaks Ranch has determined that such an Agreement is necessary to preserve or protect the public health of the citizens of Fair Oaks Ranch, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS THAT:

SECTION I. AGREEMENT APPROVED.

The “*First Amendment*” to the Exclusive Franchise Agreement for the Collection, Hauling and Disposal of Residential Garbage and Refuse Waste in the City of Fair Oaks Ranch, Texas (hereinafter the “*Agreement*”), attached hereto, upon execution, as **Exhibit A1** and incorporated herein for all purposes, is hereby approved.

SECTION II. CITY MANAGER AUTHORIZED.

The City Manager is hereby authorized, on behalf of the City, to execute the Agreement in substantial form as **Exhibit A**, and such other ancillary instruments and documents as may be reasonably necessary to effectuate the intent of this Ordinance.

SECTION III. SEVERABILITY.

If for any reason any section, paragraph, subsection, clause, phrase, word, or provision of this Ordinance shall be held invalid or unconstitutional by final judgment of a Court of competent jurisdiction it shall not affect any other section, paragraph, subsection, clause, phrase, work or provision of this Ordinance, for it is the definite intent of this City Council that every section, paragraph, subsection, clause, phrase, work, or provision hereof be given full force and effect for its purpose.

SECTION IV. REPEAL.

All ordinances or parts of ordinances in conflict with the terms of this ordinance are hereby repealed.

SECTION V. EFFECTIVE DATE.

This ordinance shall be effective upon approval and adoption.

PASSED on first reading this 17th day of November, 2022.

PASSED, APPROVED and ADOPTED on second reading this the 1st day of December, 2022.

Gregory C. Maxton , Mayor

ATTEST:

Approved as to Form:

Christina Picioccio, TRMC, City Secretary

Denton Navarro Rocha Bernal & Zech, P.C.
City Attorney

Exhibit A1

FIRST AMENDMENT TO EXCLUSIVE FRANCHISE AGREEMENT WITH BFI WASTE SERVICES OF TEXAS, LP, d/b/a ALLIED WASTE SERVICES OF SAN ANTONIO/REPUBLIC SERVICES OF SAN ANTONIO FOR THE COLLECTION, HAULING, AND DISPOSAL SERVICES OF RESIDENTIAL GARBAGE AND REFUSE WASTE IN THE CITY OF FAIR OAKS RANCH, TEXAS

This First Amendment (“First Amendment”) to the Agreement between the City of Fair Oaks Ranch and BFI Waste Systems of Texas, LP, dba Allied Waste Services of San Antonio//Contractor Services of San Antonio dated August 17, 2017 (“2017 Agreement”) is made and entered as of this 17th day of November, 2022 by and between the City of Fair Oaks Ranch, Texas (“City”) and BFI Waste Systems of Texas, LP, dba Republic Services of San Antonio (“Contractor”).

RECITALS

WHEREAS, on August 17, 2017, the City and Contractor entered into the 2017 Agreement for the collection, hauling, and disposal service of residential garbage and refuse waste in the City of Fair Oaks Ranch; and,

WHEREAS, the 2017 Agreement between the City and Contractor expired on September 30, 2022; and,

WHEREAS, the 2017 Agreement has a two (2) year renewal option upon mutual agreement of both parties; and,

WHEREAS, the City has determined a two-year extension of the 2017 Agreement is in the best interest of the residents of Fair Oaks Ranch; and,

WHEREAS, Contractor has determined that it is in their interest to continue providing services for an additional two years.

WHEREAS, at the request of Republic Services, City Council on September 1, 2022 approved an extension of the 2017 Agreement for an additional two-months expiring November 30, 2022 under the conditions of the current Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises and covenants hereinafter contained, the City and contractor agree to exercise the first of two (2) two (2) year renewal options (Part 1) and in this First Amendment to the 2017 Agreement, agree to amend the 2017 Agreement as follows in Parts 2, 3, 4, and 5 below. All other terms and conditions of the 2017 Agreement not expressly amended by this First Amendment shall continue in full force and effect.

Part 1: Section 2 – Term of Agreement

The City and Contractor agree to exercise the first of two (2) two (2) year renewal options with said first renewal expiring on September 30, 2024.

Part 2: Section 3 – Defined Terms

Brush and Bulky Items - Brush includes personally trimmed and severed parts of all domestically cultivated trees and shrubbery. Above average disposal of brush should be taken into consideration as historically, up to 600 tons, per event has been picked up. Bulky items consist of household items such as large appliances with Freon removed, household fixtures, furniture, yard equipment with gas removed, mattresses, etc. Items have no size or weight limitations but are limited to residential and domestic items and all bulk and brush disposed of shall be placed into one collection pile. Does not include commercial construction waste, remodeling materials or demolition debris.

Part 3: Section 4 Operations

1.b. - Weekly Collection City Facilities

- 1) City Hall Complex – collected in 96-gallon and ~~five-yard~~ four-yard commercial containers at a frequency of once (1) per week and collected by the Contractor on a day as the weekly collection of residential units.
- 2) Fire Stations – collected in 96-gallon containers at a frequency of once (1) per week and collected by the Contractor on a day as the weekly collection of residential units.
- 3) Wastewater Treatment Plant – collected in 96-gallon containers and 20- and 30-yard Roll-Off containers at a frequency of twice (2) per week and collected by the Contractor on days as the weekly collection of residential units.

2.b. – Containers Commercial

- 1) City Hall Complex- one (1) ~~5-yard~~ 4-yard metal receptacle designed to be lifted and emptied mechanically and ~~ten (10)~~ fifteen (15) 96-gallon wheeled containers made of rigid plastic.
- 2) Fire Stations – ~~one (1)~~ four (4) 96-gallon wheeled container made of rigid plastic at each location.
- 3) Wastewater Treatment Plant – one (1) 20- and one (1) 30-yard Roll-Off container, and ~~four (4)~~ ten (10) 96-gallon wheeled containers made of rigid plastic.

4. Curbside Brush and Bulky Item collections twice per calendar year, preferably ~~February~~ January and August, to be coordinated and scheduled through the City Manager. During the collection period, all items of non-hazardous waste placed out along the City's right of way shall be picked up. ~~Contractor is responsible for an advance notice on customer procedures of collection that shall be mailed to each residential unit.~~ City is responsible for an advance notice on customer procedures of collection that shall be mailed to each residential unit. Contractor shall reimburse the city all costs for producing and mailing the customer notice including 10% administrative fee of invoice total. Announcements of the pick-up service shall be mailed in appropriate time to allow customers one week to place items out prior to start of pickup service in their zone. At least four zones should be utilized.

9. One scheduled Household Hazardous Waste collection event per calendar year. Contractor will contribute \$20,000 toward the annual Event. City will be responsible for any remainder of the total event cost. City is responsible for an advance notice on customer procedures of collection that shall be mailed to each residential unit. Contractor shall reimburse the city all costs for producing and mailing the customer notice including 10% administrative fee of invoice total.

Part 4: Section 5 Rates and Fees

Effective October 1, 2022, the rates and fees to be charged and received by the Contractor are as follows:

- 1. Total Monthly Residential Rate including annual Household Hazardous Waste event inclusive of disposal costs for solid waste services to include collection and disposal of Residential Garbage and Refuse, Brush and Bulky items, and Wastewater Sludge and Screenings, Recycling Materials, and Household Hazardous Waste. \$22.96/home/month
- 2. Total Monthly Rate for Additional Containers \$13.74/container/month

Part 5: Section 6 Franchise Fee

1. Pay the City an amount equal to ~~three (3%)~~ five (5%) percent of the gross receipts of the Contractor for Residential Unit services provided in the City. Said amount shall be paid each annual quarter, within thirty days after the quarter.

City of Fair Oaks Ranch, Texas

BFI Waste Services of Texas, LP d/b/a Allied Waste Services of S.A./Republic Services of San Antonio

By: _____

Tobin E. Maples, City Manager

By: _____

Name: _____

Title: _____

Attest: _____

Christina Picioccio, City Secretary

Attest: _____

Name: _____

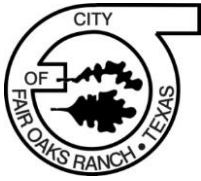
Title: _____

Address: 7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Address: 4542 SE Loop 410
San Antonio, TX 78222

Date: _____

Date: _____



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Consideration and possible action to approve a Resolution authorizing the City to participate in Texas CLASS Investment Pool
DATE: November 17, 2022
DEPARTMENT: Finance
PRESENTED BY: Rosie G. Vela, Director of Finance

INTRODUCTION/BACKGROUND:

The City currently uses TexPool as an investment tool to keep currently available funds working to earn interest for the City. Another option, Texas CLASS, is available and provides an opportunity to increase interest income for the City because it compounds and *pays* interest daily. Other pools compound daily but do not pay daily. This creates additional income since the interest paid is now earning additional interest. As of October 5, 2022, Texas CLASS and Texas CLASS Government earned yields as follows:

	Daily Net Yield	7-day Net Yield
Texas CLASS	3.1600%	3.1365%
Texas CLASS Government	2.5514%	2.5262%

Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created in 1996 as a local government investment pool pursuant to the Public Funds Investment Act (PFIA). Texas CLASS has four general objectives: legality, safety, liquidity, and yield. Texas CLASS has 950 participating Texas public entities including some of our peer cities such as Boerne, Kerrville, Marble Falls, Bulverde, and Shavano Park.

Texas CLASS invests in U.S. Government securities and repurchase agreements, FDIC insured and collateralized bank deposits, money market funds and in the highest rated commercial paper (CP) in accordance with the Texas Public Funds Investment Act (PFIA) 2256.

Commercial paper refers to short-term, unsecured debt obligations that are issued by financial institutions and large corporations as an alternative to costlier methods of funding. Many governments invest in commercial paper as a short-term investment for funds not immediately required, and to provide diversification and competitive rates of return. Commercial Paper is a short-term investment not registered with the SEC and usually has a maximum maturity of 270 days. It is a trillion-dollar market, and the Local Government Investment Pools in Texas can only buy A1+, P1 and A1, P1 rated securities. Texas CLASS has five credit analysts' whose job is to monitor the credit behind these investments.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The City can increase its interest earnings by using this additional pool, thus relying less on other income sources.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Additional interest income will allow the City to rely less on other revenue sources.

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve the Resolution authorizing the City to participate in Texas CLASS Investment Pool.

A RESOLUTION

A RESOLUTION AUTHORIZING PARTICIPATION IN THE TEXAS CLASS INVESTMENT POOL AND DESIGNATING AUTHORIZED REPRESENTATIVES

WHEREAS, the Public Funds Investment Act, Texas Government Code, Section 2256.001 et seq. (the Act) requires the governing body of each local government in this state to adopt investment policies in accordance with the terms of the act; and

WHEREAS, pursuant to the terms of the Act, the City Council of the City of Fair Oaks Ranch (the City) has previously reviewed and adopted an investment policy (the Policy) that provides in part that the funds of the local government will be invested in investments permitted by the Act in order to: (i) invest only in investments legally permitted under Texas law; (ii) minimize risk by managing portfolio investments so as to preserve principal and maintain a stable net asset value; (iii) manage portfolio investments to ensure that cash will be available as required to finance operations; and (iv) maximize current income to the degree consistent with legality, safety, liquidity; and

WHEREAS, pursuant to the Policy and the Act, the City has appointed Rosie G. Vela to act as the Investment Officer of the City; and

WHEREAS, the Act provides that funds under the control of the City may be invested through investment pools meeting the standards of Section 2256.016 of the Act; and

WHEREAS, the City has received and reviewed the Information Statement, dated April 2021 (the Information Statement), of Texas Cooperative Liquid Assets Securities System Trust (the Program), an investment pool administered by Public Trust Advisors, LLC that sets forth the information required by Section 2256.016(b) of the Act; and

WHEREAS, the City has determined that the investments proposed to be acquired by the Program are of a type that are permitted by the Act and are consistent with the Policy; and

WHEREAS, the City has determined that an investment in the Program will assist the City in achieving the goals set forth in the Policy and will tend to preclude imprudent investment activities arising out of investment transactions conducted between the City and the Program; and

WHEREAS, the City understands that the program operates through the Ninth Amended and Restated Trust Agreement dated as of February 25, 2021 (the Trust Agreement), that provides the terms on which the Program will operate and the rights of the Participants in the Program and sets forth the responsibilities of the Public Trust Advisors, LLC as the administrator of the Program (the Administrator) and of UMB Bank as custodian (the Custodian);

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

Section 1. That the form, terms, and provisions of the Trust Agreement, a draft of which is attached hereto as Exhibit A, providing for the creation of the Program and for the rights of the Program Participants and the duties and responsibilities of the Administrator be and the same are hereby approved and adopted.

Section 2. That the Investment Officer be and he or she is hereby authorized and directed to execute and deliver to the Administrator and the Custodian in the name and on behalf of the City a participation certificate evidencing the agreement of the City to be bound by the Trust Agreement substantially in the form of the Trust Agreement reviewed and approved as provided for herein, together with such changes therein as may be approved by the said officer, such approval to be conclusively evidenced by the execution thereof.

Section 3. That the investment program established by the Trust Agreement is hereby found and determined to be consistent with the Policy and to preclude imprudent investment activities arising out of investment transactions conducted between the City and the Program.

Section 4. That the City Council hereby officially finds and determines that the facts and recitals contained in the preamble of this Resolution are true and correct.

Section 5. That the City Council of the City of Fair Oaks Ranch hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this Resolution was adopted was posted for the time required by law preceding this meeting and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter thereof were discussed, considered, and formally acted upon all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and the Act; and be it further

Section 6. That the officers of the City, and each of them, shall be and each is expressly authorized, empowered, and directed from time-to-time to do and perform all acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all certificates, instruments, and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this Resolution and of the Trust Agreement hereby authorized and approved, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument, or other paper.

Section 7. That this Resolution shall take effect and be in full force upon and after its passage.

PASSED, APPROVED and ADOPTED this 17th day of November 2022.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, City Secretary

Denton Navarro Rocha Bernal & Zech, P.C.,
City Attorney

Texas CLASS[®]



Trust Agreement

February 25, 2021

Texas Cooperative Liquid Assets Securities System Trust

**NINTH AMENDED AND RESTATED
TRUST AGREEMENT**

Dated as of February 25, 2021

by and among

The Texas Participants that have entered into this Agreement,

UMB Bank, N.A., as Custodian

and

Public Trust Advisors, LLC, as Program Administrator

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PREAMBLE

This Ninth Amended and Restated Trust Agreement dated as of February 25, 2021 (the Agreement) is by and among the Texas local governmental entities and public entities that have taken the actions required by Section 2256.016 of the Public Funds Investment Act, Texas Government Code, and that have either executed this Agreement or counterparts of this Agreement or Participation Certificates pursuant to Section 2.3 hereof (the Participants), UMB Bank, N.A., as Custodian (the Custodian) and Public Trust Advisors, LLC, (the Program Administrator) and amends and restates that certain Eighth Amended and Restated Trust Agreement dated as of April 8, 2019, among the Participants, the Custodian and Public Trust Advisors, LLC the Program Administrator.

WHEREAS, each Participant is permitted pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, to pool its funds, or funds under its control, with any similar funds in the treasury of other Participants for the purpose of investing such funds in statutory permitted investments; and

WHEREAS, each Participant will receive a substantial benefit by agreeing to invest such funds in concert with the other Participants because of economies of scale; and

WHEREAS, it will increase the efficiency of such investment if the funds to be invested in concert are held by one entity, the Custodian, which will hold such funds and investments in its capacity as custodian for the benefit of the Participants; and

WHEREAS, it will increase the efficiency of such investment if the advisory, record-keeping and other administrative functions are performed by one entity, the Program Administrator, acting on behalf of the Board of Trustees (as hereinafter defined) and the Participants and if the investment instructions of the Participants, are transmitted through one entity, the Program Administrator, to the Custodian.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, each party hereto agrees that all moneys, assets, securities and property now or hereafter acquired by the Trust (as hereinafter defined) shall be held and managed in trust by the Board of Trustees (as hereinafter defined) for the equal and proportionate benefit of the Participants, without privilege, priority or distinction among the Participants, and subject to the terms, covenants, conditions, purpose and provisions hereof as follows:

ARTICLE I

THE TRUST AND DEFINITIONS

1.1 The Trust.

(a) The name of the Trust created by this Agreement shall be "Texas Cooperative Liquid Assets Securities System Trust" or "Texas CLASS." The Board of Trustees retains all rights to the use of the names "Texas CLASS" and "Texas Cooperative Liquid Assets Securities System Trust" and neither the Program Administrator nor the Custodian shall use the name without express consent of the Board of Trustees as reflected in the minutes of the Board of Trustees or another written document approved by the Board of Trustees. Any and all reports, information, data, statistics, forms, plans, procedures, studies and any other communications or form of knowledge prepared or assembled by the Program Administrator for the specific and exclusive benefit of the Board of Trustees or Texas CLASS shall become the property of the Board of Trustees and shall not be made available to any individual, Company, or organization without the prior written approval of the Board of Trustees or except as required by law. So far as may be practicable and pursuant to the provisions of this Trust Agreement, the Custodian and the Board of Trustees shall conduct the Trust's activities, execute all documents and sue or be sued under either of the foregoing names.

(b) The purpose of the Trust is to establish one or more investment pools for the Participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, through which a Participant may pool any of its funds or funds under its control, with the same such funds of any other Participant in order to preserve principal, to maintain the liquidity of the Participant, and to maximize yield in accordance with the Public Funds Investment Act (the "Act"), Section 2256.001, et seq., Texas Government Code or other laws of the State of Texas, from time to time in effect, governing the investment of funds of a Participant or funds under its control.

(c) The Trust shall maintain an office of record in the State of Texas and may maintain such other offices or places of business as the Board of Trustees may from time to time determine. The initial office of record of the Trust shall be: c/o Bracewell LLP, Attention: Julie M. Partain, Esq., 1445 Ross Avenue, Ste 3800 Dallas, Texas 75202. The office of record may be changed from time to time by resolution of the Board of Trustees, and notice of such change of the office of record shall be given to each Participant, the Custodian and the Program Administrator.

(d) (i) The Trust shall be a trust organized and existing under the laws of the State of Texas. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as a general partnership, limited partnership, joint venture, corporation, investment company or joint stock company. The Participants shall be beneficiaries of the Trust, and their relationship to the Board of Trustees shall be solely in their capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder.

(ii) This Agreement is an agreement creating one or more investment pools within the meaning of the Act.

(e) The Board may authorize the creation of one or more different portfolios or pools, provided however, that each such portfolio or pool shall conform in all respects to the requirements of this Agreement and shall each have a separate investment portfolio and information statements and shall, in all respects, comply with the Act.

(f) The Board may authorize the use of the names "Texas Cooperative Liquid Assets Securities Systems Trust" and "Texas CLASS") in conjunction with other products, portfolios, pools and services which provide investment, financial or other cash management services to Participants and for purposes of this Agreement, such name shall include any pools or portfolios established pursuant to this Agreement. The Program Administrator may identify a name for any additional pools or portfolios established pursuant to this Agreement, subject to Board approval.

1.2 Definitions.

"Account(s)" shall have the meaning set forth in Section 5.3 (a) hereof.

"Act" shall have the meaning set forth in Section 1.1(b) hereof.

"Affiliate" means, with respect to any Person, another Person directly or indirectly in control of, controlled by or under common control with such Person, or any officer, director, partner or employee of such Persons.

"Agreement" means this Ninth Amended and Restated Trust Agreement dated as of February 25, 2021, as amended, by and among Public Trust Advisors, LLC, as Program Administrator, UMB Bank, N.A., as Custodian, and the Participants.

"Balance(s)" for each Participant means the amounts initially equal to zero that are adjusted pursuant to Article II hereof to reflect, among other things, cash investments by such Participant in each pool or portfolio established pursuant to this Agreement, within the Trust, cash payments to such Participant, a pro rata distribution of income from the earnings of each pool or portfolio established pursuant to this Agreement, in which each Participant has invested funds, investment results and expenses and fees for each pool or portfolio established pursuant to this Agreement, in which the Participant has invested.

"Board of Trustees" means the board of the Trustees established pursuant to Article III hereof.

"Business Day" means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in the State of Texas are required or authorized by law to remain closed, or (c) any day on which the New York Stock Exchange is closed."

"Conflicting Provisions" shall have the meaning set forth in Section 10.3 hereof.

"Custodian" means UMB Bank, N.A., as custodian, or any Person or Persons appointed, employed or contracted with by the Trust pursuant to Article V hereof.

"Effective Date" means the first day that execution copies of this Agreement have been executed by the Program Administrator, the Custodian, and the Chairman and Secretary of the Board of Trustees.

"Good Standing" means a Participant that has funded an account with Texas CLASS.

“Investment Advisor” shall mean any person or persons appointed, employed, or contracted with by the Board on behalf of the Trust pursuant to Article III hereof or by the Program Administrator pursuant to Article IV hereof.

“Investment Funds” means immediately available funds delivered by each Participant to the Custodian for investment in one or more pools or portfolios established pursuant to this Agreement but only if (i) the Representative appointed by such Participant is authorized pursuant to the laws of the State of Texas to invest such funds and (ii) the Participant has taken all actions necessary pursuant to the laws of the State of Texas to authorize the delivery and investment of such funds.

“Investment Policy” means that investment policy or policies containing procedures and criteria for the investment of funds in Texas CLASS and its sub-accounts, or in any other pool or portfolio established pursuant to this Trust Agreement as adopted annually by the Board of Trustees of Texas CLASS and incorporated herein by reference.

“Investment Procedures” means the procedures for making investments in the Investment Property set forth in Exhibit A attached hereto, as the same may be amended from time to time (notwithstanding Section 9.1(a) hereof) by the Program Administrator providing notice of such change to the Custodian and the Participants.

“Investment Property” means any and all securities, cash and other personal property, tangible or intangible, which is transferred, conveyed or paid to the Account(s) pursuant to Section 2.1 hereof or otherwise and all proceeds, income, profits and gains therefrom that have not been distributed to a Participant pursuant to Section 2.2 hereof, used to discharge an Investment Property Liability or offset by losses, if any, and expenses. Notwithstanding anything to the contrary, the Custodian shall not be required to hold, purchase, sell or invest in interests in real property under this Agreement, and the Participants shall not attempt to transfer such interests to the Custodian. Investment Property shall not include securities purchased in anticipation of the delivery of funds by a Participant when such funds are not actually received by the Custodian by the anticipated delivery date, and any such securities may be immediately sold and the proceeds used to pay any Person that did in fact provide monies to purchase such securities.

“Investment Property Liability” means any liability (whether known, unknown, actual, contingent or otherwise) incurred in connection with the Investment Property pursuant to this Agreement that is not specified in Section 6.1 hereof as being paid by the Program Administrator or specified in this Agreement as being paid directly by a Participant.

“Investment Property Value” means the value of the Investment Property net of the amount of the Investment Property Liabilities as determined pursuant to Section 4.5 hereof and the Valuation Procedures. Such value shall be determined separately for each pool or portfolio established pursuant to this Trust Agreement.

“Meeting of the Board of Trustees” means a duly called meeting of the Board of Trustees.

“Participants” means any municipality, county, school district or authority created under Section 52(b)(1) or (2), Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, any office, department,

commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities (i) to which Chapter 2256 is applicable; (ii) that has taken the actions required by Section 2256.016 of the Act; (iii) that has executed either this Agreement or counterparts of this Agreement or Participation Certificates pursuant to Section 2.3 hereof; and (iv) that is in Good Standing.

"Participation Certificate" means a certificate entered into pursuant to Section 2.3 hereof.

"Payment Procedures" means the procedures for requesting payments out of the Investment Property set forth in Exhibit B attached hereto, as the same may be amended from time to time (notwithstanding Section 9.1(a) hereof) by the Program Administrator providing notice of such change to the Custodian and the Participants.

"Person" means any municipality, county, school district or authority created under Section 52(b)(1) or (2), Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, any office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities, corporation, national association, natural person, firm, joint venture, partnership, trust, unincorporated organization or group.

"Program Administrator" means Public Trust Advisors, LLC. Or any Person or Persons appointed, employed or contracted with by the Trust pursuant to Article IV hereof.

"Representatives" means those persons who have been designated as Representatives by the Participants pursuant to Section 2.6 hereof.

"Trust" means the Texas trust created as set forth in Section 1.1 of this Agreement.

"Trustee" means any Representative selected pursuant to Article III hereof:

"Valuation Procedures" means the procedures for determining the value of the Investment Property set forth in Exhibit C attached hereto, as the same may be amended from time to time (notwithstanding Section 9.1(a) hereof) by the Program Administrator providing notice of such change to the Custodian and the Participants.

ARTICLE II

PARTICIPANTS

2.1 Investments.

(a) Each Participant shall have the right from time to time to invest Investment Funds for credit to such Participant's Balance. A Participant that wishes to make such an investment shall notify the Program Administrator acting on behalf of the Board of Trustees and follow the Investment Procedures set forth in Exhibit A. Upon such investment in accordance with

Exhibit A, the Participant shall have an undivided beneficial interest in the Investment Property.

(b) The Balance of a Participant shall be increased upon the investment of Investment Funds by an amount equal to the amount of such Investment Funds.

(c) No later than the next Business Day after a Participant has made an investment of Investment Funds, the Custodian shall deliver a confirmation to the Program Administrator. The Program Administrator shall retain a copy of the confirmation in its records.

(d) Any funds that the Program Administrator is informed do not meet the conditions set forth in clauses (i) or (ii) of the definition of Investment Funds shall be returned to the Participant investing such funds by the Custodian at the request of the Program Administrator and such Participant shall bear all of the costs and liabilities associated with the return of such funds.

(e) There is no maximum or minimum amount that must be invested pursuant to this Agreement nor are there any maximum or minimum limitations on the aggregate amount of Investment Funds that any Participant may have invested at one time.

(f) The execution of a certificate for participation, in substantially the form attached as Exhibit D, shall constitute the express written authorization to deposit, withdraw, invest, transfer and manage funds of the Participant required by Section 2256.005(f) of the Act.

2.2 Payments.

(a) Each Participant shall have the right from time to time to request, in accordance with the Payment Procedures set forth in Exhibit B hereto, that the Program Administrator notify the Custodian to pay to the Participant (by the transfer of the proceeds received from the sale or maturity of securities held by the Custodian), or on its behalf, any amount (rounded to the nearest whole cent) that is less than or equal to the Participant's Balance at the time that payment is made pursuant to such request. Except as provided in Exhibit B, there shall be no limitation on the period of time that Investment Funds must be invested through the Trust prior to such payment.

(b) Upon the receipt of any payment request, the Program Administrator shall notify the Custodian, in writing or orally to be followed by written confirmation, of the payment request from the Participant, and the requested amount (rounded to the nearest whole cent) shall be paid (by the transfer of the proceeds received from the sale or maturity of securities held by the Custodian) by the Custodian to, or on behalf of, such Participant as provided in Exhibit B.

(c) Whenever any payment is made to, or on behalf of, any Participant pursuant to Section 2.2 (b) hereof, such Participant's Balance shall be reduced by the Program Administrator by the amount of such payment.

(d) Each Participant agrees that, without prior notice, the right to payments may be temporarily suspended or postponed for the whole or any part of any period (i) during which trading in fixed income securities generally in any national trading market shall have been suspended or minimum prices or maximum daily charges shall have been established on such market, (ii) a general banking moratorium shall have been declared by federal or Texas state authorities or (iii) there shall have occurred any outbreak, or material escalation, of hostilities,

or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses which might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures set forth in Exhibit C from time to time. The Custodian and each Participant shall be notified as soon as practicable orally or in writing by the Program Administrator in the event that such a suspension or postponement is commenced. Such a suspension or postponement shall not itself directly alter or affect a Participant's Balance. Such a suspension or postponement shall take effect at such time as is determined by the Program Administrator, and thereafter there shall be no right to request or receive payment until the first to occur of: (a) in the case of (i) or (ii) above, the time at which the Program Administrator declares the suspension or postponement at an end, which declaration shall occur on the first day on which the period specified in clause (i) or (ii) above shall have expired; and (b) in the case of (iii) above, the end of the first day on which the period specified in clause (iii) above is no longer continuing as determined by the Program Administrator. Any Participant that requested a payment prior to any suspension or postponement of payment may withdraw its request at any time prior to the termination of the suspension or postponement. Notwithstanding anything contained in this Section 2.2(d) to the contrary, if during a suspension or postponement period, a Participant demands in writing the right to receive a payment and it is not impossible to accommodate such demand, the Program Administrator shall make all reasonable efforts to effectuate such payment demand.

2.3 Additional Participants After Initial Execution.

(a) Any local government or state agency as defined in the Act of the State of Texas that has the authority to pool any of its money pursuant to Section 2256.016 of the Act that wishes to become a party to this Agreement after the Effective Date may do so by taking the actions required by Section 2256.016 of the Act and by executing either a counterpart to this Agreement or a Participation Certificate attached hereto as Exhibit D and delivering the counterpart or the original executed Participation Certificate to the Program Administrator. The Program Administrator shall provide written notification monthly to the Board of Trustees and the Custodian of the admission of a new Participant. Any entity that becomes a Participant pursuant to this Section 2.3 shall have the same rights and obligations hereunder as the other Participants.

2.4 Termination of Participation.

(a) Any Participant may withdraw from this Agreement at any time upon written notice to the Program Administrator, who shall notify the Custodian and the Board of Trustees upon receipt of such notice of withdrawal. Upon its withdrawal from this Agreement, a Participant shall cease to have any rights or obligations under this Agreement except for any obligations arising on or before the date of withdrawal. A notice of withdrawal shall be deemed to constitute (i) a request under the Payment Procedures that an amount equal to the requesting Participant's entire Balance(s) as of the date of such notice be paid to such Participant and (ii) a termination of the Board of Trustees' trust relationship hereunder with the Participant. No withdrawal shall become effective until such Participant's Balance(s) is equal to zero, and

until such time, such Participant shall continue to possess all of the rights, and to be subject to all of the obligations, arising from this Agreement.

(b) Any Participant that breaches any material covenant contained in Article VIII hereof or for which any of the representations contained in Article VII hereof ceases to be true shall be deemed to have given a notice of withdrawal pursuant to Section 2.4(a) hereof immediately upon such breach or cessation, but shall not be deemed to have requested the payment of its Balance(s) unless and until it either makes an actual payment request or the Program Administrator determines that such a breach or cessation has occurred.

2.5 Receipt of Statements and Reports; Requests.

(a) The Program Administrator, on behalf of the Board of Trustees, shall provide to each Participant a copy of the statements prepared pursuant to Section 4.2 hereof and of the reports prepared pursuant to Section 4.3 hereof applicable to such Participant.

(b) In addition, each Participant may direct the Program Administrator to provide a statement of the value of the Participant's Balance(s) as of the date of the request, provided such request is received by the Program Administrator by 4:00 p.m. CST on a given day.. The Program Administrator shall provide such statement, subject only to account activity as of such date.

(c) On behalf of each Participant, the Program Administrator shall maintain the records relating to such Participant in a manner that records the Participant's Balance(s) as one or more subaccounts or other special accounts to accommodate the desire of such Participant to segregate a portion of its Investment Funds. The Program Administrator shall maintain a separate record for each Participant and shall record the individual transactions involving each such Participant and the total value by subaccount of all investments or portions thereof belonging to each such Participant.

(d) No Participant shall be entitled to any reports or statements applicable solely to another Participant.

2.6 Representatives.

(a) Each Participant shall designate a Representative to act for the Participant hereunder (the "Representative") for all purposes, including, without limitation, to give consents on behalf of the Participant and to receive notices on behalf of the Participant. Pursuant to Section 2256.005 (f) of the Act, such Representative shall be the investment officer that is empowered by the charter, ordinances or other rules or regulations of the Participant to direct the investment of such Participant's Investment Funds. The Representatives, in their capacity as Representatives shall not be required to devote their entire time to duties under the Agreement. To the extent permitted by law, each Representative may designate additional persons who may act on behalf of the Representative to transmit the Representative's instructions to the Program Administrator, the Custodian or the Board of Trustees.

(b) Each Representative shall be the official responsible for the investment of Investment Funds into the Trust and all payments made from the Trust for the Participant represented by such Representative. In making such investments and payment requests,

each Representative shall use judgment and care to achieve the following objectives in the indicated order: (i) preservation and safety of principal, (ii) liquidity, and (iii) yield.

2.7 Liability.

No Representative shall be subject to any personal liability whatsoever to any person, in connection with the Investment Property or affairs of the Board, other than liability arising from the bad faith, willful misfeasance, gross negligence or reckless disregard of duty by such Representative of a Participant. No Representative of a Participant who is made a party to any suit or proceeding to enforce any such liability shall on account thereof be held to any personal liability.

ARTICLE III

TRUSTEES AND THE BOARD OF TRUSTEES

3.1 Selection of Trustees.

(a) Each calendar year, the Program Administrator shall call, upon at least fifteen days' written notice to the Participants, a meeting of the Participants for the purpose of selecting Trustees for the Trust. If the Program Administrator shall fail to call such a meeting, any two Participants may call such a meeting by providing at least fifteen days' written notice to the other Participants. At such meeting, the Participants may nominate persons to serve as Trustees of the Trust. In order to qualify to be nominated as a Trustee, a candidate must be a Representative. The number of Trustees to be selected shall be determined by the Participants at such meeting, provided that the number of Trustees shall be an odd number of three (3) or more. In order to be elected as a Trustee, a candidate must receive a majority of the votes of the Participants present and voting at such meeting. A quorum for such meeting shall be the lesser of (i) fifteen Participants or (ii) ten percent of the total number of Participants determined at the time the notice of the meeting is sent. If a quorum is not present, the meeting may be adjourned to a future time and place set at such meeting. Each Participant shall be entitled to one vote regardless of the amount of funds invested in the Trust. To the extent permitted by law, each Representative may designate a person who may act on behalf of the Representative at a meeting of Participants.

(b) The Program Administrator shall send written notice to the Participants and the Custodian listing the names of the Trustees elected at each annual meeting.

3.2 Board of Trustees.

The Board of Trustees shall be made up of all of the Trustees elected by the Participants or designated pursuant to Section 3.5 hereof. The Board of Trustees shall supervise the Trust and the affairs of the Trust and shall act as the liaison between the Participants and the Custodian and the Program Administrator. The Board of Trustees shall appoint an advisory board to advise the Trust, as required by the Act. The Board of Trustees shall have the power to administer the affairs of the Trust and to enter into contracts and agreements on behalf of the Trust in order to effectuate the terms of this Agreement. The Board of Trustees shall have the power to select all of the Trust's consultants, including, without limitation, the Program Administrator and the Custodian, subject to the terms of this Agreement. The Trustees shall

select by majority vote a chairman of the Board of Trustees, and may select such other officers of the Board of Trustees, including, without limitation, a vice chairman and a secretary, as the Trustees deem appropriate. In the absence of the chairman, the vice chairman, if any, shall have the power to act in place of the chairman hereunder.

3.3 General Powers.

Subject to the rights of the Participants as provided herein, the Board shall have, without other or further authorization, power to administer the Trust and the affairs of the Trust. The Board may do and perform such acts and things as in their sole judgment and discretion are necessary and proper for the administration of the Trust and the investment of the Trust Property, but shall invest with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital.

3.4 Legal Title.

Title to all of the Trust Property shall be vested in the Trust on behalf of the Participants who shall be the beneficial owners. The Trust shall have full and complete power to cause legal title to any Trust property to be held, on behalf of the Participants, by or in the name of the Trust, or in the name of any other person as nominee, on such terms, in such manner, and with such powers as the Board may determine, so long as in its judgment the interest of the Trust is adequately protected.

3.5 Power to Contract, Appoint, Retain and Employ.

(a) The Board is responsible for the investments of the Trust consistent with the investment policies established in this Trust Agreement and for the general administration of the business and affairs of the Trust conducted by officers, agents, employees, administrators, investment advisors, distributors or independent contractors of the Trust. However, members of the Board are not required to devote their entire time to the business and affairs of the Trust or to personally conduct the routine business of the Trust. Consistent with their responsibilities, the Board may appoint, employ, retain or contract on behalf of the Trust with any persons the Board may deem necessary or desirable for the transaction of the affairs of the Trust, and the expenses relating to such persons shall be Investment Property Liabilities. The Board may appoint, employ, retain or contract on behalf of the Trust with such persons for the purpose of :

- (i) Serving as Investment Advisor to the Trust;
- (ii) Serving as Program Administrator of the Trust;
- (iii) Serving as Custodian for the Trust;
- (iv) Furnishing reports to the Trust and provide research, economic, and statistical data in connection with the Trust's investments;
- (v) Acting as consultants, accountants, technical advisors, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers or insurance agents, or in any other capacity deemed by the Board to be necessary or desirable;

(vi) Acting as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting, or other enforcement of any lien or security securing investment; or

(vii) Assisting in the performance of such other functions necessary in the management of the Trust.

(b) The same person may serve simultaneously as the Program Administrator and as the Investment Advisor, but no person serving as the Program Administrator or the Investment Advisor may serve as the Custodian.

3.6 Meetings.

Meetings of the Board of Trustees may be called by the Program Administrator at any time, and shall be called by the Program Administrator upon the request of at least two Trustees, on at least seventy-two hours' notice to each Trustee and shall be held at the time and place and for the purposes stated in the call of the meeting. There shall be at least one meeting of the Board of Trustees in each calendar year.

3.7 Delegation; Committees; Bylaws; Policies; Procedures.

The Board shall have full and complete power to delegate from time to time to one or more of their number (who may be designated as constituting a Committee of the Board) or to officers, employees or agents of the Trust (including without limitation, the Program Administrator, the Custodian, or the Investment Advisor) the doing of such acts and things and the execution of such instruments as the Board may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Trust. The Board may adopt and, from time to time, amend or repeal by-laws, policies or procedures for the conduct of the business of the Trust. Such by-laws, policies or procedures, may, among other things, define the duties of the respective officers, agents, employees and representatives of the Trust.

3.8 Term.

The term of office for Trustees elected pursuant to Section 3.1(a) hereof shall commence thirty days after the notice specified in Section 3.1(c) is sent to the Participants and the Custodian. The term of office for Trustees selected pursuant to Section 3.5 hereof shall commence immediately upon such selection. Each Trustee shall hold office until the first to occur of: (a) the Trustee's resigning, (b) the Trustee ceasing to be a Representative of a Participant, (c) the Trustee's death, (d) the Trustee's being adjudicated incompetent or otherwise losing the capacity to discharge the duties of the office of a Trustee and (e) the term of office of the Trustee's successor having begun pursuant to this Section 3.8.

3.9 Vacancies.

If any Trustee resigns or is removed or otherwise ceases to serve, the remaining Trustees may designate a qualified successor to fill such vacancy until the next annual meeting of Participants.

3.10 Costs.

The expenses of each Representative to attend the annual meeting shall be borne by each Participant. The reasonable out-of-pocket expenses of the Trustees incurred in the

performance of their duties hereunder and of attending a meeting of the Board of Trustees shall be Investment Property Liabilities.

3.11 Investment Officer.

The chairman of the Board of Trustees, ex officio (or in the absence of the chairman, the vice chairman, if any), shall be the investment officer for the Trust as required by Section 2256.005 (f) of the Act.

3.12 Public Proceedings.

Notwithstanding anything contained in this Agreement, the Board of Trustees shall comply with the applicable provisions of Chapter 552 of the Texas Government Code.

3.13 Telephone Participation.

Upon the occurrence of an emergency or unforeseeable circumstances requiring immediate action, a Representative may participate in a meeting of Participants and a Trustee may participate in a meeting of the Board of Trustees through the use of a conference telephone, provided that such Representative or Trustee is able to hear the deliberations of the other Representatives or Trustees, respectively, and the other Representatives or Trustees are able to hear such Representative or Trustee, respectively, simultaneously.

3.14 Liability.

No Trustee or officer of the Board shall be subject to any personal liability whatsoever to any person, in connection with the Investment Property or affairs of the Board, other than liability arising from the bad faith, willful misfeasance, gross negligence or reckless disregard of duty by such Trustee or officer; and all persons shall look solely to the Investment Property for satisfaction of claims of any nature arising in connection with the affairs of the Board. No member or officer of the Board who is made a party to any suit or proceeding to enforce any such liability shall on account thereof be held to any personal liability.

3.15 Insurance.

The Board shall have full and complete power to purchase and pay for, entirely out of Trust property, insurance policies insuring the Trust, the Trustees, officers, employees and agents of the Trust individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position, or by reason of any action alleged to have been taken or omitted by the Trust or any such person, officer, employee and agent, including any action taken or omitted that may be determined to constitute negligence, whether or not the Trust would have the power to indemnify such person against such liability. The Board may instruct the Program Administrator to obtain such insurance on behalf of the Board in such amount as the Board and the Program Administrator shall deem adequate to cover all foreseeable liabilities to the extent available at reasonable rates.

ARTICLE IV

PROGRAM ADMINISTRATOR

4.1 Appointment; General Provisions.

(a) The Participants hereby appoint Public Trust Advisors, LLC as the Program Administrator under this Agreement, subject to the overall supervision of the Board of Trustees, for the period and on the terms set forth in this Agreement.

(b) Public Trust Advisors, LLC accepts such appointment and agrees to render the services and to assume the obligations set forth herein, for the compensation herein provided.

(c) The Participants and the Board of Trustees agree that the Program Administrator shall invest the Investment Property in investments meeting the criteria set forth in Exhibit E and in the Investment Policy applicable to each pool or portfolio established pursuant to this Trust Agreement, and in a manner that maintains the AAA or equivalent rating of Texas CLASS and any other pool or portfolio established pursuant to this Trust Agreement. The Program Administrator is directed to cause Investment Property of each Participant to be invested in investments meeting the criteria set forth in Exhibit E and in the Investment Policy applicable to each pool or portfolio established pursuant to this Trust Agreement and in a manner that maintains the AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service, of any pool or portfolio established pursuant to this Agreement. The Board and the Participants delegate no investment discretion to the Program Administrator hereunder to invest in investments not meeting the criteria set forth in Exhibit E and the Program Administrator expressly refuses to accept any delegation of such discretion. The decision concerning which criteria shall be contained on Exhibit E shall remain at all times under the control of the Board of Trustees. The Board of Trustees shall ensure that the criteria set forth on Exhibit E are permitted by, and consistent with the standards and the duty of care set forth in, the Act.

(d) Each Participant directs the Custodian to act, and the Custodian agrees to act, in accordance with the instructions of the Program Administrator who shall act in a manner consistent with this Agreement. The Program Administrator shall at no time have custody of, possession of, or physical control over, any of the Investment Property. If a Participant in error delivers Investment Funds for investment to the Program Administrator instead of to the Custodian, the Program Administrator shall immediately transfer such Investment Funds to the Custodian. The Program Administrator shall not be liable for any act or omission of the Custodian, but shall be liable for the Program Administrator's acts and omissions as provided herein. Under no circumstance shall the Program Administrator be authorized or permitted to withdraw, or instruct the Custodian to withdraw, Investment Property maintained with the Custodian unless acting upon the request of a Participant pursuant to Section 2.2(a).

4.2 Monthly Statements.

(a) Within 15 days subsequent to the end of each month, the Program Administrator shall, on behalf of the Board of Trustees, prepare and submit to each Participant which was a

Participant during such month a statement setting forth the information required by Section 2256.016(c)(2) of the Act.

(b) The Program Administrator, upon the request of a Participant, shall furnish to the Participant a statement of such Participant's Balance(s) as of the date of such request, subject only to account activity as of such date provided that such request is received by the Program Administrator by 5:00 p.m. CST on a given date.

4.3 Reports.

(a) The Program Administrator shall prepare or cause to be prepared:

(i) at least annually a report of operations containing a statement of the Investment Property and the Investment Property Liabilities and statements of operations and of net changes in net assets prepared in conformity with generally accepted accounting principles consistently applied and

(ii) at least annually an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Program Administrator with respect to the Investment Property, performed in accordance with generally accepted auditing standards. A copy of such signed report of operations and accountant's opinion shall be filed with the Board of Trustees and the Participants within ninety (90) days after the close of the period covered thereby.

(b) The Program Administrator shall provide to the Board, on an annual basis, the Certification substantially as set forth in Exhibit H.

(c) The Program Administrator shall provide to the Board, the Securities and Exchange Commission form ADV filing of Public Trust Advisors, LLC within ninety (90) days of such filing.

(d) The Program Administrator shall provide to the Board, on an annual basis, Public Trust Advisors, LLC's disaster/contingency plan for the protection of the assets of Texas CLASS and any other pool or portfolio established pursuant to this Trust Agreement.

4.4 Investment Activities and Powers.

Subject to the supervision of the Board of Trustees, and consistent with Section 4.1(c), the investment criteria set forth in Exhibit E and in the Investment Policies, the Program Administrator shall perform the following services:

(a) advise the Board of Trustees concerning investments which appear to the Program Administrator to be advantageous to the Participants within the investment criteria set forth in Exhibit E and within all applicable law, provided, however, the Board of Trustees shall have the duty to inform the Program Administrator of any changes to the Act;

(b) implement or cause to be implemented securities transactions for the Trust on behalf of the Board of Trustees and the Participants as permitted by the investment criteria set forth in Exhibit E (including, without limitation, by executing or causing to be executed on behalf of and as an agent of the Trust agreements and other documents containing representations, warranties and covenants that are common or standard for such agreements and documents within the investment industry) or, despite the intention of the parties hereto

to always have the Investment Property fully invested, cause the Custodian to hold the Investment Property uninvested in a custodial account maintained for the benefit of the Trust;

(c) from time to time, review the permitted investments and the investment criteria set forth in Exhibit E and, if circumstances and applicable law permit, recommend changes in such permitted investments and such investment criteria;

(d) provide such advice and information to the Participants and the Board of Trustees on matters related to investments as the Participants or the Board of Trustees may reasonably request, including, without limitation, research and statistical data concerning the Investment Property and other matters within the scope of the permitted investments and investment criteria set forth in Exhibit E;

(e) advise whether and in what manner all rights conferred by the Investment Property should be exercised;

(f) prepare such information and material as may be required in the implementation of the Valuation Procedures or the computation of the Balances and the preparation of any and all records and reports required by this Agreement or applicable laws; and

(g) employ, consult with, obtain advice from and exercise any of the Program Administrator's rights or powers under this Agreement through the use of agents, including investment advisors, brokers, dealers, auditors and legal counsel (who may be counsel to the Program Administrator or the Board of Trustees) or other advisors. Notwithstanding Section 10.9 hereof, the Program Administrator may transmit information concerning the Investment Property and the Participants to such agents.

4.5 Daily Calculation of Program Value and Rate of Return.

(a) The Program Administrator shall calculate the Investment Property Value once on each Business Day at the time and in the manner provided in the Valuation Procedures.

(b) Upon performing the valuation specified in Section 4.5(a) hereof, the Program Administrator shall calculate (rounding off to the nearest whole cent) the Balance of each Participant and each Balance of each of the Participants shall be adjusted proportionately so that the total Balances of all the Participants equals the Investment Property Value.

(c) For purposes of calculating the Investment Property Value, the amount of any uncertain or contingent Investment Property Liability shall be deemed to be equal to the amount of the reserve, if any, against such Investment Property Liability that has been approved from time to time by the Program Administrator.

(d) For purposes of calculating the Investment Property Value, if the value of any part of the Investment Property is uncertain or contingent, the value of such part of the Investment Property shall be deemed to be equal to the amount determined from time to time by the Program Administrator.

(e) The Program Administrator shall calculate daily the rate of return earned on the Investment Property.

4.6 Administration of Program.

The Program Administrator shall perform the following administrative functions on behalf of the Board of Trustees in connection with the implementation of this Agreement:

(a) collect and maintain for such time period as may be required under any applicable federal or Texas law written records of all transactions affecting the Investment Property or the Balances, including, but not limited to (a) investments by and payments to or on behalf of each Participant; (b) acquisitions and dispositions of Investment Property; (c) pledges and releases of collateral securing the Investment Property; (d) determinations of the Investment Property Value; (e) adjustments to the Participants' Balances; and (f) the current Balance and the Balances at the end of each month for each Participant. There shall be a rebuttable presumption that any such records are complete and accurate. On behalf of each Participant, the Program Administrator shall maintain the records relating to such Participant in a manner that subdivides the Participant's Balance into subaccounts or other special accounts to accommodate the desire of such Participant to segregate a portion of its Investment Funds;

(b) assist in the organization of the annual meeting required by Section 3.1(a) hereof and of Meetings of the Board of Trustees, including preparation and distribution of the notices and agendas therefor;

(c) respond to all inquiries and other communications of Participants, if any, which are directed to the Program Administrator, or, if any such inquiry or communication is more properly addressed by an officer of the Custodian, referring such inquiry or communication to such person and coordinating his response thereto;

(d) pay all Investment Property Liabilities in accordance with this Agreement from the Investment Property; and

(e) engage in marketing activities to promote participation of Texas governmental entities in the Trust.

4.7 Resignation and Removal.

(a) The Program Administrator may resign as Program Administrator upon the giving of at least sixty (60) days' prior written notice of such resignation to the Board of Trustees and the Custodian.

(b) A majority of the Board of Trustees may remove the Program Administrator upon the giving of at least sixty (60) days' prior written notice to the Program Administrator and the Custodian.

(c) In the event that the Program Administrator shall give notice of its resignation or if the Board of Trustees shall give notice of the removal of the Program Administrator, a majority of the Board of Trustees shall appoint a successor.

(d) Upon notification of the removal or resignation of the Program Administrator, the Program Administrator shall deliver to the Board all data and records pertaining to Texas CLASS and its Participants within 60 days of the notification of removal or resignation, provided, however, that the Program Administrator may retain copies of any such data and records required to be retained by it by law or in compliance with the requirements of its corporate records retention policy. The Program Administrator shall continue to administer

Texas CLASS until a successor program administrator is appointed by the Board under the terms of this Agreement.

(e) If a new program administrator is not appointed by the Board within 60 days of a notification of removal or resignation of the Program Administrator, the Program Administrator shall continue to administer Texas CLASS until a successor program administrator is selected, but shall be compensated for such administration pursuant to an agreement to be negotiated between the Program Administrator and the Board.

4.8 Liability.

(a) Each Participant agrees that the Program Administrator and its officers, directors, agents and employees shall not be liable for any action performed or omitted to be performed or for any errors of judgment made in good faith in connection with any matters to which this Agreement relates, provided that such disclaimer shall not relieve any of them for liability arising from negligence, malfeasance, material breach of this Agreement by the Program Administrator or violation of applicable law by any of them ("Program Administrator Liabilities"). Nothing herein shall constitute a waiver or limitation of any rights which the Participants may have under any federal or state securities laws.

(b) Each Participant, the Board of Trustees and the Custodian understand that in performing its services hereunder the Program Administrator will rely on information provided by others and agree that the Program Administrator is not responsible for the accuracy of such information.

4.9 Power to Receive Investment Advice.

The Program Administrator shall have the right, at its own cost, to receive investment advice concerning the Investment Property from any other third party. Notwithstanding the provisions of Section 10.9 hereof, the Program Administrator may transmit information concerning the Investment Property and the Participants such other third parties in order to obtain such investment advice. The Program Administrator shall notify the Board of Trustees if any third parties are retained. pursuant to this Section 4.9 within 45 days of such retention.

4.10 Advice to Other Clients.

It is understood that the Program Administrator performs investment advisory services for various clients. The Participants agree that the Program Administrator may give advice and take action with respect to any of its other clients which may differ from the advice given to, or the timing or nature of action taken with respect to, the Investment Property; provided that the policy and practice of the Program Administrator is not to favor or disfavor consistently or consciously any client or class of clients in the allocation of investment opportunities and that, to the extent practical, such opportunities are allocated among clients over a period of time on a fair and equitable basis. Nothing herein contained shall be construed so as to prevent the Program Administrator or any of its directors, officers, employees, shareholders or affiliates in any way from purchasing or selling any securities for its or their own accounts prior to, simultaneously with or subsequent to any recommendation or actions taken with respect to the Investment Property or impose upon the Program Administrator any obligation to purchase or sell or to recommend for purchase or sale for the Investment Property any security which the Program Administrator or any of its shareholders, directors, officers, employees or affiliates may purchase or sell for its or their own accounts or for the

account of any other client, advisory or otherwise; provided always, however, that the Program Administrator shall use its best efforts to maximize the gains for the Investment Property in a manner consistent with the investment criteria set forth in Exhibit E hereof.

4.11 Special Sub-accounts.

Notwithstanding anything in this Agreement to the contrary, the Program Administrator from time to time may propose to the Participants that the Participants establish specially designated subaccounts with investment, payment procedures, fees or other characteristics different from those set forth in this Agreement. Such characteristics may include, without limitation, certain restrictions on amounts to be invested, holding periods prior to payments or certain other conditions to be met for payments, such as possible payment penalties, or additional fees for administering such specially designated subaccounts. A Participant in its sole discretion may create any such special subaccount using the same procedures for establishing other subaccounts set forth in this Agreement. The establishment of such special subaccounts shall not be deemed an amendment of this Agreement. Any special subaccount that is created pursuant to this Section 4.11 shall be subject to the terms set forth in the proposal of the Program Administrator until the terms governing such special subaccount are amended pursuant to this Agreement. The Program Administrator may calculate the return realized by such special subaccounts separate and apart from the returns realized by other subaccounts maintained for each Participant.

4.12 Intellectual Property.

(a) The Trust will own all Intellectual Property related to the name "Texas Cooperative Liquid Assets Securities System Trust" and "Texas CLASS." For purposes of this section, "Intellectual Property" shall mean all of the rights, relating to the names, "Texas Cooperative Liquid Assets Securities System Trust" and "Texas CLASS" including copyrights, trademark and service mark rights, trade dress rights, rights of publicity, web site and the internet domain rights. Public Trust Advisors, LLC makes no representation or warranty that it owns any Intellectual Property rights in those names, or that there are no third parties who may claim rights to intellectual property rights in or associated with the names.

(b) Public Trust Advisors, LLC hereby assigns all Intellectual Property rights that it has or may have that are not otherwise conveyed by other instrument or party, to the Trust. Public Trust Advisors, LLC represents and warrants to the Board that it has the right and authority to transfer to the Trust all Intellectual Property that it has or may have, in each case to the extent such Intellectual Property is reasonably necessary for the Trust's ownership, operating and full enjoyment of the name "Texas Cooperative Liquid Assets Securities System Trust" and "Texas CLASS". The Board assigns to Public Trust Advisors, LLC an irrevocable license during the term of Public Trust Advisors, LLC's tenure as Program Administrator to use all Intellectual Property rights described herein in connection with the administration of the Trust.

ARTICLE V

THE CUSTODIAN

5.1 Appointment and Acceptance; Sub-Custodians.

(a) UMB Bank, N.A., as Custodian, is appointed by each of the Participants to be the Custodian for the collective interests of the Participants under this Agreement for the period and on the terms set forth herein. The Participants hereby delegate to the Custodian the authority to hold legal title to investments purchased with their funds pursuant to Section 2256.016(d) of the Act. UMB Bank, N.A., as Custodian, accepts such appointment and agrees to render the services and to assume the obligations set forth herein, for the compensation herein provided.

(b) The Custodian may employ other banks and trust companies as sub-custodians, including without limitation, affiliates of the Custodian. The appointment of a sub-custodian under this Section shall not relieve the Custodian of any of its obligations under this Agreement.

(c) No Investment Funds or Investment Property received or held by the Custodian pursuant to this Agreement shall be accounted for in any manner which might cause such Investment Funds or Investment Property to become assets or liabilities of the Custodian.

5.2 Resignation and Removal; Successors.

(a) The Custodian may resign upon the giving of at least sixty (60) days prior written notice to the Board of Trustees and the Program Administrator. A majority of the Board of Trustees may remove the Custodian upon at least sixty (60) days prior written notice to the Custodian and the Program Administrator. Notwithstanding the foregoing, the resignation or removal of the Custodian shall not be deemed effective unless a successor shall have been chosen pursuant to Section 5.2(b) hereof. In the event that assets remain in the possession of the Custodian due to the failure of the Board of Trustees to appoint a successor custodian, the Custodian shall be entitled to compensation for its services during such period, and the provisions of this Agreement relating to the duties and obligations of the Custodian shall remain in full force and effect. In the event no successor is agreed upon within one hundred eighty (180) days from the date of such written notice, the Custodian shall be entitled to petition a court of competent jurisdiction to appoint a successor custodian and shall be reimbursed by the Trust for any direct court costs and expenses (including, without limitation, attorneys' fees) in a total amount not to exceed \$100,000 relating thereto.

(b) In the event that the Custodian shall give notice of its resignation or if the Board of Trustees shall give notice of the removal of the Custodian, a majority of the Board of Trustees shall appoint a successor provided, however, that so long as the Program Administrator is required to pay the fees of the Custodian pursuant to Article VI hereof, the appointment of such successor Custodian shall require the prior written consent of the Program Administrator.

5.3 Powers.

(a) (i) The Custodian is authorized and directed to open and maintain, and the Custodian shall open and maintain, one or more custody accounts for the benefit of the Trust

(the "Account") in the name of "[Name of Custodian] as Custodian for the Benefit of Texas CLASS" (and/or the name of such other pool or portfolio as established pursuant to this Trust Agreement) and will accept for safekeeping and for credit to the Accounts, in accordance with the terms hereof, all securities representing the investment of Investment Funds pursuant to Section 2.1 hereof, and the income or earnings derived therefrom. The Custodian may accept funds hereunder for the purchase of securities to be held by the Custodian and shall not be required to make an independent determination whether such funds are Investment Funds.

(ii) Except as provided in Section 5.3(c)(iii), all securities and other noncash Investment Property held in each Account shall be physically segregated from other securities in the possession of the Custodian and from other pools or portfolios established pursuant to this Trust Agreement and shall be identified as subject to this Agreement.

(b) In accordance with instructions of the Program Administrator who shall act in a manner consistent with this Agreement, the Custodian shall, for the account and benefit and burden of the Participants:

(i) receive and deliver Investment Funds and all other Investment Property in accordance with the requests of Participants pursuant to Article II and Exhibits A and B hereof;

(ii) exchange securities in temporary or bearer form for securities in definitive or registered form; and surrender securities at maturity or earlier when advised of a call for redemption;

(iii) make, execute, acknowledge and deliver as Custodian, any and all documents or instruments (including but not limited to all declarations, affidavits and certificates of ownership) that may be necessary or appropriate to carry out the powers granted herein;

(iv) make any payments incidental to or in connection with this Section 5.3(b);

(v) sell, exchange or otherwise dispose of any and all Investment Property free and clear of any and all interests of the Trust and any and all Participants, at public or private sale, with or without advertisement; and execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection therewith;

(vi) with respect to enforcing rights in connection with the Investment Property: (a) collect, sue for, receive and receipt for all sums of money or other personal property due; (b) consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations; (c) engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the Investment Property; (d) foreclose on any personal property, security or instrument securing any investments, notes, bills, bonds, obligations or contracts that are part of or relate to the Investment Property; (e) exercise any power of sale, and convey good title thereunder free of any and all interests of any and all Participants, and in connection with any such foreclosure or sale, purchase or otherwise acquire title to any personal property; (f) be a party to the reorganization of any Person and transfer to and deposit with any corporation, committee, voting trustee or other Person any securities,

investments or obligations of any Person which form a part of the Investment Property, for the purpose of such reorganization or otherwise; (g) participate in any arrangement for enforcing or protecting the interests of the holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (h) extend the time (with or without security) for the payment or delivery of any debts or personal property and to execute and enter into releases, agreements and other instruments; and (i) pay or satisfy any debt or claims; and

(vii) exercise all other rights and powers and to take any action in carrying out the purposes of this Agreement.

(c) (i) with respect to Investment Property held by the Custodian hereunder, the Custodian shall collect all income or other payments, release and deliver such Investment Property, and take any other action as directed by the Program Administrator, with respect to dividends, splits, distributions, spinoffs, puts, calls, conversions, redemptions, tenders, exchanges, mergers, reorganizations, rights, warrants or any other similar activity relating to the Investment Property held in the Account. The Custodian shall request direction of the Program Administrator upon receipt of actual notice of any such activity. For purposes of this paragraph, the Custodian shall be deemed to have actual notice if the Program Administrator informs the Custodian of such activity or if Custodian received information concerning any such activity through data services or publications to which it normally subscribes. Custodian shall make available to Program Administrator, upon reasonable request, a list of the data services and publications to which Custodian subscribes. If the Custodian does not have actual notice of such activity, any such activity will be handled by the Custodian on a "best efforts" basis.

The Custodian shall not be under any obligation or duty to take action to effect collection of any amount, if the assets on which such amount is payable are in default and payment is refused after due demand or presentation. The Custodian will, however, promptly notify the Program Administrator in writing of such default and refusal to pay.

The Custodian is not authorized and shall not disclose the name, address or security positions of the Participants in response to requests concerning shareholder communications under Section 14 of the Securities Exchange Act of 1934, the rules and regulations thereunder, and any similar statute, regulation, or rule in effect from time to time;

(ii) the Custodian shall promptly deliver or mail to the Program Administrator all forms of proxies and all notices of meetings received by the Custodian relating to Investment Property held under this Agreement and, upon receipt of instructions from the Program Administrator, shall execute and deliver such proxies or other authorizations as may be required. Neither the Custodian nor its nominee shall vote any Investment Property or execute any proxy to vote the same or give any consent to take any other action with respect thereto (except as otherwise herein provided) unless directed to do so by Program Administrator upon receipt of instructions;

(iii) the Custodian shall hold the Investment Property (a) in its vaults physically segregated and held separate and apart from other property of the Custodian; (b) in its account at The Depository Trust Company or other depository, sub-custodian or clearing corporation; or (c) in a book entry account with the Federal Reserve Bank, in

which case a separate accounting of the Investment Property shall be maintained by the Custodian at all times. The Investment Property held by any such depository, sub-custodian, clearing corporation or Federal Reserve Bank may be held in the name of their respective nominees, provided, however, that the custodial relationship and the interests of the Trust or the Participants regarding such Investment Property shall be noted on the records kept by the Program Administrator and the custodial relationship on behalf of the Trust or the Participants shall be noted on the records of the Custodian and, to the extent possible, the Custodian shall cause the custodial relationship on behalf of Trust or the Participants to be noted on the records of such depository, sub-custodian, clearing corporation or Federal Reserve Bank. The Custodian shall not be obligated or liable for costs, expenses, damages, liabilities or claims (including attorneys' or accountants' fees) which are sustained or incurred by reason of any action or inaction of the Federal Reserve Bank book-entry system, The Depository Trust Company or any other central depository or clearing agency which it is or may become standard market practice to use for the comparison and settlement of securities trades, provided, however, that nothing in this sentence shall relieve the Custodian of its obligations set forth in Section 5.1(b) hereof regarding banks or trust companies selected as sub-custodians; and

(iv) the Custodian shall hold and physically segregate for each Account all Investment Property owned by each Account other than Investment Property held pursuant to 5.3(c)(iii)(b) and (c) above. Investment Property physically held by the Custodian (other than bearer securities) may be registered in the name of any nominee of Custodian, provided that the records of the Custodian provide that such Investment Property is held in a custodial capacity and that such Investment Property is not an asset of the Custodian or such nominee. All Investment Property accepted by Custodian under the terms of this Agreement shall be in negotiable form.

5.4 Custodial Relationship; Custodian Records.

(a) The Custodian shall hold the Investment Property in its capacity as custodian for the benefit of the Trust. The Investment Property shall be custodial property of the Custodian and shall not be, or be deemed to be, an asset of the Custodian. Each Participant has an undivided beneficial interest in the Investment Property to the extent of such Participant's Balance.

(b) The Custodian shall maintain its own internal records concerning the Account(s) and the transactions contemplated by this Agreement, and the Custodian shall cause all of such records to reflect the custodial relationship created by this Agreement and the fact that the Investment Property in each Account belongs to the Trust for the collective benefit of the Participants in each pool or portfolio established pursuant to this Trust Agreement, respectively. Notwithstanding the foregoing, the Program Administrator shall maintain all records regarding each Participant's beneficial interest in such Investment Property, and such records shall conclusively determine the beneficial interests of each Participant in the Investment Property segregated between the pools or portfolios in which such Investment Property is held. The records maintained by such Program Administrator shall be conclusively determinative of the beneficial interests of the Participants in each pool or portfolio established pursuant to this Trust Agreement; it being understood that the Custodian shall not be obligated to maintain records concerning the beneficial interest of individual Participants in the Investment Property.

5.5 Reliance on Instructions.

(a) The Custodian is authorized to accept and shall be fully protected if it relies upon the instructions given by any authorized officer, employee or agent of the Program Administrator, including any oral instructions which the individual receiving such instructions on behalf of the Custodian believes in good faith to have been given by an authorized officer, employee or agent of the Program Administrator, and all authorizations shall remain in full force and effect until canceled or superseded by subsequent instructions received by the appropriate account officer of the Custodian. The authorized officers, employees or agents of the Program Administrator shall be only such persons as are designated in writing to the Custodian by the Program Administrator. The Custodian may rely on instructions received by telephone, tested telex, TWX, facsimile transmission or by bank wire which the Custodian believes in good faith to have been given by an authorized person. The Custodian may also rely on instructions transmitted electronically through a customer data entry system or any similar electronic instruction system acceptable to the Custodian. Any instructions delivered to the Custodian by telephone shall promptly thereafter be confirmed in writing by an authorized person, but the Custodian will incur no liability for the Program Administrator's failure to send such confirmation in writing. Instructions are deemed given to the Custodian when actually received by the Custodian.

(b) In the absence of bad faith or negligence on its part, the Custodian may conclusively rely, as to the truth and correctness of the statements expressed in notices, certificates or documents submitted to it, and the Custodian need not investigate any fact or matter stated in any such notice, certificate or document submitted to it or verify the accuracy of the contents thereof.

5.6 Degree of Care.

(a) The Custodian shall hold the Investment Property in the Account(s) with the same degree of care and protection with which it holds its own property. The Custodian agrees that it shall be responsible for any loss of Investment Property caused solely by the negligence or bad faith of the Custodian or its agents or any material breach of this Agreement by the Custodian. The Custodian is hereby released from liability except for liability arising from the negligence or bad faith of the Custodian or its agents or from any material breach of this Agreement by the Custodian. In the event of any such loss of Investment Property, the Custodian shall promptly replace the Investment Property or the value thereof and the value of any such loss of rights or privileges resulting from such loss. The Custodian shall not be responsible for the acts or omissions or solvency of any broker or agent selected by the Program Administrator to effect any transactions for the Account(s).

(b) The Custodian shall not be liable for any error of judgment made in good faith by an employee, officer or agent of the Custodian, unless it was proved that the Custodian was negligent in ascertaining the pertinent facts.

(c) Except as provided in Section 5.6(a), the Custodian shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers unless it receives indemnity satisfactory to it for repayment of such funds or against such risk of liability.

(d) The Custodian shall have no discretion whatsoever with respect to the management, disposition or investment of Investment Property and is not a fiduciary to the

Program Administrator or the Participants. During the term of this Agreement, the Custodian may, with respect to questions of law and construction of this Agreement, apply for and obtain, at the cost of the Custodian, the advice and opinion of counsel of its choice and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such advice or opinion. The Custodian shall have no duties except those that are specifically set forth in this Agreement. The Custodian shall only be responsible for custody hereunder of Investment Property delivered to it and then only while such Investment Property is held in the Account.

(e) Special Damages. Except with respect to Section 5.2(a) above, in no event shall any Party to this Agreement be liable for attorneys' fee or for special, indirect, consequential, or punitive damages arising under or in connection with this Agreement.

5.7 Subrogation.

At the election of a majority of the Board of Trustees, the Trust shall be entitled to be subrogated to the rights of the Custodian, with respect to any claim against any other Person or institution which the Custodian may have, as a consequence of any loss or damage to the Investment Property. In such event, the Board of Trustees shall consult with the Custodian concerning selection of counsel and management of any litigation to recover for such loss.

5.8 Insurance.

(a) The Custodian shall maintain insurance coverage the following types and amounts with limits agreed to be the Board of Trustees:

(b) Financial Institution Bond - \$100,000,000

(c) Professional Liability - \$30,000,000

5.9 Setoff.

The Custodian shall not have, and shall not seek to enforce, any right of setoff, recoupment or similar rights against the Investment Property for any amounts owed to the Custodian pursuant to this Agreement.

ARTICLE IV

TRUST EXPENSES

6.1 Expenses.

(a) In consideration of the performance of its obligations hereunder, the Program Administrator shall receive a fee from the Trust as set forth on Exhibit F, which fee shall be paid from the earnings of the Trust. The Program Administrator's fee shall be an Investment Property Liability. The Program Administrator shall submit a monthly bill to the chairman of the Board of Trustees for approval stating the amount of the fee for the previous month and providing sufficient information to demonstrate that the fee was calculated in accordance with Exhibit F. The chairman of the Board of Trustees is hereby given the authority to approve or disapprove the bills submitted by the Program Administrator. After receiving the approval of the chairman of the Board of Trustees of such bills, the Program Administrator shall submit

such bills to the Custodian for payment and the Custodian shall pay such bills from the earnings of the Trust. If the chairman of the Board of Trustees does not approve the bills submitted by the Program Administrator within 60 days of their submittal, the Program Administrator may present the bills to the Board of Trustees for review and approval.

(b) From its fee, the Program Administrator shall pay the following costs and expenses:

- (1) the Custodian's fee as set forth in Exhibit I;
- (2) all custodial and securities clearance transaction charges;
- (3) the costs of third parties retained by the Program Administrator to render investment advice pursuant to Section 4.9;
- (4) all Investment Property record-keeping expenses;
- (5) the costs of preparing monthly and annual reports;
- (6) the costs related to sales, marketing and client service (including website maintenance and certain conference sponsorships);
- (7) the cost of valuing the Investment Property;
- (8) outgoing wire charges of the Custodian and the costs of Participant communications, including Participant surveys and mailings;
- (9) the costs of the Trust's auditors and legal counsel;
- (10) the costs of meetings of the Participant or the Board of Trustees;
- (11) outgoing wire charges of the Custodian and the cost of obtaining a rating, if any;
- (12) expenses for Board and Participant meetings, including Board travel and education expenses; and
- (13) the costs of Insurance for the Board and the Trust.

The Program Administrator and the Board of Trustees shall annually establish a budget for the Board's expenses, including, without limitation, the expenses of the Board and committee meetings, the Participant meeting(s), Board travel and education expenses, legal fees, audit fees and insurance the Program Administrator shall facilitate the payment of these expenses on behalf of the Board from its fee.

(c) Any expenses not paid by Public Trust Advisors, LLC above shall be as mutually agreed upon by the Program Administrator and the Board of Trustees.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Each Participant.

Each Participant hereby represents and warrants that:

(a) the Participant has taken all necessary actions and has received all necessary approvals and consents and adopted all necessary resolutions, including, without limitation, as required by Section 2256.016(a) of the Act in order to execute and deliver this Agreement and to perform its obligations hereunder, including, without limitation, the appointment of the Trustees as Trustees, the appointment of the Custodian as Custodian and the appointment of the Program Administrator as Program Administrator; and

(b) the execution, delivery and performance of this Agreement by the Participant are within the power and authority of the Participant and do not violate the laws of the State of Texas applicable to the Participant itself and not to the other parties hereto or the Participant's charter or its organizational statute, instrument or documents or any other applicable local ordinance, resolution, rule or regulation; and

(c) the execution, delivery and performance of this Agreement has been duly authorized and this Agreement is the legal, valid and binding obligation of the Participant enforceable against the Participant in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization, and similar laws now or hereafter in effect relating to creditors' rights generally, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(d) the certificates delivered heretofore or hereafter by the Participant pursuant to this Agreement, as of the date specified therein, are true and complete and contain no material misstatements of fact or omissions that render them misleading; and

(e) the execution, delivery and performance of this Agreement do not conflict with or result in the breach or termination of, or otherwise give any other person the right to terminate, or constitute a default, event of default or an event with notice or lapse of time or both would constitute a default or an event of default under the terms of any contract or permit to which the Participant is a party or by which the Participant or its properties are bound; and

(f) the proposed investment strategies of the Trust are consistent with, and are contemplated by the investment strategy adopted by the Participant pursuant to Section 2256.005(d) of the Act.

7.2 Representations and Warranties of the Custodian.

The Custodian hereby represents and warrants that:

(a) the Custodian is a duly organized and validly existing national banking organization, organized under the laws of the United States with an office in Dallas, Texas and is duly qualified to conduct business in the State of Texas; and

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Custodian and this Agreement is the legal, valid and binding obligation of the Custodian enforceable against the Custodian in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally or the rights of creditors of banks, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(c) the performance by the Custodian of its obligations under this Agreement does not violate any laws, rules or regulations of the State of Texas applicable to the Custodian itself and not to the other parties hereto.

7.3 Representations and Warranties of the Program Administrator.

The Program Administrator hereby represents and warrants that:

(a) the Program Administrator is a duly organized and validly existing Colorado limited liability company, and is an investment advisor duly registered under the Investment Advisers Act of 1940; and

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Program Administrator and this Agreement is the legal, valid and binding obligation of the Program Administrator, enforceable against the Program Administrator, in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(c) the performance by the Program Administrator of its obligations under this Agreement does not violate any laws, rules or regulations of the State of Texas applicable to the Program Administrator itself and not to the other parties hereto.

ARTICLE VIII

COVENANTS

8.1 Source of Investments.

Each Participant hereby covenants that it will invest pursuant to Section 2.2 only Investment Funds that are permitted to be invested by it pursuant to the laws of the State of Texas and any charter, instrument, organizational document or organizational statute applicable to such Participant and any state or local ordinance, resolution, rule or regulation applicable to such Participant, and that it will perform all actions required by the laws of the State of Texas and any charter, instrument, organizational document or organizational statute applicable to such Participant and any state or local ordinance, resolution, rule or regulation applicable to such Participant to be done prior to such investment.

8.2 Truth of Representations and Warranties.

Each party to this Agreement hereby covenants that it shall withdraw from this Agreement prior to the time any of the representations and warranties made by it in Article VII hereof ceases to be true.

ARTICLE IX

AMENDMENT AND TERMINATION

9.1 Amendment.

(a) Unless explicitly set forth otherwise herein, this Agreement may be amended only by a writing consented to by the Program Administrator, the Custodian and the Trust, acting through the Board of Trustees.

(b) Any amendment executed pursuant to Section 9.1(a) hereof will be effective thirty (30) days after notice is mailed to the Participants setting forth such amendment and stating that the last consent required by Section 9.1(a) hereof has been obtained.

(c) Notwithstanding the foregoing, Exhibit E may be amended by a writing consented to by a majority of the Board of Trustees. Any such amendment shall become effective thirty (30) days after notice is mailed to the Program Administrator, the Custodian and the Participants setting forth such amendment and stating that such amendment has been consented to by a majority of the Board of Trustees.

(d) Notwithstanding the foregoing, Exhibits A, B and C may be amended by the Program Administrator. Any such amendment shall become effective thirty (30) days after notice is mailed to the Participants and the Custodian setting forth such amendment.

(e) Notwithstanding the foregoing, Exhibit G may be amended by an amendment consented to by the Program Administrator and the Custodian. Any such amendment shall become effective upon the obtaining of such consents.

(f) All Participants that remain Participants after any amendment becomes effective shall be deemed to have consented to the amendment.

9.2 Termination.

(a) This Agreement shall continue in full force and effect unless terminated as set forth in this Section 9.2. This Agreement may be terminated at any time pursuant to a duly adopted amendment hereto. This Agreement shall terminate automatically if this Agreement is not amended to name a new Custodian or Program Administrator on or before the day that is immediately prior to the date on which the resignation, withdrawal or removal of the Custodian or Program Administrator would otherwise become effective.

(b) Upon the termination of this Agreement pursuant to this Section 9.2:

(i) The Custodian, the Board of Trustees, the Trust and the Program Administrator shall carry on no business in connection with the Investment Property except for the purpose of satisfying the Investment Property Liabilities and winding up their affairs in connection with the Investment Property;

(ii) The Custodian, the Board of Trustees, the Trust and the Program Administrator shall proceed to wind up their affairs in connection with the Investment Property, and all of the powers of the Custodian, the Board of Trustees, the Trust and the Program Administrator under this Agreement shall continue until the affairs of the Custodian, the Board of Trustees, the Trust and the Program Administrator in connection with the Investment Property shall have been wound up, including, but not limited to, the power to collect amounts owed, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Investment Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay Investment Property Liabilities, and do all other acts appropriate to liquidate their affairs in connection with the Investment Property; and

(iii) After paying or adequately providing for the payment of all Investment Property Liabilities, and upon receipt of such releases, indemnities and refunding agreements as each of the Custodian, the Board of Trustees, the Trust and the Program Administrator deem necessary for their protection, the Program Administrator shall direct the Custodian to distribute the remaining Investment Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate Balances.

(c) Upon termination of this Agreement and distribution to the Participants as herein provided, the Program Administrator shall execute and lodge among the records maintained in connection with this Agreement an instrument in writing setting forth the fact of such termination, and the Program Administrator, the Custodian, the Board of Trustees and the Participants shall thereupon be discharged from all further liabilities and duties hereunder, the Trust shall cease, and the rights and benefits of all Participants hereunder shall cease and be canceled and discharged; provided that Sections 4.6(a), 4.8 and 5.6 hereof shall survive any resignation or termination of the Program Administrator or the Custodian or any termination of this Agreement.

(d) If this Agreement is terminated pursuant to Section 9.2 (a) hereof because of the resignation and/or removal of the Program Administrator, such resignation and/or removal shall be postponed until the instrument contemplated by Section 9.2(c) hereof has been executed and lodged among the records maintained in connection with this Agreement.

(e) Notwithstanding the above, one or more separate pools or portfolios established pursuant to this Trust Agreement may be terminated and its assets distributed to the Participants of that pool or portfolio. The dissolution of a pool or portfolio established pursuant to this Trust Agreement does not affect any other pool or portfolio established pursuant to this Trust Agreement. No pool or portfolio established pursuant to this Agreement shall have any right to or claim on the assets of any other pool or portfolio established pursuant to this Agreement.

ARTICLE X

MISCELLANEOUS

10.1 Governing Law.

This Agreement is executed by the Participants and delivered in the State of Texas and with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Texas.

10.2 Counterparts.

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

10.3 Severability.

The provisions of this Agreement are severable, and if any one or more of such provisions (the "Conflicting Provisions") are in conflict with any applicable laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Agreement and this Agreement may be amended pursuant to Section 9.1 hereof to remove the Conflicting Provisions; provided, however, that such conflict or amendment shall not affect or impair any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted prior to the discovery or removal of the Conflicting Provisions.

10.4 Pools Separately Managed.

Separate pools or portfolios established and operated pursuant to the Trust Agreement shall be managed and operated separately and independently by the Program Administrator. There shall be no co-mingling of funds between pools or portfolios and Participants in one pool or portfolio established pursuant to this Trust Agreement shall have no claim on the funds or assets of another pool or portfolio established pursuant to this Trust Agreement, and investment earnings shall remain in the pool or portfolio in which they are realized.

10.5 Gender; Section Headings and Table of Contents.

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(b) Any-headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

10.6 No Assignment.

No party hereto may sell, assign, pledge or otherwise transfer any of its rights or benefits under this Agreement to any other Person, and any purported sale, assignment, pledge or other transfer shall be null and void.

10.7 No Partnership.

Other than the creation of the Trust by the Participants hereunder, no provision of this Agreement shall create or constitute an association of two or more Persons to carry on as co-owners a business for profit, and none of the parties intends this Agreement to constitute a partnership or any other joint venture or association.

10.8 Notice.

Unless oral notice is otherwise allowed in this Agreement, all notices required to be sent under this Agreement:

(a) shall be in writing;

(b) shall be deemed to be sufficient if given by (i) depositing the same in the United States mail, postage prepaid, or (ii) electronically transmitting such notice by any means such as by facsimile transmission, telegraph, telex or computer hookup; or (iii) by depositing the same with a courier delivery service, addressed to the person entitled thereto at his address or phone number as it appears on the records maintained by the Program Administrator;

(c) shall be deemed to have been given on the day of such mailing, transmission or deposit; and

(d) any of the methods specified in Section 10.7(b) shall be sufficient to deliver any notice required hereunder, notwithstanding that one or more of such methods may not be specifically listed in the sections hereunder requiring such notice.

10.9 Entire Agreement.

Except with respect to the letter described in Exhibit G between the Custodian and the Program Administrator, this Agreement shall constitute the entire agreement of the parties with respect to the subject matter and shall supersede all prior oral or written agreements in regard thereto.

10.10 Confidentiality.

(a) All information and recommendations furnished by the Program Administrator to the Participants or the Board of Trustees that is marked confidential and all information and directions furnished by the Program Administrator to the Custodian shall be regarded as confidential by each such Person to the extent permitted by law. The Program Administrator and the Custodian shall regard as confidential all information concerning the Investment Property and the affairs of the Trust and Participants. Nothing in this paragraph shall prevent any party from divulging information as required by law or from divulging to civil, criminal, bank or securities regulatory authorities where such party may be exposed to civil or criminal proceedings or penalties for failure to comply or to prevent the Program Administrator from distributing copies of this Agreement or the aggregate value of the Trust to third parties, provided, however, confidential information shall not include (i) information that is

independently developed or obtained by a party without the use of information provided by any other party; or (ii) information that is otherwise available to the public.

(b) In the event that on-line terminals or similar electronic devices are used for communication from the Program Administrator to the Custodian, or from the Participants to either the Program Administrator or the Custodian, the Program Administrator and the Participants agree to safeguard and maintain the confidentiality of all passwords or numbers and to disclose them only to such of its employees and agents as reasonably require access to the information concerning the Investment Property. The Custodian agrees to safeguard and maintain the confidentiality of all passwords or numbers and to limit access to this information for the purpose of acting pursuant to this Agreement. The Custodian and the Program Administrator may electronically record any instructions given by telephone, and any other telephone discussions with respect to the Account or transactions pursuant to this Agreement.

10.11 Disputes.

In the event of any dispute between the parties, the parties agree to attempt to resolve the dispute through negotiation or a method of alternative dispute resolution. No litigation shall be commenced without a certification by an authorized officer, employee, or agent of any party that the dispute cannot be resolved by negotiation or alternative dispute resolution provided in writing at least 10 days before commencing legal action.

10.12 Majority of Participants.

Whenever any provision hereof refers to a majority of the Participants, such majority shall be determined based upon the number of Participants at that time and shall not be determined by a reference to the Balance of each Participant.

10.13 Writings.

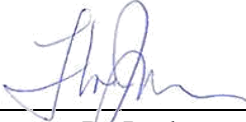
Whenever this Agreement requires a notice, instruction or confirmation to be in writing or a written report to be made or a written records to be maintained, it shall be sufficient if such writing is produced or maintained by electronic means or maintained by any other photo static, photographic or micrographic data storage method such as microfiche as well as on paper.


10.14 Effective Date.

This Agreement shall become effective on the Effective Date.


IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in its name and on its behalf as of the date first written above.

PUBLIC TRUST ADVISORS, LLC


By: 
Name: Thomas D. Jordan
Title: Chief Executive Officer

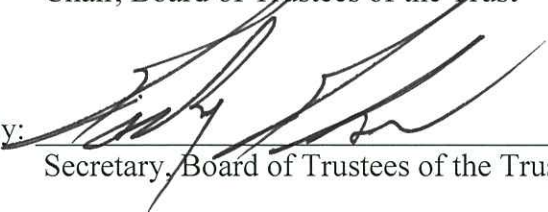
By: 
Name: Chris M. DeBow
Title: Managing Partner

UMB BANK, N.A.
as Custodian

By: 
Name: David M. Paldino
Title: Senior Vice President

THE PARTICIPANTS IN THE TRUST THAT HAVE
ENTERED INTO THIS AGREEMENT

By: 
Chair, Board of Trustees of the Trust

By: 
Secretary, Board of Trustees of the Trust

EXHIBITS

EXHIBIT A

INVESTMENT PROCEDURES

- 1) A Participant shall provide notification to the Program Administrator via methods acceptable to the Program Administrator indicating the amount to be invested, and if more than one fund or account with Texas CLASS has been established by the Program Administrator, into which fund or account such amount shall be invested (there is no minimum investment). The Participant shall instruct its bank depository to wire Investment Funds to the corresponding account at the Custodian.
- 2) Receipt of the Program Administrator prior to the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.com>, of notification of Investment Funds being deposited will cause the value of the Investment Funds to be credited and earn interest on the same Business Day.
- 3) Receipt by the Program Administrator after the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.com>, of notification of Investment Funds being deposited will cause the value of the Investment Funds to be credited and earn Interest on the next Business Day.
- 4) If Investment Funds for which notification of deposit has been given, are not received (except if the Participant can show the contribution procedures have been followed) by the end of the Business Day on which such notification is given, the Program Administrator shall deduct the value of such Investment Funds from the Participant's Balance if previously credited.

If the Participant fails to instruct its bank depository to wire Investment Funds before the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.com>, on the day notice of the deposit is provided the Program Administrator, the Participant's Balance shall be charged interest equal to any interest earned on such failed deposit for each day the Participant's Balance was credited with the deposit before the date the deposit was received. If the Participant can show the contribution procedures have been followed, and, notwithstanding, the Investment Funds are not received, then the Program Administrator shall seek to obtain such Investment Funds from the party responsible for failure of delivery.

- 5) Participants are prohibited from withdrawing Investment Funds credited to their Balance(s) pursuant to (2) or (3) above, until such Investment Funds are received by the Custodian.
- 6) These Investment Procedures may be amended from time to time pursuant to Section 9.1(d) hereof, provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.

EXHIBIT B**PAYMENT PROCEDURES**

The payment procedures below apply to Texas CLASS and Texas CLASS Government Only pools. In the event the Board elects to introduce a portfolio or pool pursuant to this Agreement which does not provide for same-day liquidity, such disclosures will be provided to Participants within the portfolio or pools separate Information Statement.

- 1) The Participant shall provide notification to the Program Administrator via methods acceptable to the Program Administrator indicating the amount to be withdrawn, and if more than one fund or account within Texas CLASS has been established, from which fund or account such amount shall be withdrawn.
- 2) The Participant shall indicate the payee and include wire or ACH instructions.
- 3) Requests for withdrawals received by the Program Administrator by the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.com> will be processed to permit payment on the Business Day.
- 4) Requests for withdrawals received by the Program Administrator after the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.com>, will be processed the following Business Day.
- 5) Participants may only request withdrawals from an account of an amount not to exceed their Balance in such account at the time payment is made pursuant to such request.
- 6) Requests for withdrawals received in accordance with (3) above by the Program Administrator shall be wired or processed through ACH in accordance with the Participant's instructions after noon on such Business Day and the funds so wired or processed through ACH shall be immediately available funds.
- 7) These Payment Procedures may be amended from time to time pursuant to Section 9.1(d) hereof, provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.

EXHIBIT C

VALUATION PROCEDURES

1. Portfolio Valuation.

At least daily, the Investment Property Value shall be determined on a mark to market basis as follows:

The Program Administrator shall determine the market value of the specific investment holdings for the Texas CLASS pool or portfolio. The market values shall be obtained from one or more sources that the Program Administrator believes to be reliable for providing such information. A credible pricing source will be used by the Program Administrator to price the underlying securities on a daily basis.

Alternatively, the Investment Property Value may be determined using the amortized cost valuation method. The amortized cost valuation method involves initially valuing a security at its cost and thereafter accreting to maturity any discount or amortizing to maturity any premium, regardless of the impact of fluctuating interest rates on the market value of the instrument.

2. Amendment. These Valuation Procedures may be amended from time to time pursuant to Section 9.1(d) hereof.

EXHIBIT D

PARTICIPATION CERTIFICATE

The undersigned _____ does hereby request that it be admitted as a Participant pursuant to Section 2.3 of the Ninth Amended and Restated Trust Agreement (the "Agreement") dated as of February 25, 2021 by and between the Participants, UMB Bank, N.A., as Custodian, and Public Trust Advisors, LLC By executing this Participation Certificate, the undersigned agrees that, upon the execution hereof by the Program Administrator, it will become subject to the same obligations and shall have the same rights as if it had executed the Agreement.

The undersigned hereby certifies that _____ is the duly designated Representative of the undersigned as required by the Agreement.

The undersigned hereby certifies that its governing body has taken all actions required by Section 2256.016 of the Public Funds Investment Act, Texas Government Code, in order for it to participate in the Trust created by the Agreement.

(Name of Participant)

PARTICIPANT EXECUTION DATE By: _____

Name:
Title:

Accepted:
Public Trust Advisors, LLC.

By: _____
Name:
Title:

EXHIBIT E**INVESTMENT CRITERIA****1. General Objectives**

- a. **Legality:** invest only in investments legally permissible under Texas law.
- b. **Safety:** minimize risk by managing portfolio investments so as to preserve principal and maintain a stable asset value. The Trust shall be managed so that the Trust shall receive the highest rating for a local government investment pool from a nationally recognized statistical rating organization for so long as such a rating is required by Texas law.
- c. **Liquidity:** manage portfolio investments to ensure that cash will be available as required to finance Participants' operations.
- d. **Yield:** maximize current income to the degree consistent with legality, safety and liquidity.

2. General Standard

All investments made on behalf of the Trust shall 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. Investment of funds shall be governed by the following investment objectives in order of priority:

1. preservation of safety of principal;
2. liquidity; and
3. yield.

3. Investments

Investment Funds may be invested in any or all of the legal investments specified in Sections 2256.009 through 2256.016, Public Funds Investment Act, Texas Government Code, as the same may be hereafter amended, or in any successor statute, but only to the extent that such investments would be permitted by Rule 2a-7, as amended from time to time, promulgated by the United States Securities and Exchange Commission pursuant to the Investment Company Act of 1940, as amended (the "Rule") if the Rule were applicable to the Trust. The investment criteria for any additional pools or portfolios established pursuant to the Agreement may provide for a more limited investment criteria or investment in only certain investments specified in the Public Funds Investment Act.

4. Amendments

These Investment Criteria may be amended from time to time pursuant to Section 9.1(c) hereof.

EXHIBIT F**PROGRAM ADMINISTRATOR'S FEE**

For the performance of its obligations under this Agreement, the Program Administrator will charge a fee from the Investment Property Value (the "Daily Fee") for each pool or portfolio established pursuant to this Agreement. This Daily Fee will accrue on a daily basis and be paid monthly in arrears and prorated for any portion of the month in which this Agreement is in effect.

The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by the Applicable Fee Rate and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on the current day's settled shares outstanding. For weekend days and holidays, the settled shares outstanding for the previous business day will be utilized for the calculation of fees.

The Applicable Fee Rate shall be determined monthly on the first business day of each month for each pool or portfolio established pursuant to this Agreement, and shall be calculated according to the schedule below which is applicable to each pool or portfolio established pursuant to this Agreement:

	<u>Cumulative Balance</u>	<u>Fee %</u>
First	\$1,000,000,000	.120%
Next	\$1,000,000,000	.110%
Next	\$1,000,000,000	.100%
Next	Over \$3,000,000,000	.090%

Fees may be voluntarily waived from time-to-time and at the sole discretion of the Program Administrator. Periodic fee waivers may be required to adjust the fund's yield performance based upon various market conditions. Any such waived fees shall be communicated to the Board of Trustees.

EXHIBIT G

CUSTODIAN'S FEE

Rate Schedule

The Program Administrator shall pay to the Custodian the costs and fees specified in the Fee Schedule effective April 1, 2021, from the Custodian to the Program Administrator, as amended from time to time by the Program Administrator and the Custodian pursuant to Section 9.1(e) hereof.



Texas CLASS Investment Pool

Presented by Rosie Vela, Director of Finance

November 17, 2022



Texas CLASS 2022 Highlights

- A Texas Local Government Investment Pool (LGIP) that provides safety of funds, daily liquidity, convenience, and a competitive yield.
- Over 950 Texas public entities have joined Texas CLASS.
- Provides two investment options: Texas CLASS and Texas CLASS Government.
- Texas CLASS program is the only LGIP that compounds *and pays* interest daily – interest is reinvested daily.
- No minimum deposit or minimum balance required.
- Provides free annual PFIA training at no cost to participants.
- User-friendly portal providing for ease of transactions.



Paying Interest Daily vs Monthly

Initial Investment	\$19,000,000	Compounding	Total Investment	Interest Earned
Interest Rate	3.2%	Daily	\$19,617,805	\$617,805
Time (Years)	1	Monthly	\$19,616,997	\$616,997

On a \$19,000,000 initial investment, compounding and paying interest daily would earn \$808 more in one year than compounding and paying interest monthly.



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Consideration and possible action to approve a Resolution authorizing participation in the TexPool Prime investment pool and designating authorized representatives

DATE: November 17, 2022

DEPARTMENT: Finance

PRESENTED BY: Rosie G. Vela, Director of Finance

INTRODUCTION/BACKGROUND:

The City currently uses TexPool as an investment tool to keep currently available funds working to earn interest for the City. TexPool also offers TexPool Prime, which earns a higher yield. As of October 5, 2022, TexPool and TexPool Prime earned yields as follows:

	Daily Net Yield	7-day Net Yield
TexPool	2.8789%	2.85%
TexPool Prime	3.1611%	3.14%

Both TexPool and TexPool Prime are managed conservatively to provide safe, efficient, and liquid investment alternatives to Texas Governments. Both pools invest in U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. The major difference between the pools is that TexPool Prime also invests in commercial paper and certificates of deposit.

Commercial paper refers to short-term, unsecured debt obligation that is issued by financial institutions and large corporations as an alternative to costlier methods of funding. Many governments invest in commercial paper as a short-term investment for funds not immediately required, and to provide diversification and competitive rates of return.

Participation in TexPool Prime is authorized under the Public Funds Investment Act and complies with the City’s Investment Policy.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The City can increase its interest earnings by using this additional pool, thus relying less on other income sources.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Additional interest income will allow the City to rely less on other revenue sources.

LEGAL ANALYSIS:

Approved as to form

RECOMMENDATION/PROPOSED MOTION:

I move to approve the Resolution authorizing participation in the TexPool Prime investment pool and designating authorized representatives.

A RESOLUTION

A RESOLUTION AUTHORIZING PARTICIPATION IN THE TEXPOOL PRIME INVESTMENT POOL AND DESIGNATING AUTHORIZED REPRESENTATIVES

WHEREAS, the City of Fair Oaks Ranch, Texas, (“City”) is a local government of the State of Texas and is empowered to delegate to the public funds investment pools the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the City to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool (“TexPool/TexPool Prime”), public funds investment pools, were created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, TexPool requires a resolution for the City to begin participating in TexPool Prime.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- A. The Participant shall enter into a Participation Agreement to establish an account in its name in TexPool Prime, for the purpose of transmitting local funds for investment in TexPool Prime.
- B. That the following individuals are authorized representative of the City and are each hereby authorized to transmit funds for investment in TexPool/TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
 - a. Tobin Maples, City Manager
 - b. Scott Huizenga, Assistant City Manager
 - c. Rosie Vela, Director of Finance
 - d. Summer Fleming, Accounting Manager
- C. That Rosie Vela, Director of Finance, hereby has the primary responsibility for performing transactions and receiving confirmations and monthly statements under Texpool’s Participation Agreement; and
- D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the City of Fair Oaks Ranch, and until TexPool/TexPool Prime receives a copy of any such amendment or revocation.

PASSED, APPROVED and ADOPTED this 17th day of November, 2022.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, City Secretary

Denton Navarro Rocha Bernal & Zech, P.C.,
City Attorney



Resolution Authorizing Participation in the TexPool Investment Pools and Designating Authorized Representatives

WHEREAS, City of Fair Oaks Ranch
("Participant") is a local government or state agency of the State of Texas and is empowered to delegate to the public funds investment pools the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pools ("TexPool/TexPool Prime"), public funds investment pools, were created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That Participant shall enter into a Participation Agreement to establish an account in its name in TexPool/TexPool Prime, for the purpose of transmitting local funds for investment in TexPool/TexPool Prime.
- B. That the individuals, whose signatures appear in this Resolution, are authorized representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool/TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

Authorized Representatives of the Participant

These individuals will be issued P.I.N. numbers to transact business via telephone with a Participant Service Representative.

1.	<input type="text"/>	<input type="text" value="2106980900"/>
	Signature	Telephone Number
	<input type="text" value="Tobin Maples"/>	<input type="text" value="2106983565"/>
	Printed Name	Fax Number
	<input type="text" value="City Manager"/>	<input type="text" value="TMaples@fairoaksranchtx.org"/>
	Title	Email
2.	<input type="text"/>	<input type="text" value="2106980900"/>
	Signature	Telephone Number
	<input type="text" value="Scott Huizenga"/>	<input type="text" value="2106983565"/>
	Printed Name	Fax Number
	<input type="text" value="Assistant City Manager"/>	<input type="text" value="SHuizenga@fairoaksranchtx.org"/>
	Title	Email
3.	<input type="text"/>	<input type="text" value="2106980900"/>
	Signature	Telephone Number
	<input type="text" value="Rosie Vela"/>	<input type="text" value="2106983565"/>
	Printed Name	Fax Number
	<input type="text" value="Director of Finance"/>	<input type="text" value="RVela@fairoaksranchtx.org"/>
	Title	Email
4.	<input type="text"/>	<input type="text" value="2106980900"/>
	Signature	Telephone Number
	<input type="text" value="Summer Fleming"/>	<input type="text" value="2106983565"/>
	Printed Name	Fax Number
	<input type="text" value="Accounting Manager"/>	<input type="text" value="SFleming@fairoaksranchtx.org"/>
	Title	Email

Authorized Representatives of the Participant (continued)

5.
Signature

Printed Name

Title

Telephone Number

Fax Number

Email

6.
Signature

Printed Name

Title

Telephone Number

Fax Number

Email

List the name of the Authorized Representative provided above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Rosie Vela
Printed Name

In addition and at the option of the Participant, additional authorized representative(s) can be designated to perform inquiry only of selected information. This limited representative cannot make deposits or withdrawals. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

1.
Printed Name

Telephone Number

Fax Number

Title

Email

2.
Printed Name

Telephone Number

Fax Number

Title

Email

3.
Printed Name

Telephone Number

Fax Number

Title

Email

4.
Printed Name

Telephone Number

Fax Number

Title

Email

5.
Printed Name

Telephone Number

Fax Number

Title

Email

6.
Printed Name

Telephone Number

Fax Number

Title

Email

Authorized Representatives of the Participant (continued)

C. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool/TexPool Prime receives a copy of any such amendment or revocation.

This resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the

1 | 7 | day of November | , | 2 | 0 | 2 | 2 | .

Document is to be signed by a Board Officer, Mayor or County Judge and attested by a Board Officer, City Secretary or County Clerk.

City of Fair Oaks Ranch

Name of Participant

SIGNED:

Signature

Gregory C. Maxton

Printed Name

Mayor

Title

ATTEST:

Signature

Christina Picioccio

Printed Name

City Secretary

Title

Delivery Instructions

Please return this document to **TexPool Participant Services:**

Email: texpool@dstsistemas.com

Fax: 866-839-3291



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Consideration and possible action on approving a Law Enforcement & Patrol Agreement between the City of Fair Oaks Ranch and Setterfeld Estates Homeowners Association

DATE: November 17, 2022

DEPARTMENT: Police Department

PRESENTED BY: Tim Moring, Chief of Police

INTRODUCTION/BACKGROUND:

Our city is a bedroom community which desires to retain that flavor. As a council and staff, we are committed to fulfilling our residents expressed desires to protect our quality of life, provide for public health and safety, and protect existing investment and valued community assets. In April 2021, the city found it to be in the best interest of the citizens whom reside within gated (private) communities to enter into an agreement with the city to provide legal means of proactive police patrols and other police services within their respective communities.

Article III, Section 52 and Article XI, Section 3 of Texas Constitution prevent any city from lending credit, granting public money, or making any appropriation or donation to any private entity. In other words, cities may not spend public money for a private purpose and would therefore be prohibited from performing public services in the gated community, such as road maintenance, trash collection, and traffic enforcement. This does not prevent police from answering a community generated call in those gated communities, but does prevent police from conducting proactive/preventative patrols to deter crime and enforce traffic laws. Exceptions are placed within the law that allow municipalities to enter into agreements with private communities to allow proactive patrols and traffic enforcement. This agreement may be done with 25% of the property owners in agreement or by the consent the developer and/or managing party in control of the current homeowner’s association.

In October of 2022, the director of community management for Setterfeld Estates Homeowners Association reached out to city staff to inquire about obtaining law enforcement services in the gated community. The director was provided a copy of the law enforcement agreement drafted by the City Attorney’s office and advised on the process of approval by City Council. Mr. Kyle Coldeway, board member for Setterfeld Estates Homeowners Association, submitted a signed law enforcement agreement (attached) to the city with the request that it be presented to City Council for approval. This agreement would allow the Fair Oaks Ranch Police Department to conduct preventative/proactive patrols, traffic enforcement, home watches, and other services provided by the city’s police force within the Setterfeld subdivision.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Preservation of quality-of-life characteristics through compliance with state law by ensuring the same services are available to all residents of Fair Oaks Ranch.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

None at this time.

LEGAL ANALYSIS:

Agreement drafted, reviewed, and approved by City Attorney's office.

RECOMMENDATION/PROPOSED MOTION:

I move to approve the agreement between the City of Fair Oaks Ranch and Setterfeld Estates Homeowners Association for police services within the gated community of Setterfeld Estates.

**LAW ENFORCEMENT AGREEMENT
(NAME OF HOMEOWNERS ASSOCIATION)**

This Law Enforcement Agreement (the “Agreement”) between the City of Fair Oaks Ranch, Texas, a Texas Municipal Corporation (the “City”) and the **Setterfeld Estates Homeowners Association**, Inc (the “Association”), collectively, Parties, is entered into as of the date of the final signature of the parties (the “Effective Date”) and approval by the City Council.

WITNESSETH:

WHEREAS, **Setterfeld Estates** is a private gated community in the City of Fair Oaks Ranch, Comal County, Texas, generally located at 30112 Setterfeld Circle and containing a total of two hundred (200) residences; and

WHEREAS, the Association is the owner of the private streets in Setterfeld Estates (the “Private Streets”) and is responsible for the maintenance thereof; and

WHEREAS, the Association acknowledge that Setterfeld Estates is a subdivision within the City limits of the City and in accordance with the Texas Transportation Code Section 542.008 (the “Statute”), the Association presented a petition to the City Council of the City (the “City Council”) seeking to cause the traffic rules and laws related to operation of motor vehicles on public thoroughfares of the City to apply to the Private Streets in Setterfeld Estates (the “Petition”); and

WHEREAS, the City Council has found the Petition in the best interest of the City generally, has accepted the Petition, and directed the City staff to draft an ordinance and this Agreement, according to the requirements of the Statute to provide for the enforcement of the traffic rules and laws related to operation of motor vehicles on public thoroughfares of the City to apply to Private Streets in Setterfeld Estates; and,

WHEREAS, the Association further requests and authorizes the City to allow the residents of Setterfeld Estates to participate in the Home Watch program offered by the Fair Oaks Ranch Police Department (“Department”); and

WHEREAS, nothing herein is intended by the Parties to limit the authority of the Department to respond to any call for service, report of suspicious activity, or any other situation requiring an immediate investigative response, solely because the subdivision is gated.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Association agree as follows:

- 1. Term.** Pursuant to the Statute, the City has extended the traffic rules and laws related to operation of motor vehicles on public thoroughfares of the City to apply to the Private Streets in Setterfeld Estates. The Association agrees that, pursuant to this Agreement, the Private Streets are considered to be public streets for purposes of the application and enforcement of the traffic rules and laws addressed herein and that this Agreement shall remain in effect until such time as the

City should determine, by ordinance, that it is not in its interest to enforce the traffic rules and laws within the subdivision.

2. Traffic Signs. The Association shall install subdivision traffic signs and street name blade signs in compliance with both the Texas Manual of Uniform Traffic Control Device standards and the City’s standards. The Association shall be solely responsible for all costs and expenses of the signs and the installation thereof.

3. City Patrol. Effective on the date an ordinance is adopted to extend traffic laws, rules, general patrol and the Home Watch program, police officers of City will be authorized to begin general patrol of the subdivision for the purposes stated herein and for issuing traffic citations for violations of traffic laws occurring on the roads within the subdivision when appropriate and in the discretion of police officers of City, such police officers having the sole discretion in such matters.

4. No Warranties or Representations. Neither City nor City’s Police Department or City’s police officers make any representations or warranties to the Association or to anyone else in relation to City patrols or City enforcement of traffic laws on the roads within the subdivision. City disclaims any responsibility to maintain or improve the roads within the subdivision or any street signs or traffic signs on said roads, said maintenance and improvement responsibility to be and remain solely that of the Association.

5. Speed Humps. The Association agrees that all speed humps on the Private Streets must comply with the City’s standards. New speed humps must receive approval through the normal City process and are the discretion of the City of Fair Oaks Ranch based on City policies and standards. The Association shall be solely responsible for all costs and expenses necessary to bring and keep the speed humps in compliance.

6. Plans, Installation, and Approval. Prior to installation of the subdivision traffic signs and street name blade signs and prior to work being done on the speed humps, the Association shall submit plans for the design and specifications of such traffic and street name or other signage and such speed humps and obtain written approval from the City. The Association shall construct, repair, and/or install, or cause the construction, repair, and/or installation of, such signage and speed humps in accordance with the approved plans.

7. Association Obligations. The Association will pay for all repairs, replacement, and maintenance of all signage and speed humps to maintain compliance with the applicable standards set forth herein. All maintenance performed by the Association will meet the specifications of the codified requirements of the City related to traffic signage and speed humps in residential subdivisions. If the City determines that repairs, replacement, and/or maintenance are required, the City shall inform the Association in writing of the need for said repairs, replacement, and/or maintenance, and the Association shall commence said repairs, replacement, and/or maintenance within fourteen (14) calendar days of such notice and diligently pursue the work thereon, with completion thereof not to exceed forty-five (45) calendar days.

8. Traffic Control Devices. Pursuant to the authority granted under the Statute, the City may place official traffic control devices on property abutting the Private Streets if (1) those devices

relate to a specified traffic rule; and (2) the consent of the owner of that property is obtained or an easement is available for the placement. The Association hereby consents to the placement of any such devices on the property owned by them. No additional consent shall be required.

9. Payment. The Association will not be required to pay any additional cost for the services requested herein, unless such services are requested in excess of the services provided to City citizens that do not reside in private gated communities in the City. Notwithstanding the foregoing, the Association shall be required to pay those costs and expenses discussed in Sections 2, 5, 6, and 7, and 8 of this Agreement.

10. INDEMNIFICATION. THE ASSOCIATION ON BEHALF OF EACH OF THEIR SUCCESSORS, ASSIGNEES, GRANTEEES, AND/OR TRUSTEES DOES HEREBY AGREE TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY AND ITS CITY COUNCILMEMBERS, OFFICERS, AGENTS, REPRESENTATIVES, AND EMPLOYEES (THE “INDEMNIFIED PARTIES”) FROM AND AGAINST ALL DAMAGES, INJURIES (INCLUDING DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, JUDGMENTS AND COSTS, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS’ FEES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS’ FEES AND EXPENSES INCURRED IN ENFORCING THIS INDEMNITY), CAUSED BY THE NEGLIGENT, GROSSLY NEGLIGENT, AND/OR INTENTIONAL ACT AND/OR OMISSION OF THE ASSOCIATION IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, IN WHOLE OR IN PART, REGARDLESS OF THE JOINT OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE CITY (HEREINAFTER “CLAIMS”). THE ASSOCIATION IS EXPRESSLY REQUIRED TO DEFEND THE INDEMNIFIED PARTIES AGAINST ALL SUCH CLAIMS.

IN ITS SOLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE ASSOCIATION IN FULFILLING THEIR OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY THE CITY IN WRITING. THE CITY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER THE CITY IS UNDER NO OBLIGATION TO DO SO.

THIS SECTION 10. SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT WITH RESPECT TO ANY INCIDENT OCCURRING DURING THE TERM HEREOF.

11. Miscellaneous.

- (a) Breach. In the event of a breach of this Agreement by any party, any other party may pursue any remedies available at law or in equity, including without limitation, specific performance.
- (b) Assignment, Binding Nature, and Recording. This Agreement may not be assigned by the Association.

- (c) Notices. Any notice required or permitted by this Agreement is effective when personally delivered in writing or two (2) business days after notice is deposited with the U.S. Postal Service, postage prepaid, certified mail with return receipt requested, and addressed as follows:

City:

City of Fair Oaks Ranch, Texas
 7286 Dietz Elkhorn
 Fair Oaks Ranch, Texas 78015
 Attention: City Manager

with copy to:

Denton Navarro Rocha Bernal & Zech, P.C.
 2517 N. Main Avenue
 San Antonio, Texas 78212
 Attention: T. Daniel Santee

Association:

Setterfeld Estates HOA / Real Manage
PO Box 702348
Dallas, Tx 75370
 Attention: Lisa Ivy

with copy to:

 Attention: _____

The parties may, from time to time, change their respective addresses listed above to any other location in the United States for the purpose of notice under this Agreement. A party's change of address shall be effective when notice of change is provided to the other party in accordance with the provisions of this Section 11.(c).

- (d) Capacities. The person executing this Agreement on behalf of the Association represents and warrants that he/she has the authority to do so in the capacity stated.
- (e) Interpretation. This Agreement will be deemed drafted equally by all parties hereto. The language of all parts of this Agreement will be construed as a whole according to its fair meaning, and any presumption or principle that the language in this Agreement is to be construed against any party will not apply. Headings in this

Agreement are for the convenience of the parties and are not intended to be used in construing this document.

- (f) Further Assurances. The parties agree to take such further actions and to sign such further documents as may be reasonably necessary or appropriate to fulfill the intent of, and to complete the transactions described in this Agreement.
- (g) Unenforceability. If any part, term, or provision of this Agreement is held by the courts to be illegal, invalid, or otherwise unenforceable, such illegality, invalidity, or unenforceability shall not affect the validity of any other part, term, or provision, and the rights of the parties will be construed as if the part, term, or provision was never part of this Agreement.
- (h) Choice of Law. This Agreement will be construed under the laws of the State of Texas without regard to choice-of-law rules of any jurisdiction. Venue shall be in the State District Courts of Kendal County, Texas with respect to any lawsuit arising out of or construing the terms and provisions of this Agreement. No provision of this Agreement shall constitute a consent to suit by any party.
- (i) Counterparts. This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes.
- (j) Immunity. By execution of this Agreement, the parties agree that the City has not waived or surrendered any of its governmental powers, immunities, or rights.
- (k) Force Majeure. Notwithstanding anything to the contrary contained herein, in the event a party is prevented from performing its obligations hereunder due to inclement weather, strikes, riots, civil unrest, or any other cause which is beyond the reasonable control of such party (a delay due to any such cause being referred to herein as a “Force Majeure Delay”) then the time period for such party’s performance shall be extended by the length of the Force Majeure Delay and such party’s failure to perform such obligation shall be excused for the duration of, and to the extent of, such Force Majeure Delay.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereby have executed this Agreement to be effective as of the Effective Date.

THE CITY:

CITY OF FAIR OAKS RANCH, TEXAS,
a Texas municipal corporation

By: _____
Tobin Maples, City Manager

Date: _____

THE ASSOCIATION:

Setterfeld Estates Homeowners Association,
Inc.,
a Texas nonprofit organization

By: Kyle Coldeway
Name: Kyle Coldeway
Title: Board Member

Date: 10/24/2022



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Consideration and possible action authorizing the City Manager to sign a Construction Agreement with G5 Utilities, LLC for the Balcones Creek Waterline Replacement Project

DATE: November 17, 2022

DEPARTMENT: Public Works

PRESENTED BY: Clayton Hoelscher, Procurement Manager
Grant Watanabe, Director of Public Works & Engineering Services

INTRODUCTION/BACKGROUND:

The City has identified the need to replace a water main due to extensive erosion at the Balcones Creek crossing which has exposed the existing 10-inch water main. If not addressed, the exposed waterline will eventually fail which will impact the resiliency of the city’s water distribution system.

In 2019, a Professional Services Agreement was executed with Garza EMC for the design work associated with this project. The scope of work for this project consists of excavating the area and installing approximately 110 linear feet of new pipe to avoid the erosion area. Additionally, the project will install Reno mattresses (wire cages filled with rock) where erosion is occurring. Reno mattresses are used worldwide for riverbank protection and channel lining for erosion control. All work will be conducted within existing or soon to be acquired utility easements, and access to the site will be via a temporary construction easement that starts at the end of Fairway Vista Dr.

To support this effort, the City advertised an Invitation for Bids on September 15th. Bids were received on October 17th, 2022. G5 Utilities, LLC was determined to be the lowest responsible bidder for this project. The following bids were received:

Bidder	Amount
G5 Utilities, LLC	\$123,652.60
Associated Construction Partners, Ltd.	\$308,050.00

The bid amount from G5 Utilities, LLC is in line with the consultant’s Opinion of Probable Construction Cost considering current market conditions. The consultant also contacted references provided by G5 Utilities, LLC and all were very positive.

It is expected that this project will cause an increase in construction/truck traffic in the Fairways neighborhood. Once the contractor provides a schedule and target mobilization date, staff will

coordinate with the Fairways HOA to provide advance notice to residents and will also post the notice to the city’s website, Notify Me and social media outlets.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Strategic Action Plan items for Responsible Growth Management and Reliable and Sustainable Infrastructure (CIP# 6R)
- Complies with Competitive Procurement Requirements

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The City currently has \$202,152 in Account 22-504-103 for this project. The recommended bid is under budget.

LEGAL ANALYSIS:

The Contractor will be required to sign and adhere to the City’s Standard Construction Agreement prior to the commencement of work. A copy is attached.

RECOMMENDATION/PROPOSED MOTION:

I move to authorize the City Manager to sign a Construction Agreement with G5 Utilities, LLC for \$123,652.60 with a 10% contingency in the amount of \$12,365.26, for a total value not to exceed \$136,017.86.

**CITY OF FAIR OAKS RANCH
CONSTRUCTION AGREEMENT**

**THE STATE OF TEXAS §
 §
KENDALL COUNTY §**

This Construction Agreement (“Agreement”) is made and entered by and between the City of Fair Oaks Ranch, Texas, (the “City”) a Texas municipality, and G5 Utilities, LLC. (“Contractor”).

Section 1. Duration. This Agreement shall become effective upon the date of the final signature affixed hereto and shall remain in effect until satisfactory completion of the Scope of Work unless terminated as provided for in this Agreement.

Section 2. Scope of Work.

(A) Contractor shall perform the Work as more particularly described in the Scope of Work attached hereto as Exhibit “A”. The work as described in the Scope of Work constitutes the “Project”.

(B) The Quality of Work provided under this Agreement shall be of the level of quality performed by Contractors regularly rendering this type of service.

(C) The Contractor shall perform its Work for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Contractor may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent Contractor or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) The Contractor shall be paid in the manner set forth in Exhibit “A” and as provided herein.

(B) *Billing Period:* The Contractor may submit monthly, or less frequently, an invoice for payment based on the estimated completion of the described tasks and approved work schedule. Subject to Chapter 2251, Texas Government Code (the “Prompt Payment Act”), payment is due within thirty (30) days of the City’s receipt of the Contractor’s invoice. Interest on overdue payments shall be calculated in accordance with the Prompt Payment Act.

(C) *Reimbursable Expenses:* Any and all reimbursable expenses related to the Project shall be included in the scope of Work (Exhibit A) and accounted for in the total contract amount.

Section 4. Time of Completion.

The prompt completion of the Work under the Scope of Work relates is critical to the City. Unnecessary delays in providing Work under a Scope of Work shall be grounds for dismissal of the Contractor and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Contractor prior to the time of termination. The construction duration shall not exceed 90 days for final completion. Liquidated damages will be assessed at a rate of \$50 per day for each day exceeding the 90 day construction duration.

Section 5. Insurance.

Before commencing work under this Agreement, Contractor shall obtain and maintain the liability insurance provided for below throughout the term of the Project plus an additional two years. Contractor shall provide evidence of such insurance to the City. Such documentation shall meet the requirements noted in Exhibit B.

Contractor shall maintain the following limits and types of insurance:

Workers Compensation Insurance: Contractor shall carry and maintain during the term of this Agreement, workers compensation and employers' liability insurance meeting the requirements of the State of Texas on all the Contractor's employees carrying out the work involved in this contract.

General Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than \$1,000,000. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000. This coverage shall protect the public or any person from injury or property damages sustained by reason of the Contractor or its employees carrying out the work involved in this Agreement. The general aggregate shall be no less than \$2,000,000.

Automobile Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Contractor or its employees.

Subcontractor: In the case of any work sublet, the Contractor shall require subcontractor and independent contractors working under the direction of either the Contractor or a

subcontractor to carry and maintain the same workers compensation and liability insurance required of the Contractor.

Qualifying Insurance: The insurance required by this Agreement shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form.

Evidence of such insurance shall be attached as Exhibit "C".

Section 6. Miscellaneous Provisions.

(A) *Subletting.* The Contractor shall not sublet or transfer any portion of the work under this Agreement, or any Scope of Work issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Work. The approval or acquiescence of the City in the subletting of any work shall not relieve the Contractor of any responsibility for work done by such subcontractor.

(B) *Compliance with Laws.* The Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish the City with satisfactory proof of compliance.

(C) *Independent Contractor.* Contractor acknowledges that Contractor is an independent contractor of the City and is not an employee, agent, official or representative of the City. Contractor shall not represent, either expressly or through implication, that Contractor is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Contractor.

(D) *Non-Collusion.* Contractor represents and warrants that Contractor has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Contractor further agrees that Contractor shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the Work performed by Contractor under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Contractor, Contractor shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Contractor under or pursuant to this Agreement.

(E) *Force Majeure*. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

(F) In the case of any conflicts between the terms of this Agreement and wording contained within the Scope of Work, this Agreement shall govern. The Scope of Work is intended to detail the technical scope of Work, fee schedule, and contract time only and shall not dictate Agreement terms.

Section 7. Termination.

(A) This Agreement may be terminated:

(1) By the mutual agreement and consent of both Contractor and City;

(2) By either party, upon the failure of the other party to fulfill its obligations as set forth in either this Agreement or a Scope of Work issued under this Agreement;

(3) By the City, immediately upon notice in writing to the Contractor, as consequence of the failure of Contractor to perform the Work contemplated by this Agreement in a timely or satisfactory manner;

(4) By the City, at will and without cause upon not less than thirty (30) days written notice to the Contractor.

(B) If the City terminates this Agreement pursuant to subsection 7(A)(2) or (3), above, the Contractor shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those Work that have been timely and adequately performed by the Contractor considering the actual costs incurred by the Contractor in performing work to date of termination, the value of the work that is nonetheless usable to the City, the cost to the City of employing another Contractor to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed

at time of termination. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for all basic, special, and additional Work actually performed prior to termination, together with any reimbursable expenses then due.

Section 8. Indemnification. Contractor agrees to indemnify and hold the City of Fair Oaks Ranch, Texas and all of its present, future and former agents, employees, officials and representatives harmless in their official, individual and representative capacities from any and all claims, demands, causes of action, judgments, liens and expenses (including attorney's fees, whether contractual or statutory), costs and damages (whether common law or statutory), costs and damages (whether common law or statutory, and whether actual, punitive, consequential or incidental), of any conceivable character, for injuries to persons (including death) or to property (both real and personal) created by, arising from or in any manner relating to the Work or goods performed or provided by Contractor – expressly including those arising through strict liability or under the constitutions of the United States.

Section 9. Notices. Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Section 10. No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

Section 11. Severability. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

Section 12. Waiver. Either City or the Contractor shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

Section 13. Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Kendall County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Kendall County, Texas.

Section 14. Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

Section 15. Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

Section 16. Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

Section 17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 18. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 19. Entire Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Section 20. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

Section 21. Right To Audit. City shall have the right to examine and audit the books and records of Contractor with regards to the work described in Exhibit A, or any subsequent changes, at any reasonable time. Such books and records will be maintained

in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

22. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271, TEX. LOCAL GOV'T CODE, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties will first attempt to resolve the dispute by taking the following steps: (1) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than 5 days after receipt of the notice of dispute. (2) If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. (3) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

23. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. Contractor represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

24. Boycott Israel. The City may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract. (Texas government code chapter 2270) by entering this agreement, Professional verifies that it does not Boycott Israel, and agrees that during the term of the agreement will not Boycott Israel as that term is defined in the Texas Government Code Section 808.001, as amended.

25. Energy Company Boycotts. Contractor represents and warrants that: (1) it does not, and will not for the duration of the contract, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

26. Firearm Entities and Trade Association Discrimination. Contractor verifies that: (1) it does not, and will not for the duration of the contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

27. Sales Tax. The City qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the “Tax Act”) and is not subject to any State or City sales taxes on materials incorporated into the project. Labor used in the performance of this contract is also not subject to State or City sales taxes. The City will provide an exemption certificate to the Contractor. The Contractor must have a sales tax permit issued by the Comptroller of Public Accounts and shall issue a resale certificate complying with the Tax Act, as amended, when purchasing said materials. The Contractor is responsible for any sales taxes applicable to equipment purchases, rentals, leases, consumable supplies which are not incorporated into the services to be provided under this Contract, tangible personal property purchased for use in the performance of this Contract and not completely consumed, or other taxable services used to perform this Contract, or other taxes required by law in connection with this Contract.

28. Compliance with Laws, Charter, Ordinances. Contractor, its agents, employees and subcontractors must comply with all applicable federal and state laws, the ordinances of the City of Fair Oaks Ranch, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Contractor must obtain all necessary permits, bonds and licenses that are required in completing the work contracted for in this agreement.

EXECUTED on _____.

CITY:

CONTRACTOR:

By: _____

By: _____

Name: Tobin Maples, AICP

Name: _____

Title: City Manager

Title: _____

ADDRESS FOR NOTICE:

CITY

CONTRACTOR

City of Fair Oaks Ranch
Attn: Tobin Maples, AICP
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

G5 Utilities, LLC
Attn: Bob Quinn
330 Peterson Dr.
Kerrville, TX 78028

Exhibit "A"
SCOPE OF SERVICES

UNIT PRICING FORM

TXDOT BID ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	BID AMOUNT
City 100.0	MOBILIZATION: TO INCLUDE CLEARING THE FULL EASEMENT NORTH AND SOUTH OF THE TEMPORARY ACCESS POINT (REFERENCE "ACCESS POINT" ATTACHMENT)	LS	1	\$ 6,000.00	\$ 6,000.00
100 6001	PREPARING ROW	AC	1	\$ 26,168.00	\$ 26,168.00
104 6014	REMOVING CONC (FOUNDATIONS)	CY	18	\$ 325.00	\$ 5,850.00
110 6002	EXCAVATION (CHANNEL)	CY	140	\$ 76.00	\$ 10,640.00
132 6001	EMBANKMENT (FINAL)(ORD COMP)(TY A)	CY	100	\$ 51.00	\$ 5,100.00
160 6003	FURNISHING AND PLACING TOPSOIL (4")	SY	950	\$ 8.00	\$ 7,600.00
164 6003	BROADCAST SEED (PERM)(RURAL)(CLAY)	SY	950	\$ 2.00	\$ 1,900.00
169 6001	SOIL RETENTION BLANKETS (CL1) (TY A)	SY	950	\$ 8.00	\$ 7,600.00
506 6025	EROSION AND SEDIMENTATION CONTROL	LS	1	\$ 3,466.00	\$ 3,466.00
City 550.0	TRENCH EXCAVATION SAFETY PROTECTION	LF	110	\$ 3.00	\$ 330.00
City 812.0	10" PVC WATERLINE	LF	110	\$ 121.00	\$ 13,310.00
City 836.0	PIPE FITTINGS, ALL SIZES AND TYPES	TON	0.4	\$ 9,204.00	\$ 3,681.60
City 840.0	10" PVC WATERLINE TIE-IN	EA	2.0	\$ 2,994.00	\$ 5,988.00
City 841.0	HYDROSTATIC TESTING	EA	1.0	\$ 1,269.00	\$ 1,269.00
SP1001	3'X6'X12" RENO MATTRESS, COMPLETE-IN-PLACE (INCLUDING 3"X5" ROCK)	SY	225	\$ 110.00	\$ 24,750.00

By signing below, company acknowledges it has received all bidding documents and instructions, and agrees to execute the Standard Construction Services Agreement if awarded a contract for this Project and promptly supply any required insurance certificate(s) and/or endorsements, Payment and Performance Bonds upon request by the City and prior to commencement of work. The required certified check, cashier's check or bid bond shall be included and immediately follow this executed Unit Pricing Form.

COMPANY: G5 Utilities LLC

AUTHORIZED COMPANY REPRESENTATIVE: Bob Quinn

SIGNATURE: Bob Quinn

DATE: 10-17-2022

G5 Utilities LLC
 330 Peterson Dr.
 Kerrville, TX 78028
 512-738-6666
 bquinn@g5utilities.com

Exhibit "B"

REQUIREMENTS FOR ALL INSURANCE DOCUMENTS

The Contractor shall comply with each and every condition contained herein. The Contractor shall provide and maintain the minimum insurance coverage set forth below during the term of its agreement with the City. Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of Fair Oaks Ranch accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

INSTRUCTIONS FOR COMPLETION OF INSURANCE DOCUMENT

With reference to the foregoing insurance requirements, Contractor shall specifically endorse applicable insurance policies as follows:

1. The City of Fair Oaks Ranch shall be named as an additional insured with respect to General Liability and Automobile Liability **on a separate endorsement.**
2. A waiver of subrogation in favor of The City of Fair Oaks Ranch shall be contained in the Workers Compensation and all liability policies and must be provided **on a separate endorsement.**
3. All insurance policies shall be endorsed to the effect that The City of Fair Oaks Ranch will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name The City of Fair Oaks Ranch as an additional insured, must be endorsed to read as primary and non-contributory coverage regardless of the application of other insurance.
5. **Chapter 1811 of the Texas Insurance Code, Senate Bill 425 82(R) of 2011, states that the above endorsements cannot be on the certificate of insurance. Separate endorsements must be provided for each of the above.**
6. All insurance policies shall be endorsed to require the insurer to immediately notify The City of Fair Oaks Ranch of any material change in the insurance coverage.
7. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
8. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
9. Contractor may maintain reasonable and customary deductibles, subject to approval by The City of Fair Oaks Ranch.
10. Insurance must be purchased from insurers having a minimum AmBest rating of B+.
11. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. (ACORD 25 2010/05). Coverage must be written on an occurrence form.
12. Contractual Liability must be maintained covering the Contractors obligations contained in the contract. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions

representing and warranting all endorsements and insurance coverages according to requirements and instructions contained herein.

- 13. Upon request, Contractor shall furnish The City of Fair Oaks Ranch with certified copies of all insurance policies.
- 14. A valid certificate of insurance verifying each of the coverages required above shall be issued directly to the City of Fair Oaks Ranch within ten (10) business days after contract award and prior to starting any work by the successful Contractor's insurance agent of record or insurance company. Also, prior to the start of any work and at the same time that the Certificate of Insurance is issued and sent to the City of Fair Oaks Ranch, all required endorsements identified in sections A, B, C and D, above shall be sent to the City of Fair Oaks Ranch. The certificate of insurance and endorsements shall be sent to:

City of Fair Oaks Ranch
Attn: Clayton Hoelscher, Procurement Manager
Email: choelscher@fairoaksranchtx.org
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015

Exhibit "C"
EVIDENCE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

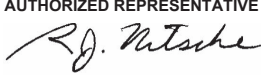
PRODUCER The Nitsche Group 143 East Austin Giddings, TX 78942-3299 979 542-3666	CONTACT NAME: Joyce Hinze PHONE (A/C, No, Ext): 979-540-2240	FAX (A/C, No):	
	E-MAIL ADDRESS: Joyceh@TheNitscheGroup.com		
INSURED G5 Utilities LLC 330 Peterson Drive Kerrville, TX 78028	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Cincinnati Insurance Company		10677
	INSURER B : Cincinnati Casualty Company		28665
	INSURER C : Navigators Specialty Insurance Company		36056
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> PD Ded:5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			EPP0661178	07/29/2022	07/29/2023	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$500,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			EPP0661178	07/29/2022	07/29/2023	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10000			EPP0661178	07/29/2022	07/29/2023	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	EWC0661177	07/29/2022	07/29/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Pollution Limit Retention			SF22ECPU00592NC	07/29/2022	07/29/2023	\$1,000,000 \$10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Job: Balcones Creek Waterline
 General liability, auto and workers compensation policies include(s) a 30 Days Notice of Cancellation endorsement providing 30 days advance notice if policy is canceled by the company other than for nonpayment of premium, or direct cancellation by named insured as per policy provision.

CERTIFICATE HOLDER City of Fair Oaks Ranch Attn: Tobin Maples, AICP 7286 Dietz Elkhorn Fair Oaks Ranch, TX 78015	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Consideration and possible action approving a Wastewater Treatment Plant Site Feasibility Study capacity expansion option

DATE: November 17, 2022

DEPARTMENT: Public Works Department

PRESENTED BY: Grant Watanabe, P.E., Director of Public Works & Engineering Services

INTRODUCTION/BACKGROUND:

On November 3rd, a workshop was held to present the Wastewater Treatment Plant (WWTP) Site Feasibility Study’s findings and to provide an opportunity for open discussion on any topic related to the study. The study performed a Master Plan validation, including revisions to future flow projections, and evaluated several options to expand treatment capacity to meet the city’s revised build-out requirements. These options and the associated estimated programmed cost are summarized below:

- Option 1: Current WWTP expansion to meet 100% of build-out capacity requirements
- Option 2: Construction of a new greenfield facility on the proposed 5-acre City-owned property near the Arbors Preserve.
- Option 3: Current WWTP to remain at calculated capacity and construct a new facility near the Arbors Preserve to process the additional projected flows.
- Option 4: Construction of a scalping facility that would serve potential new growth areas. The scalping facility would focus on treating and reusing water in the vicinity of the scaling plant while sending solids through the collection system to be treated by the existing WWTP.
- Option 5: Current WWTP to remain at calculated capacity and construction of new infrastructure to connect to the San Antonio Wastewater System (SAWS) to manage the flows beyond the existing WWTP capacity.

	Option 1: Current Plant Expansion	Option 2: New Greenfield WWTP	Option 3: Combo of Option 1 & Option 2	Option 4: New Scalping Plant	Option 5: Connection to SAWS System**
Total Programmed Cost	\$13.4M	\$50.4 - \$52.5M	\$30.9 - \$37M	\$56 - \$57.8M	\$17.9M*

* Represents total cost to connect to the SAWS collection system, does not include estimated reoccurring annual cost (~\$324K)

**Requires SAWS Board approval

In order for the consultant to proceed with next steps, one of the options needs to be selected for further evaluation. Next steps include refining the site layout and cost estimate for proposed improvements, evaluating phasing of improvements, transition schedule and completing a desktop environmental review for the selected option. The consultant will provide a final comprehensive report and presentation once completed.

Staff recommends Option 1: Current WWTP Expansion be selected for further evaluation. From both an economic and non-economic standpoint, Option 1 presents the best way forward for meeting the city’s future build-out capacity requirements. Option 1 minimizes the need to acquire additional utility easements, avoids major disruption due to new sewer main construction, and can be implemented while the existing WWTP remains in service. Although nuisance odors are a common concern for wastewater facilities, proposed expansion improvements include an aerated sludge holding tank which will reduce the formation of hydrogen sulfide, the primary odor culprit.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Strategic Action Plan items for Responsible Growth Management and Reliable and Sustainable Infrastructure (CIP# 2.1S).
- Option 1 provides the most cost-effective alternative for meeting build-out treatment capacity requirements, including the potential for phasing of improvements.
- Option 1 minimizes the need to acquire additional utility easements and avoids major construction-related disruption across the city since all proposed improvements are located within the existing WWTP footprint.
- Option 1 presents the least risk in regards to TCEQ permitting or SAWS board approval. Risks which new treatment or discharge requirements, directed conservation measures or unilateral rate increases.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

Option 1 provides the most cost-effective alternative for meeting build-out treatment capacity requirements, including the potential for phasing of improvements. Financing options will be discussed at a future strategic planning session or budget workshop.

LEGAL ANALYSIS:

NA

RECOMMENDATION/PROPOSED MOTION:

I move to approve Option 1: Current Wastewater Treatment Plant Expansion for further evaluation as part of the Wastewater Treatment Plant Site Feasibility Study.



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Presentation and possible discussion of the Fiscal Year 2021-22 Preliminary Year-End Results

DATE: November 17, 2022

DEPARTMENT: Finance

PRESENTED BY: Rosie Vela, Director of Finance

INTRODUCTION/BACKGROUND:

The purpose of this presentation is to review the City’s preliminary year-end financial results and fund balances.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Fiscal transparency informs Council and citizens how the City spends tax revenues and is a critical element of effective public financial management.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The Finance Department has updated its Fiscal Year 2021-22 year-end projections based on financial activity through September 30, 2022. The department projects a General Fund surplus of \$1.4 million will be added to fund balance. The primary drivers of the surplus are the receipt of ARPA funds, personnel savings from vacancies and an increase in property taxes and sales taxes. While there may be changes to this projection through the audit process, the department does not anticipate any material changes.

The department projects operating income over budget of \$918,253 in the Utility Fund due primarily to the receipt of ARPA funds and an increase in water revenue from drought surcharges.

LEGAL ANALYSIS:

Not applicable.

RECOMMENDATION/PROPOSED MOTION:

This presentation is for informational purposes only.



FY 2021-2022 Preliminary Year-End Results

**Presented by Rosie Vela, Director of Finance
November 17, 2022**





General Fund





General Fund Revenues

Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Projection	% of Budget
Property Tax	\$5,881,175	\$5,769,476	\$6,082,993	105.4%
Sales Tax	1,435,762	1,570,018	1,580,147	100.6%
Franchise Fees	651,534	618,200	738,731	119.5%
Permits	499,777	400,000	348,333	87.1%
Fines & Forfeitures	139,753	129,923	174,573	134.4%
All Other	829,727	606,961	1,797,512	296.1%
Totals	\$9,437,728	\$9,094,578	\$10,722,289	117.9%



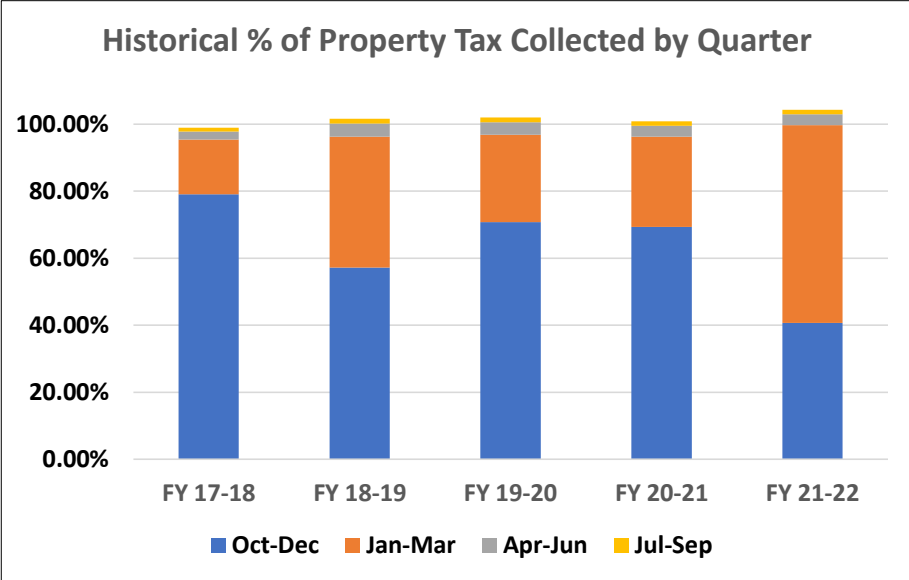
General Fund Expenses

Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Projection	% of Budget
Personnel	\$4,305,366	\$5,205,922	\$4,710,417	90.5%
Supplies, Maint, Ops	721,305	1,309,810	1,217,258	92.9%
Professional Services	1,149,943	1,478,052	1,339,839	90.6%
Shared Services	353,885	446,673	388,221	86.9%
Capital Outlay	316,341	418,558	150,182	35.9%
Transfers	472,493	1,482,407	1,511,407	102.0%
Totals	\$7,319,333	\$10,341,421	\$9,317,323	90.1%





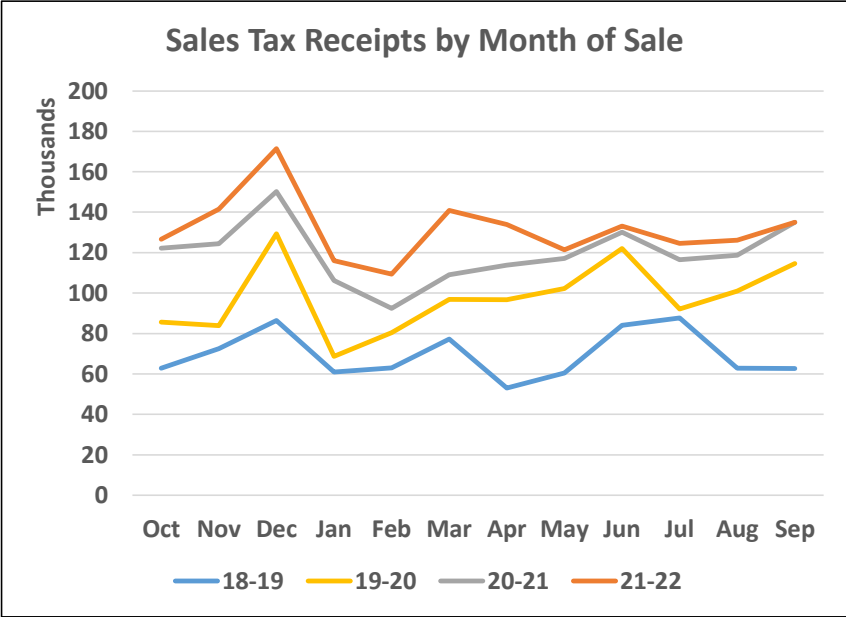
Property Taxes



- 99.34% Ad Valorem Tax levy collected, 104% of budget.
- \$244,297 surplus to budget.
- Delinquent taxes collected \$52,073 surplus to budget.



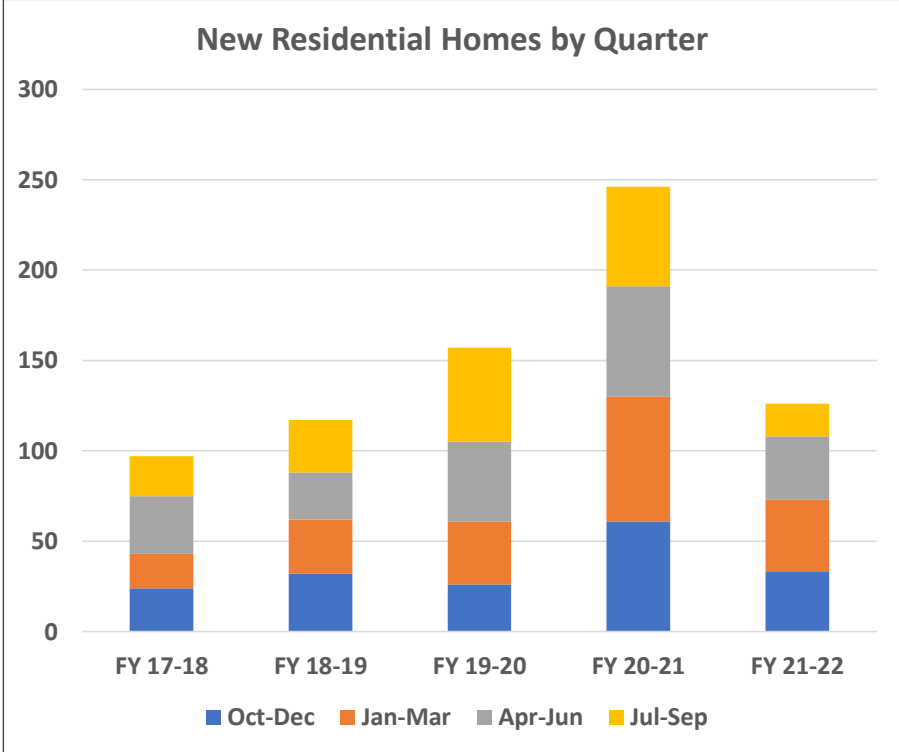
Sales Tax



- Sales taxes are collected two months in arrears.
- Sales taxes collected were 10% higher than last year.
- Projected to be \$10,000 higher than adopted budget.



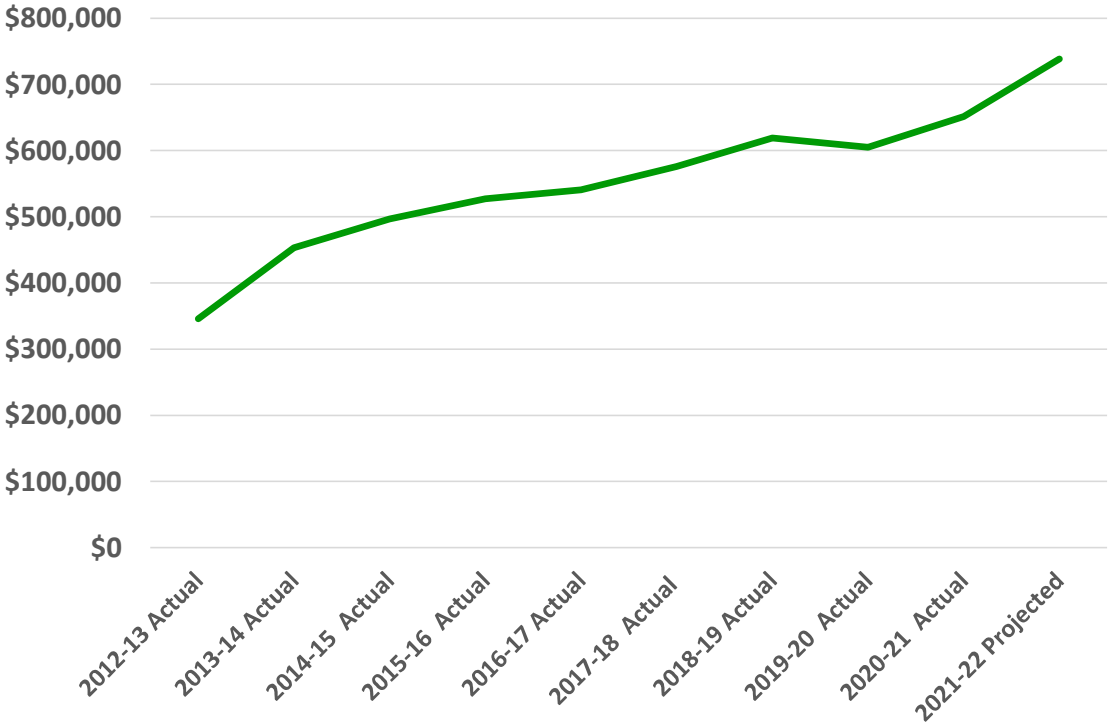
Residential Permits



- 126 New Residential Home permits issued this fiscal year.
- 246 issued last fiscal year.
- Total permit revenue was \$51,000 under budget.



Franchise Fees



- Franchise Fees have doubled over the last 10 years
- CPS Energy is 60% of the franchise fee
 - Volatility influenced by weather and natural gas rates



Personnel Savings

Department	Savings	Notes
Administration	\$75,306	Asst. City Manager vacancy in Q1
Human Resources	\$33,234	Communications Manager vacancy
Finance	\$66,485	Finance Director vacancy in Q1, Q2 & Q3
Municipal Court	\$29,729	Court Administrator vacancy in Q1 & Q2
Public Safety	\$138,762	Routine patrol officer vacancies
Maintenance	\$124,156	Drainage and routine vacancies
Engineering	\$52,193	Environmental Manager vacancy in Q1 & Q2



Fund Balance Summary – General Fund

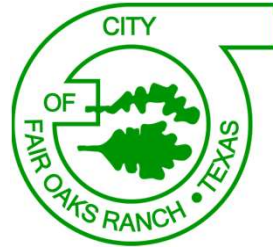
	FY 2021-22 Beginning	FY 2021-22 Close-out	FY 2021-22 Ending
Non-spendable (Prepaid Expenses)	\$96,070	(\$70,742)	\$25,328
Court Technology Restricted	\$17,819	(\$3,946)	\$13,873
Court Security Restricted	\$57,924	\$3,338	\$61,262
Other Restricted	\$33,258	\$7,928	\$41,186
Legal Reserve	\$50,000	\$0	\$50,000
Operating Reserve	\$3,835,321	\$390,000	\$4,225,321*
Unallocated Surplus	\$3,265,168	(\$2,490,774)	\$774,394
Allocated Surplus to FY 2023 Budget	\$0	\$3,569,161	\$3,569,161
Total General Fund Balances	\$7,355,560	\$1,404,965	\$8,760,525

* Operating Reserve represents 6.6 months of operating expenses.



Allocated Surplus to FY 2023 Budget

Funded Item	Budget
Phase 1 Stormwater Projects	\$1,748,031
Post Oak Trail Widening	\$875,000
Roadway CIP	\$341,697
Capital Equipment – Maintenance	\$25,000
Capital Equipment – Public Safety	\$31,950
City Fuel Station	\$25,452
Public Building HVAC Study/Repairs	\$9,351
Civic Center	\$412,815
3 rd Party Scanning and Recodification	\$54,000
Additional Operating Reserve Funding	\$45,865
Total	\$3,569,161



Unallocated Surplus Options

\$774,394 unallocated surplus remaining

Recommendation: transfer to SAP Fund Balance for future projects

Potential projects include:

- Civic Center
- Microsoft Cloud Server Upgrade
- SAP Fund Project Contingency

Strategic Projects Fund Balance



	Fund Balance Actual 9/30/2021	Amended Transfer from Gen Fund	Actual YTD Spend	Project Reallocation	Fund Balance Projected 9/30/2022	Comments
Reliable & Sustainable Infrastructure					-	
City Hall Renovation	419,816	600,352	358,349		661,819	Projected completion in Q1 FY 2023.
Chartwell and Dietz Intersection		473,322	352,393		120,929	Projected completion in Q1 FY 2023.
Rolling Acres Trail Project #5		85,000	14,262		70,738	Project continuing into next FY.
Silver Spur Trail Project #17		95,000	12,841		82,159	Project continuing into next FY.
Fair Oaks Pkwy Project #30		10,000	-		10,000	Project continuing into next FY.
Tivoli Way Project #34		50,000	23,428		26,572	Project continuing into next FY.
Turf Paradise Lane Project #37		40,000	-		40,000	Project continuing into next FY.
Rockinghorse Lane Project #61		75,000	-		75,000	Project continuing into next FY.
Bond Development Program		200,000	52,031		147,969	Project continuing into next FY.
Public Health, Safety & Welfare						
PS Command Structure Review	787	-	895	108	-	Project complete.
Fire Services Program Review	16,794	-	1,128	21,266	36,932	New contract to be awarded in next FY.
EMS Program Review	22,394	-	1,128	(21,266)	-	Contract cancelled.
Operational Excellence						
Employee Handbook	3,034	-	-		3,034	Project in process
Communications & Mktg Strateg	19,610	50,000	26,060		43,550	Project continuing into next FY.
Records Management	7,850	-	3,591		4,259	Project continuing into next FY.
IT Infrastructure Projects	96,422	(40,000)	24,835	(31,587)	-	Projects completed.
City Records Digitization	26,000	-	-	100	26,100	Project continuing into next FY.
Ticketing with GIS Compatibility	12,500	-	10,498	(2,002)	(0)	Project complete and operational.
PIA Request Software	-	30,000	-		30,000	Project continuing into next FY.
City Fleet Fuel Station	-	15,000	-		15,000	Project continuing into next FY.
Capital Outlays						
Personal Property	260,301	(259,777)	524		-	
Unallocated Fund Balance	187,675	(187,675)	-	33,381	33,381	Unallocated.
Total Fund Balance	1,073,183	1,236,222	881,963	-	1,427,442	



Enterprise Fund

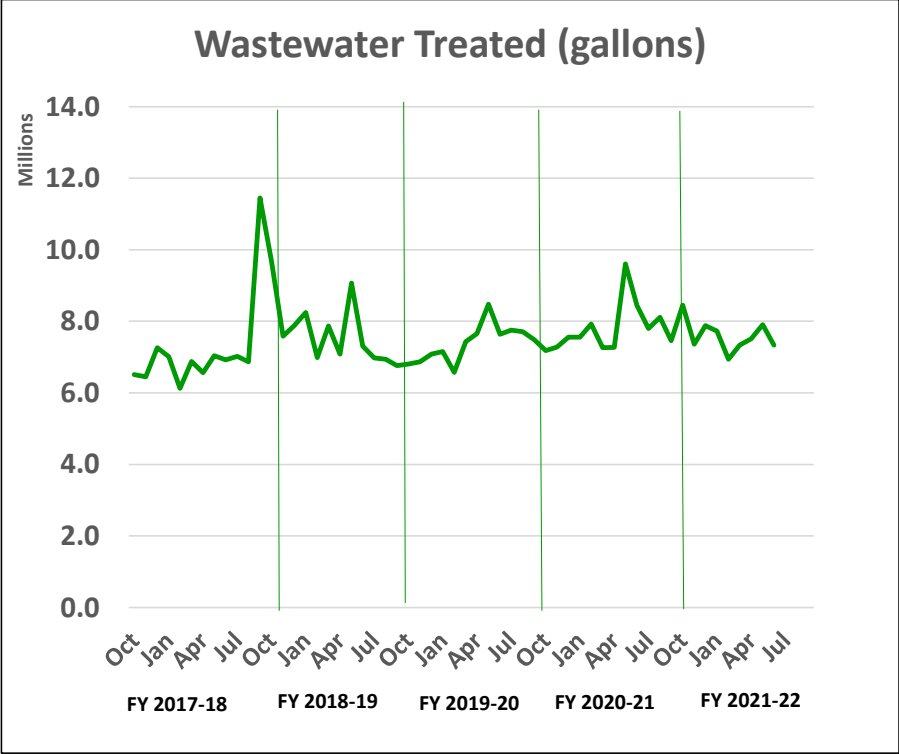
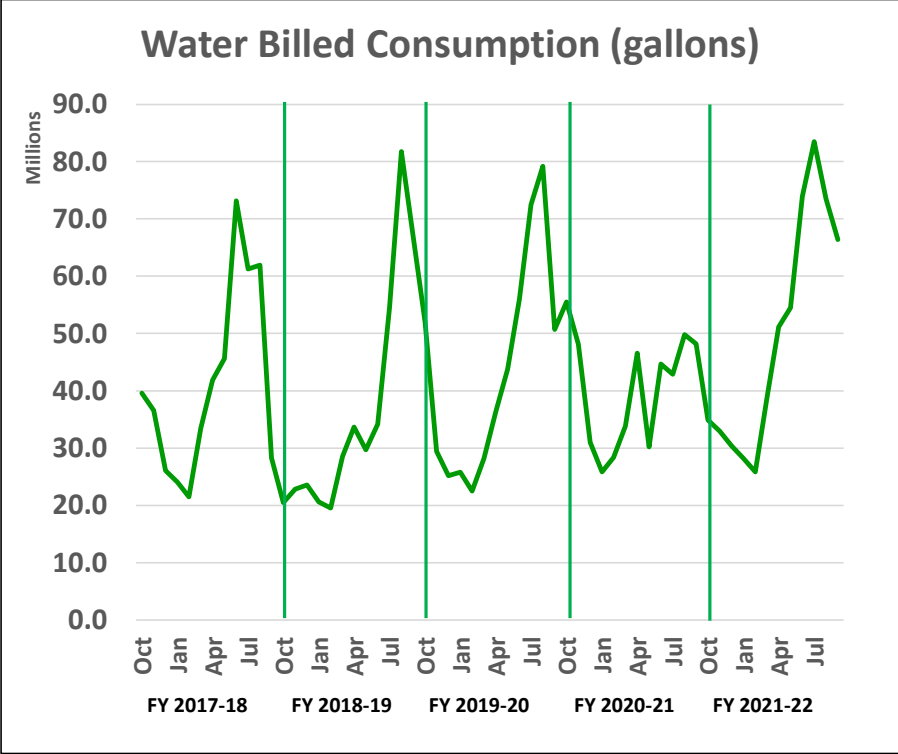


Utility Revenues

Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Projection	% of Budget
Water Revenues	\$4,268,594	\$4,325,991	\$5,181,118	119.8%
Wastewater Revenues	1,415,841	2,290,608	\$2,615,796	114.2%
Totals	\$5,684,435	\$6,616,599	\$7,796,914	117.8%



Utility Consumption Trends



Utility Expenses and Non-Cash Adjustments



Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Projection	% of Budget
Personnel	\$1,389,854	\$1,792,534	\$1,741,236	97.1%
Supplies, Maint., Ops	2,179,467	2,531,775	\$2,708,976	107.0%
Services	377,461	289,991	\$426,150	147.0%
Total Expenses	\$3,946,782	\$4,614,300	\$4,876,362	105.7%
Total Capital and Non-Cash Adjust	\$926,705	\$1,679,463	\$1,073,474	63.9%



Utility Net Position

	09/30/2021 Actual	FY 2021-2022 Close-out	09/30/2022 Projected
Net Investment In Capital Assets	\$8,081,382	\$491,539	\$8,572,921
Contribution-in-Aid (EST)	\$409,689	\$6,374	\$416,063
Water Capital Fund	\$1,033,427	(\$109,761)	\$923,666
Wastewater Capital Fund	\$1,087,394	\$1,169,611	\$2,257,005
Operating Reserve	\$3,598,459	\$322,837	\$3,921,296 *
Debt Service Reserve	\$337,952	\$1,794	\$339,746
Equipment Replacement Fund	\$886,405	(\$35,314)	\$851,091
Total Net Position	\$15,434,708	\$1,847,078	\$17,281,786

* Operating Reserve represents 9.6 months of operating expenses.



Water Capital Fund

WATER FUND 22	Contribution in Aid	2014 Impact Fees	2020 Impact Fees	Capital Revenue	From Operations	TOTAL Cash Balance 9.30.22
Elevated Storage Tank	416,063					416,063
Creek Crossing West Waterline					254,811	254,811
Water Rate Study					4,975	4,975
Willow Wind/Red Bud Hill					70,705	70,705
Old Fredericksburg Rd					41,920	41,920
Rolling Acres Trail					66,794	66,794
Unallocated - Capital				3,775		3,775
Unallocated - Impact Fees-2014						-
Unallocated - Impact Fees-2020			82,159			82,159
Unallocated - from Operations					398,527	398,527
	416,063	-	82,159	3,775	837,732	1,339,729



Wastewater Capital Fund

WASTEWATER FUND 25	Contribution in Aid	2014 Impact Fees	2020 Impact Fees	Capital Revenue	From Operations	TOTAL Cash Balance 9.30.22
Solids Handling					1,095,497	1,095,497
Wastewater Rate Study					4,649	4,649
Future WWTP					65,527	65,527
Unallocated - Capital				225,376		225,376
Unallocated - Impact Fees-2014		118,515				118,515
Unallocated - Impact Fees-2020			649,756			649,756
Unallocated - from Operations					97,685	97,685
	-	118,515	649,756	225,376	1,263,358	2,257,005



FY 2021-2022 Preliminary Year-End Results

Presented by Rosie Vela, Director of Finance
November 17, 2022



Governmental Funds Projected 2021-22

	General Fund	CIP/SAP	Equip Repl	Debt Service	Total Governmental
Beginning Fund Balance 10.01.21	7,355,560	1,073,184	872,769	44,337	9,345,850
Revenues:					
Taxes	7,689,954	-	-	557,497	8,247,451
Franchise Fees	738,731	-	-	-	738,731
Interest	79,926	-	-	409	80,335
Permits	348,333	-	-	-	348,333
Animal Control	930	-	-	-	930
Fines & Forfeitures	174,573	-	-	-	174,573
Fees & Services	317,082	-	-	-	317,082
Miscellaneous Income	1,313,852	-	-	-	1,313,852
Transfers from Other Funds	58,907	1,236,222	275,185	-	1,570,314
Total Revenues	10,722,288	1,236,222	275,185	557,906	12,791,602
Expenditures:					
Personnel	4,710,417	-	-	-	4,710,417
Supplies, Maintenance & Operations	1,217,258	-	-	-	1,217,258
Professional Services	1,339,839	68,135	-	-	1,407,974
Shared Services	388,221	-	-	-	388,221
Capital Outlay	150,182	813,828	-	-	964,009
Debt Service	-	-	-	549,585	549,585
Transfers to Other Funds	1,511,407	-	58,907	-	1,570,314
Total Expenditures	9,317,323	881,963	58,907	549,585	10,807,778
Revenue over/(under) expenditures	1,404,965	354,259	216,278	8,321	1,983,823
Ending Fund Balance 9.30.22	8,760,525	1,427,443	1,089,047	52,658	11,329,673

Fund Balance Rollforward

General Fund	ACTUAL	CLOSE-OUT	PROJECTION
	9/30/2021	9/30/2022	9/30/2022
<u>Non-spendable</u>	96,070	(70,742)	25,328
<u>Restricted</u>			
Court Technology	17,819	(3,946)	13,873
Court Security Building	57,924	3,338	61,262
Court Efficiency	566	105	671
Court Truancy Prevention Fund	4,660	5,356	10,016
Municipal Court Jury Fund	93	107	200
Felony Forfeiture	10,774	777	11,551
LEOSE Funds	12,847	1,582	14,429
PEG Fees	4,319	-	4,319
Total Restricted	109,002	7,319	116,321
<u>Committed</u>	-	-	-
<u>Assigned</u>			
Legal Reserve	50,000	-	50,000
Operating Reserve	3,835,321	390,000	4,225,321
	3,885,321	390,000	4,275,321
<u>Unassigned</u>			
Allocated	1,267,900	2,301,261	3,569,161
Unallocated	1,997,268	(1,222,874)	774,394
	3,265,167.82	1,078,387	4,343,555
General Fund Balances	7,355,560	1,404,965	8,760,525

Other Funds	ACTUAL	CLOSE-OUT	PROJECTION
	9/30/2021	9/30/2022	9/30/2022
<u>Assigned</u>			
Debt Service Fund Balance	44,337	8,321	52,658
SAP and Capital Projects Fund Balance	1,073,183	354,259	1,427,442
Equipment Replacement Fund Balance	872,769	216,278	1,089,047
	1,990,289	578,858	2,569,147

General Fund Year-to-Date Summary September 30, 2022

	Original Budget	Budget Adjustments	Amended Budget	Projection	Percent of Budget	Budget Variance
Revenues:						
Taxes	7,364,494	-	7,364,494	7,689,954	104.4%	325,460
Franchise Fees	618,200	-	618,200	738,731	119.5%	120,531
Interest	8,000	-	8,000	79,926	999.1%	71,926
Permits	400,000	-	400,000	348,333	87.1%	(51,667)
Animal Control	1,250	-	1,250	930	74.4%	(320)
Fines & Forfeitures	129,923	-	129,923	174,573	134.4%	44,650
Fees & Services	278,251	-	278,251	317,082	114.0%	38,831
Miscellaneous Income	13,400	-	13,400	1,313,852	9804.9%	1,300,452
Transfers from Other Funds	250,000	31,060	281,060	58,907	21.0%	(222,153)
Total Revenues	9,063,518	31,060	9,094,578	10,722,288	117.90%	1,627,710
Expenditures:						
Personnel	5,205,922	-	5,205,922	4,710,417	90.48%	(495,505)
Supplies, Maintenance & Operations	1,325,097	(15,287)	1,309,810	1,217,258	92.93%	(92,552)
Professional Services	1,427,218	50,834	1,478,052	1,339,839	90.65%	(138,213)
Shared Services	513,773	(67,100)	446,673	388,221	86.91%	(58,452)
Capital Outlay	389,500	29,058	418,558	150,182	35.88%	(268,376)
Transfers to Other Funds	1,140,185	342,222	1,482,407	1,511,407	101.96%	29,000
Total Expenditures	10,001,695	339,726	10,341,421	9,317,323	90.10%	(1,024,098)
Revenue over/(under) expenditures	(938,177)	(308,666)	(1,246,843)	1,404,965	-112.68%	2,651,808

Revenue Detail
September 30, 2022

Revenue Type	Amended Budget	Projection	Percent of Budget	Budget Variance	Comments
Taxes					
General Property	5,714,476	5,958,773	104.3%	244,297	Increased projection based on new levy after ARB adjustments. Higher collection of delinquent taxes.
Delinquent Property	30,000	82,073	273.6%	52,073	
Penalty & Interest	25,000	42,147	168.6%	17,147	
Mixed Beverage	25,000	26,814	107.3%	1,814	
Local Sales	1,046,679	1,053,431	100.6%	6,752	Accrued estimate for Sept.
Street Maintenance	261,669	263,358	100.6%	1,688	Accrued estimate for Sept.
Property Reduction	261,669	263,358	100.6%	1,688	Accrued estimate for Sept.
Total Taxes	<u>7,364,494</u>	<u>7,689,954</u>	<u>104.4%</u>	<u>325,460</u>	
Franchise Fees					
Time Warner Cable	62,000	60,737	98.0%	(1,263)	Accrued estimate for Q4.
GVTC Cable/Telephone	63,000	67,732	107.5%	4,732	Accrued actual for Q4.
AT&T Cable/Telephone	3,500	2,431	69.5%	(1,069)	Accrued estimate for Q4.
Miscellaneous	1,000	503	50.3%	(497)	Accrued estimate for Q4.
City Public Service	370,000	452,068	122.2%	82,068	Accrued estimate for Q4.
Pedernales Electric Company	70,000	99,280	141.8%	29,280	Accrued actual for Q4.
Grey Forest Utilities	16,500	24,892	150.9%	8,392	Accrued estimate for Q4.
Garbage Regular	30,000	28,322	94.4%	(1,678)	Accrued estimate for Q4.
Garbage Recycling	2,200	2,765	125.7%	565	Accrued estimate for Q4.
Total Franchise Fees	<u>618,200</u>	<u>738,731</u>	<u>119.5%</u>	<u>120,531</u>	
Interest					
Bank/Investment Interest	8,000	79,926	999.1%	71,926	
Total Interest	<u>8,000</u>	<u>79,926</u>	<u>999.1%</u>	<u>71,926</u>	
Permits					
New Residential Permits	310,000	227,063	73.2%	(82,937)	
New Commerical Permits	10,000	-	0.0%	(10,000)	
Remodeling/Additions	15,000	37,336	248.9%	22,336	
Other BC and Permits	51,000	69,950	137.2%	18,950	
Contractor Registration	10,000	9,995	100.0%	(5)	
Food/Health	4,000	3,990	99.8%	(10)	
Total Permits Costs	<u>400,000</u>	<u>348,333</u>	<u>87.1%</u>	<u>(51,667)</u>	
Animal Control					
Pet Licenses	500	720	144.0%	220	
Pet Impound/Quarantine	750	210	28.0%	(540)	
Total Animal Control	<u>1,250</u>	<u>930</u>	<u>74.4%</u>	<u>(320)</u>	

Revenue Type	Amended Budget	Projection	Percent of Budget	Budget Variance	Comments
Fines & Forfeitures					
Municipal Court Fines	120,000	159,245	132.7%	39,245	
Municipal Court Security	3,500	5,346	152.7%	1,846	
Municipal Court Technology	4,300	4,414	102.6%	114	
Municipal Court Efficiency	70	105	150.0%	35	
Court Truancy Prevention Fund	2,000	5,356	267.8%	3,356	
Municipal Court Jury Fund	53	107	202.2%	54	
Total Fines & Forfeitures	129,923	174,573	134.4%	44,650	
Fees & Services					
FORU Management	215,601	257,566	119.5%	41,965	
Special Fees	25,000	19,131	76.5%	(5,869)	
FORMDD Management	30,150	30,150	100.0%	-	
Credit Card Service Fee	7,500	10,236	136.5%	2,736	
Total Fees & Services	278,251	317,082	114.0%	38,831	
Miscellaneous					
Miscellaneous	4,000	15,422	385.5%	11,422	Ricoh credit \$7,200, Workers Comp audit refund \$4,213
City Event Sponsorships	-	185	0.0%	185	State of the City tickets
Sale of Assets	-	673	0.0%	673	Auction of City surplus items.
Donations/Grants	-	1,283,952	0.0%	1,283,952	ARPA \$1.2M, FEMA \$28k, Public Safety grants \$7k.
School Guard Crossing Fund	7,400	11,261	152.2%	3,861	Now receiving Child Safety Reg Fees from Comal County
Lease Proceeds	2,000	1,582	79.1%	(418)	Lease Funds received
Police Seized Proceeds	-	777	0.0%	777	Seized assets
Total Miscellaneous	13,400	1,313,852	9804.9%	1,300,452	
Transfers					
Capital Replacement	281,060	58,907	21.0%	(222,153)	PD vehicles are back-ordered.
Total Transfers	281,060	58,907	21.0%	(222,153)	
Total Revenue	9,094,578	10,722,288	117.9%	1,627,710	

Mayor & Council Expenditures - 610
September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Supplies, Maintenance & Operations					
Supplies and Consumables	-	-	0%	-	
Minor Equipment and Furniture	-	-	0%	-	
Fuel	-	-	0%	-	
Uniforms	350	-	0%	350	Did not purchase uniforms.
Committee - Communications	1,000	199	20%	801	
Committee - Planning & Zoning	1,000	58	6%	942	
Committee - Board of Adj	1,000	203	20%	797	
Committee - Audit	1,000	-	0%	1,000	
Committee - Urban Wildlife	500	-	0%	500	
Donations & Grants	-	-	0%	-	
Total Supplies, Maintenance & Operations Costs	4,850	460	9.5%	4,390	
Services					
Professional Services	8,100	-	0%	8,100	Hog trapping did not occur.
Dues/Subscriptions	2,800	2,944	105%	(144)	Dues increased
Training/Seminars & Related Travel	7,000	-	0%	7,000	
Meetings and Related Travel	11,800	3,415	29%	8,385	
Public Relations	250	449	180%	(199)	Volunteer plaques not budgeted.
Employee Appreciation	-	-	0%	-	
Employment Costs	-	-	0%	-	
Recording/Reporting/History	-	-	0%	-	
Total Services Costs	29,950	6,808	22.7%	23,142	
Total Departmental Budget	34,800	7,268	20.9%	27,532	

Administration - 611
September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	462,925	400,189	86%	62,736	Asst. City Manager vacancy 1st quarter
Overtime	142	47	33%	95	
Taxes - Social Security	28,710	21,509	75%	7,201	
Taxes - Medicare	6,714	5,731	85%	983	
Taxes SUTA/FUTA	765	241	31%	524	
Workers' Compensation Insurance	1,250	703	56%	547	Annual premium paid.
Retirement	54,746	47,595	87%	7,151	
Health Insurance	31,577	35,507	112%	(3,930)	
Car Allowance	7,200	7,200	100%	0	
Total Personnel Costs	594,029	518,723	87.3%	75,306	
Supplies, Maintenance & Operations					
Supplies and Consumables	850	651	77%	199	
Minor Equipment and Furniture	830	497	60%	333	
Fuel	100	25	25%	75	
Uniforms	350	137	39%	214	
Miscellaneous	-	-	0%	-	
Total Supplies, Maintenance & Operations Costs	2,130	1,309	61.5%	821	
Services					
Professional Services	75,040	107,817	144%	(32,777)	Higher legal fees than budgeted.
Dues/Subscriptions	2,929	4,073	139%	(1,144)	ICMA annual membership for ACM
Training/Seminars & Related Travel	20,870	7,914	38%	12,956	APA conf was virtual, other savings
Meetings and Related Travel	6,680	1,093	16%	5,587	
Employee Appreciation	250	54	22%	196	
Total Services Costs	105,769	120,951	114.4%	(15,182)	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	27,360	27,360	100%	-	
Total Capital Outlay Costs	27,360	27,360	100.0%	-	
Total Departmental Budget	729,288	668,343	91.6%	60,945	

City Secretary - 612 September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	127,221	139,469	110%	(12,248)	
Overtime	-	-	0%	-	
Taxes - Social Security	7,888	8,098	103%	(210)	
Taxes - Medicare	1,845	1,894	103%	(49)	
Taxes SUTA/FUTA	450	18	4%	432	
Workers' Compensation Insurance	343	369	108%	(26)	
Retirement	15,041	16,337	109%	(1,296)	
Health Insurance	16,452	19,401	118%	(2,949)	
Total Personnel Costs	169,240	185,587	109.7%	(16,347)	
Supplies, Maintenance & Operations					
Supplies and Consumables	1,000	912	91%	88	
Minor Equipment and Furniture	200	95	48%	105	
Uniforms	100	-	0%	100	Did not purchase uniforms.
Total Supplies, Maintenance & Operations Costs	1,300	1,007	77.5%	293	
Services					
Professional Services	4,789	3,249	68%	1,540	
Dues/Subscriptions	563	671	119%	(108)	NAP membership not budgeted.
Training/Seminars & Related Travel	5,700	3,209	56%	2,491	
Meetings and Related Travel	1,200	178	15%	1,022	
Elections	38,222	-	0%	38,222	No elections required.
Employee Appreciation	100	35	35%	65	
Recording/Reporting/History	6,000	5,571	93%	429	
Total Services Costs	56,574	12,914	22.8%	43,660	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	-	-	0%	-	
Total Capital Outlay Costs	-	-	0.0%	-	
Total Departmental Budget	227,114	199,507	87.8%	27,607	

HR & Communications - 613 September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	121,887	94,621	78%	27,266	Communications Mgr vacancy
Overtime	-	-	0%	-	
Taxes - Social Security	7,557	5,594	74%	1,963	
Taxes - Medicare	1,767	1,308	74%	459	
Taxes SUTA/FUTA	338	14	4%	325	
Workers' Compensation Insurance	329	277	84%	52	
Retirement	14,410	11,029	77%	3,381	
Health Insurance	7,804	8,016	103%	(212)	
Total Personnel Costs	154,092	120,858	78.4%	33,234	
Supplies, Maintenance & Operations					
Supplies and Consumables	3,927	4,123	105%	(196)	
Minor Equipment and Furniture	2,264	5,082	224%	(2,818)	Training savings to cover cost of new FTE equipment.
Uniforms	200	178	89%	22	Increased projection for new FTE uniform expense.
Total Supplies, Maintenance & Operations Costs	6,391	9,384	146.8%	(2,992)	
Services					
Professional Services	2,795	2,795	100%	-	
Dues/Subscriptions	1,616	1,440	89%	176	
Training/Seminars & Related Travel	11,239	2,933	26%	8,306	SGR Leadership training did not occur
Meetings and Related Travel	800	724	90%	76	
Public Relations	38,450	17,912	47%	20,538	Savings due to no fireworks event.
Employee Appreciation	10,015	10,343	103%	(328)	
Employment Costs	3,500	2,467	70%	1,033	
Total Services Costs	68,415	38,614	56.4%	29,801	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	-	-	0%	-	
Total Capital Outlay Costs	-	-	0.0%	-	
Total Departmental Budget	228,898	168,855	73.8%	60,043	

Finance - 614 September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	207,311	150,934	73%	56,377	Finance Director vacancy
Overtime	265	79	30%	186	
Taxes - Social Security	12,870	8,658	67%	4,212	
Taxes - Medicare	3,010	2,025	67%	985	
Taxes SUTA/FUTA	563	20	4%	543	
Workers' Compensation Insurance	560	461	82%	99	
Retirement	24,541	17,894	73%	6,647	
Health Insurance	26,449	29,012	110%	(2,563)	
Total Personnel Costs	275,569	209,084	75.9%	66,485	
Supplies, Maintenance & Operations					
Supplies and Consumables	1,325	1,044	79%	281	
Minor Equipment and Furniture	500	106	21%	394	
Uniforms	250	86	34%	165	
Total Supplies, Maintenance & Operations Costs	2,075	1,235	59.5%	840	
Services					
Professional Services	97,179	85,399	88%	11,780	No internal control audit
Dues/Subscriptions	1,160	1,525	131%	(365)	PAFR submission costs not budgeted.
Training/Seminars & Related Travel	4,800	1,795	37%	3,005	Only 1 attendee at GFOA conf.
Meetings and Related Travel	400	-	0%	400	No meeting costs
Employee Appreciation	250	156	63%	94	
Total Services Costs	103,789	88,875	85.6%	14,914	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	-	-	0%	-	
Total Capital Outlay Costs	-	-	0.0%	-	
Total Departmental Budget	381,433	299,194	78.4%	82,239	

Information Technology - 615
September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	81,015	80,330	99%	685	
Overtime	-	-	0%	-	
Taxes - Social Security	5,023	4,613	92%	410	
Taxes - Medicare	1,175	1,079	92%	96	
Taxes SUTA/FUTA	225	9	4%	216	
Workers' Compensation Insurance	219	184	84%	35	
Retirement	9,578	9,414	98%	164	
Health Insurance	9,795	12,312	126%	(2,517)	
Total Personnel Costs	107,030	107,942	100.9%	(912)	
Supplies, Maintenance & Operations					
Supplies and Consumables	200	195	98%	5	
Minor Equipment and Furniture	750	244	33%	506	
Uniforms	100	79	79%	21	
Total Supplies, Maintenance & Operations Costs	1,050	518	49.4%	532	
Services					
Professional Services	3,000	2,732	91%	268	
Dues/Subscriptions	175	88	50%	88	
Training/Seminars & Related Travel	4,650	1,367	29%	3,283	Did not attend TAGIT fall conference
Meetings and Related Travel	100	-	0%	100	No meeting costs
Employee Appreciation	100	109	109%	(9)	
Total Services Costs	8,025	4,295	53.5%	3,730	
Shared Services					
Facility Contracts & Services	29,586	25,184	85%	4,402	Savings for copier lease changes.
Tech/Internet/Software Maintenance	210,950	174,317	83%	36,633	Savings for Brightly ticketing system.
Phone/Cable/Alarms	29,725	33,947	114%	(4,222)	Increase in cell phone costs
Total Shared Services Costs	270,261	233,448	86.4%	36,813	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	47,500	41,066	86%	6,434	Project completed for the fiscal year
Total Capital Outlay Costs	47,500	41,066	86.5%	6,434	
Total Departmental Budget	433,866	387,269	89.3%	46,597	

Municipal Court - 620
September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	117,045	86,985	74%	30,060	Court Administrator vacancy.
Overtime	510	2,177	427%	(1,667)	Offset with savings in salaries due to Court Administrator vacancy.
Taxes - Social Security	7,288	5,170	71%	2,118	
Taxes - Medicare	1,705	1,209	71%	496	
Taxes SUTA/FUTA	450	18	4%	432	
Workers' Compensation Insurance	316	369	117%	(53)	Annual premium higher than budgeted.
Retirement	13,898	10,487	75%	3,411	
Health Insurance	13,924	18,991	136%	(5,067)	
Total Personnel Costs	155,136	125,407	80.8%	29,729	
Supplies, Maintenance & Operations					
Supplies and Consumables	1,700	1,493	88%	208	
Minor Equipment and Furniture	200	291	146%	(91)	
Uniforms	100	217	217%	(117)	Uniforms for Judge not budgeted.
Court Technology	-	8,360	0%	(8,360)	Share of live streaming equipment used for Court.
Court Security Building	4,700	2,008	43%	2,692	Savings for panic buttons not installed
Total Supplies, Maintenance & Operations Costs	6,700	12,369	184.6%	(5,669)	
Services					
Professional Services	82,230	78,478	95%	3,752	Savings in prosecutor fees.
Dues/Subscriptions	800	70	9%	730	
Training/Seminars & Related Travel	3,050	2,550	84%	500	
Meetings and Related Travel	500	46	9%	454	
Employee Appreciation	100	-	0%	100	
Total Services Costs	86,680	81,144	93.6%	5,536	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	-	-	0%	-	
Total Capital Outlay Costs	-	-	0.0%	-	
Total Departmental Budget	248,516	218,920	88.1%	29,596	

Public Safety/Emergency - 630 September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	1,829,045	1,665,671	91%	163,374	Routine staff vacancies.
Overtime	27,181	74,082	273%	(46,901)	Overtime needs due to staffing shortages; offset with salary savings.
Taxes - Social Security	115,086	105,650	92%	9,436	
Taxes - Medicare	26,915	24,708	92%	2,207	
Taxes SUTA/FUTA	6,300	604	10%	5,696	
Workers' Compensation Insurance	44,594	54,276	122%	(9,682)	Annual premium higher than budgeted.
Retirement	219,452	206,310	94%	13,142	
Health Insurance	243,713	247,223	101%	(3,510)	
Uniform Allowance	26,000	21,000	81%	5,000	
Total Personnel Costs	2,538,286	2,399,524	94.5%	138,762	
Supplies, Maintenance & Operations					
Supplies and Consumables	5,000	3,657	73%	1,343	
Minor Equipment and Furniture	29,111	28,511	98%	600	
Fuel	30,000	46,970	157%	(16,970)	Increase in fuel costs.
Uniforms	13,870	13,350	96%	520	
Vehicle Maintenance/Repairs	27,510	25,475	93%	2,035	
Total Supplies, Maintenance & Operations Costs	105,491	117,963	111.8%	(12,472)	
Services					
Professional Services	675,321	674,484	100%	837	
Dues/Subscriptions	3,950	3,076	78%	874	Leads Online and Best Practices annual fees paid.
Training/Seminars & Related Travel	22,000	21,399	97%	601	
Meetings and Related Travel	500	-	0%	500	
Investigations	15,599	11,519	74%	4,080	
Lease Training	2,500	-	0%	2,500	
Public Relations	6,534	6,567	101%	(33)	
Employee Appreciation	1,400	1,149	82%	251	
Total Services Costs	727,804	718,194	98.7%	9,610	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	178,698	-	0%	178,698	Vehicles are backordered, encumbered funds.
Total Capital Outlay Costs	178,698	-	0.0%	178,698	
Total Departmental Budget	3,550,279	3,235,681	91.1%	314,598	

Maintenance - 640
September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	398,731	303,898	76%	94,833	Savings due to staff vacancies.
Overtime	1,692	13,197	780%	(11,505)	Overtime needs due to staffing shortages; offset with salary savings.
Taxes - Social Security	24,826	18,623	75%	6,203	
Taxes - Medicare	5,806	4,355	75%	1,451	
Taxes SUTA/FUTA	2,138	402	19%	1,736	
Workers' Compensation Insurance	18,280	14,295	78%	3,985	Annual premium paid.
Retirement	47,340	37,039	78%	10,301	
Health Insurance	87,546	70,394	80%	17,153	
Total Personnel Costs	586,359	462,203	78.8%	124,156	
Supplies, Maintenance & Operations					
Supplies and Consumables	5,100	6,933	136%	(1,833)	
Minor Equipment and Furniture	13,000	12,499	96%	501	
Fuel	10,200	14,931	146%	(4,731)	Increased fuel costs
Uniforms	8,091	5,028	62%	3,063	
Miscellaneous	200	-	0%	200	
Vehicle Maintenance/Repairs	11,700	13,927	119%	(2,227)	
Equipment Maintenance/Repairs	12,300	13,968	114%	(1,668)	Extensive generator and Crafcoc repairs
Building Maintenance/Repairs	15,300	26,973	176%	(11,673)	\$14k in A/C repairs for City Hall and PS Building
Landscaping & Greenspace Maintenance	5,000	6,373	127%	(1,373)	Peace Tree maintenance not budgeted.
Street Maintenance	33,000	19,530	59%	13,470	
Drainage Work	51,000	1,076	2%	49,924	
Total Supplies, Maintenance & Operations Costs	164,891	121,238	73.5%	43,653	
Services					
Professional Services	200	4,963	2481%	(4,763)	PS Building A/C assessment not budgeted.
Dues/Subscriptions	432	100	23%	332	
Training/Seminars & Related Travel	7,340	5,489	75%	1,851	
Meetings and Related Travel	100	-	0%	100	
Employee Appreciation	500	521	104%	(21)	
Total Services Costs	8,572	11,072	129.2%	(2,500)	

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	165,000	81,756	50%	83,244	Some budgeted capital purchases are postponed and backordered.
Total Capital Outlay Costs	<u>165,000</u>	<u>81,756</u>	<u>49.5%</u>	<u>83,244</u>	

Total Departmental Budget	924,822	676,270	73.1%	248,552	
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Note A:	Amended Budget	Projected	Surplus / (Deficit)	Notes
Ford 250 truck replacement	45,000	-	45,000	
2022 Ford Explorer Replacement	28,000	27,847	153	Vehicle purchased.
Road Striping Machine	18,000	13,350	4,650	Came in under budget.
Shop Heaters	15,000	13,240	1,760	Came in under budget.
Electric Message Board	14,000	17,824	(3,824)	Used savings from striping machine.
Crafco Hotplate	10,000	-	10,000	Not purchasing.
Wrap for PD Truck	5,000	-	5,000	PD vehicle not received yet
<u>HVAC Units (2 for City Hall)</u>	<u>30,000</u>	<u>9,495</u>	<u>20,505</u>	CH HVAC to be purchased during Phase 3 of renovation.
Total Budgeted Purchases	<u>165,000</u>	<u>81,756</u>	<u>83,244</u>	
	-	-	-	

Building Codes & Permits - 641 September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	187,933	192,229	102%	(4,296)	
Overtime	201	-	0%	201	
Taxes - Social Security	11,664	11,673	100%	(9)	
Taxes - Medicare	2,728	2,730	100%	(2)	
Taxes SUTA/FUTA	675	27	4%	648	
Workers' Compensation Insurance	1,007	941	93%	66	Annual premium paid.
Retirement	22,242	22,617	102%	(375)	
Health Insurance	24,413	27,749	114%	(3,336)	
Total Personnel Costs	<u>250,863</u>	<u>257,965</u>	<u>102.8%</u>	<u>(7,102)</u>	
Supplies, Maintenance & Operations					
Supplies and Consumables	800	528	66%	272	
Minor Equipment and Furniture	2,050	1,974	96%	76	
Fuel	2,100	2,368	113%	(268)	
Uniforms	380	150	39%	230	
Total Supplies, Maintenance & Operations Costs	<u>5,330</u>	<u>5,020</u>	<u>94.2%</u>	<u>310</u>	
Services					
Professional Services	22,080	16,651	75%	5,429	On-call inspector not used as much as budgeted.
Dues/Subscriptions	300	165	55%	135	
Training/Seminars & Related Travel	1,895	1,098	58%	797	
Meetings and Related Travel	100	-	0%	100	
Employee Appreciation	150	133	89%	17	
Total Services Costs	<u>24,525</u>	<u>18,047</u>	<u>73.6%</u>	<u>6,478</u>	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	-	-	0%	-	
Total Capital Outlay Costs	<u>-</u>	<u>-</u>	<u>0.0%</u>	<u>-</u>	
Total Departmental Budget	280,718	281,031	100.1%	(313)	

Engineering & Planning - 642

September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Personnel					
Salaries	280,192	244,441	87%	35,751	Savings due to staff vacancies.
Overtime	1,374	68	5%	1,306	
Taxes - Social Security	17,457	14,644	84%	2,813	
Taxes - Medicare	4,083	3,425	84%	658	
Taxes SUTA/FUTA	833	38	5%	795	
Workers' Compensation Insurance	4,061	2,937	72%	1,124	Annual premium paid.
Retirement	33,288	28,582	86%	4,706	
Health Insurance	34,030	28,989	85%	5,041	
Total Personnel Costs	375,318	323,125	86.1%	52,193	
Supplies, Maintenance & Operations					
Supplies and Consumables	2,300	4,348	189%	(2,048)	Oak wilt postcards higher than budgeted.
Minor Equipment and Furniture	900	441	49%	459	
Fuel	1,301	3,666	282%	(2,365)	Fuel costs increase and more time in the field
Uniforms	1,500	931	62%	569	
Street Maintenance	1,000,000	932,348	93%	67,652	Pending work from Flasher; final invoice encumbered.
Total Supplies, Maintenance & Operations Costs	1,006,001	941,734	93.6%	64,267	
Services					
Professional Services	250,000	237,292	95%	12,708	
Dues/Subscriptions	555	683	123%	(128)	WEF Dues not budgeted
Training/Seminars & Related Travel	6,644	485	7%	6,159	Some conferences not attended.
Meetings and Related Travel	400	165	41%	235	
Employee Appreciation	350	301	86%	49	
Total Services Costs	257,949	238,926	92.6%	19,023	
Capital Outlay					
Furniture, Fixtures, Equipment & Vehicles	-	-	0%	-	
Total Capital Outlay Costs	-	-	0.0%	-	
Total Departmental Budget	1,639,268	1,503,785	91.7%	135,483	

Non-Departmental - 690
September 30, 2022

Expenditure Type	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Supplies, Maintenance & Operations					
Supplies and Consumables	3,600	4,490	125%	(890)	
Miscellaneous	-	531	0%	(531)	Employee supplies during winter storm closure.
Total Supplies, Maintenance & Operations Costs	<u>3,600</u>	<u>5,021</u>	<u>139.5%</u>	<u>(1,421)</u>	
Shared Services					
Facility Contracts & Services	84,369	54,902	65%	29,467	Savings transferred to SAP Fund for CH Renovation.
Tech/Internet/Software Maintenance	-	-	0%	-	
Postage	5,625	3,176	56%	2,449	Updated projection based on actuals to date.
General Liability Insurance	51,418	51,940	101%	(522)	Annual premium paid.
Electricity	35,000	44,754	128%	(9,754)	Increased cost of electricity.
Phone/Cable/Alarms	-	-	0%	-	
Total Shared Services Costs	<u>176,412</u>	<u>154,772</u>	<u>87.7%</u>	<u>21,640</u>	
Transfers & Non-Cash Adjustments					
Transfer to Cap Improv Fund 02	1,207,222	1,236,222	102%	(29,000)	Transferred Facility Contracts savings to SAP Fund for CH Reno.
Transfer to GF Veh/Equip F 31	275,185	275,185	100%	-	Annual transfers posted.
Total Transfers & Non-Cash Adjustments Costs	<u>1,482,407</u>	<u>1,511,407</u>	<u>102.0%</u>	<u>(29,000)</u>	
Total Departmental Budget	1,662,419	1,671,201	100.5%	(8,782)	

General Fund Strategic and Capital Projects

September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Revenues:					
Transfer from General Fund	1,207,222	1,236,222	102%	(29,000)	
Total Revenue	1,207,222	1,236,222	102.4%	(29,000)	
Reliable & Sustainable Infrastructure					
City Campus Renovation	991,168	358,349	36%	632,819	Projection includes only this FY costs. Project continuing into next FY.
Chartwell and Dietz Intersection	473,322	352,393	74%	120,929	
Rolling Acres Trail Project #5	85,000	14,262	17%	70,738	Project continuing into next FY.
Silver Spur Trail Project #17	95,000	12,841	14%	82,159	Project continuing into next FY.
Fair Oaks Pkwy Project #30	10,000	-	0%	10,000	Project continuing into next FY.
Tivoli Way Project #34	50,000	23,428	47%	26,572	Project continuing into next FY.
Turf Paradise Lane Project #37	40,000	-	0%	40,000	Project continuing into next FY.
Rockinghorse Lane Project #61	75,000	-	0%	75,000	Project continuing into next FY.
Bond Development Program	200,000	52,031	26%	147,969	Roadway and Drainage CIP development.
Total Reliable & Sustainable Infrastructure	2,019,490	813,304		1,206,186	
Public Health, Safety and Welfare					
PS Command Structure Review	787	895	114%	(108)	Project completed.
Fire Services Program Review	16,794	1,128	7%	15,666	Contract terminated.
EMS Program Review	22,394	1,128	5%	21,266	Contract terminated.
Total Public Health, Safety and Welfare	39,975	3,151		36,824	
Operational Excellence					
Employee Handbook	3,034	-	0%	3,034	Project continuing into next FY.
Communications & Mktg Strategy	69,610	26,060	37%	43,550	Project continuing into next FY.
Records Management	7,850	3,591	46%	4,259	Project continuing into next FY.
IT Infrastructure Projects	56,422	24,835	44%	31,587	
City Records Digitization	26,000	-	0%	26,000	
Ticketing with GIS Compatibility	12,500	10,498	84%	2,002	Project complete.
PIA Request Software	30,000	-	0%	30,000	
City Fleet Fuel Station	15,000	-	0%	15,000	
Total Operational Excellence	220,416	64,984		155,432	
Capital Outlays					
Personal Property	524	524	100%	-	
Total Capital Outlays	524	524		-	
Total Expenditures	2,280,405	881,963	38.7%	1,398,442	
Revenue Over / (Under) Expenditures	(1,073,183)	354,259	-33.0%	(1,427,442)	

SAP Fund Balance Rollforward
and Project Allocations

	Fund Balance Actual 9/30/2021	Amended Transfer from Gen Fund	Projected Spend	Project Reallocation	Fund Balance Projected 9/30/2022	Comments
Reliable & Sustainable Infrastructure					-	
City Hall Renovation	419,816	600,352	358,349		661,819	Projected completion in Q1 FY 2023.
Chartwell and Dietz Intersection		473,322	352,393		120,929	Projected completion in Q1 FY 2023.
Rolling Acres Trail Project #5		85,000	14,262		70,738	Project continuing into next FY.
Silver Spur Trail Project #17		95,000	12,841		82,159	Project continuing into next FY.
Fair Oaks Pkwy Project #30		10,000	-		10,000	Project continuing into next FY.
Tivoli Way Project #34		50,000	23,428		26,572	Project continuing into next FY.
Turf Paradise Lane Project #37		40,000	-		40,000	Project continuing into next FY.
Rockinghorse Lane Project #61		75,000	-		75,000	Project continuing into next FY.
Bond Development Program		200,000	52,031		147,969	Project continuing into next FY.
Public Health, Safety & Welfare						
PS Command Structure Review	787	-	895	108	-	Project complete.
Fire Services Program Review	16,794	-	1,128	21,266	36,932	New contract to be awarded in next FY.
EMS Program Review	22,394	-	1,128	(21,266)	-	Contract cancelled.
Operational Excellence						
Employee Handbook	3,034	-	-		3,034	Project in process
Communications & Mktg Strategy	19,610	50,000	26,060		43,550	Project continuing into next FY.
Records Management	7,850	-	3,591		4,259	Project continuing into next FY.
IT Infrastructure Projects	96,422	(40,000)	24,835	(31,587)	-	Projects completed.
City Records Digitization	26,000	-	-	100	26,100	Project continuing into next FY.
Ticketing with GIS Compatibility	12,500	-	10,498	(2,002)	(0)	Project complete and operational.
PIA Request Software	-	30,000	-		30,000	Project continuing into next FY.
City Fleet Fuel Station	-	15,000	-		15,000	Project continuing into next FY.
Capital Outlays						
Personal Property	260,301	(259,777)	524		-	
Unallocated Fund Balance	187,675	(187,675)	-	33,381	33,381	Unallocated.
Total Fund Balance	1,073,183	1,236,222	881,963	-	1,427,442	

Street Bond Debt Service Fund
September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Beginning Fund Balance	44,337	44,337			
<u>Revenues:</u>					
General Property-I & S	542,671	545,404	101%	(2,733)	
Delinquent Property	3,000	8,161	272%	(5,161)	
Penalty & Interest	1,500	3,932	262%	(2,432)	
Interest Income on Investments	1,000	409	41%	591	
Total Revenue	548,171	557,906	101.8%	(9,735)	
<u>Expenditures:</u>					
Bond Principal	450,000	450,000	100%	-	
Bond Interest Payable	99,185	99,185	100%	-	
Bond Agent Fees	400	400	100%	-	
Total Expenditures	549,585	549,585	100.0%	-	
Revenue Over / (Under) Expenditures	(1,414)	8,321			
Ending Fund Balance	42,923	52,658			

Equipment and Vehicle Replacement September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Revenues:					
Transfer from General Fund	275,185	275,185	100%	-	
Transfer from other General Fund Departments	-	-	0%	-	
Total Revenue	275,185	275,185	100%	-	
Transfers					
Transfer to General Fund for Purchases	281,060	58,907	21%	222,153	See Note A.
Total Transfers Costs	281,060	58,907	21%	222,153	
Total Expenditures	281,060	58,907	21%	222,153	
Revenue Over / (Under) Expenditures	(5,875)	216,278			

Note A:

<u>Budgeted Item</u>	<u>Amended Budget</u>	<u>Projected</u>	<u>Surplus/ (Deficit)</u>	<u>Comments</u>
2022 Command Vehicle	65,000	-	65,000	Vehicles back-ordered.
2022 Patrol Vehicle	34,000	-	34,000	Vehicles back-ordered.
Patrol Vehicle Outfitting	22,000	-	22,000	Vehicles back-ordered.
2022 Patrol Vehicle	34,000	-	34,000	Vehicles back-ordered.
Patrol Vehicle Outfitting	22,000	-	22,000	Vehicles back-ordered.
Ford 250 truck replacement	45,000	-	45,000	Vehicles back-ordered.
2021 Ford Explorer Replacement	28,000	27,847	153	Vehicle received.
2021 Ford Explorer, PY encumbrance	27,360	27,360	-	Vehicle received.
<u>Decommission patrol vehicle, PY encumbrance</u>	<u>3,700</u>	<u>3,700</u>	-	Vehicle received.
<u>Total Budgeted</u>	<u>281,060</u>	<u>58,907</u>	<u>222,153</u>	
	-	-	-	

Utility Fund Projection Summary September 30, 2022

	Enterprise Fund Total Budget	Water Projection	Wastewater Projection	Water CIP Projection	Wastewater CIP Projection	Equipment Repl Projection	Total Enterprise Fund Projected	Projection Vs. Budget
Utility Revenues	6,616,599	5,181,118	2,615,796	-	-	-	7,796,914	1,180,315
Utility Operating Expenses								
Personnel	1,792,534	891,323	849,914	-	-	-	1,741,236	(51,298)
Supplies, Maintenance & Operations	2,531,775	2,002,730	706,247	-	-	-	2,708,976	177,201
Services	289,991	361,114	65,036	-	-	-	426,150	136,159
Total Utility Operating Expenses	4,614,300	3,255,166	1,621,196	-	-	-	4,876,362	262,062
Operating Income/(Loss)	2,002,299	1,925,952	994,600	-	-	-	2,920,552	918,253
Capital Outlay	3,356,525	62,998	45,013	653,072	341,426	-	1,102,508	(2,254,017)
Depreciation	873,801	498,557	261,466	-	-	-	760,023	(113,778)
Asset Transfer for GAAP	(2,573,815)	(641,967)	(169,520)	-	-	-	(811,487)	1,762,328
Bond Interest Expense	22,952	18,842	3,589	-	-	-	22,431	(522)
Transfers Out	2,180,417	605,716	1,538,742	-	-	119,053	2,263,511	83,094
Transfers (In)	(2,180,417)	(62,998)	(56,055)	(549,684)	(1,511,035)	(83,739)	(2,263,511)	(83,094)
Net Income / (Loss)	322,836	1,444,805	(628,635)	(103,388)	1,169,610	(35,314)	1,847,078	1,524,242

Net Position

	9/30/2021	Projected close-out	Reclasses	9/30/2022
Net investment in Capital Assets	8,081,382	491,539		8,572,921
Unrestricted Net Position				
Contribution in Aid - EST	409,689	6,374		416,063
Water Capital	1,033,427	(109,762)		923,665
Wastewater Capital	1,087,394	1,169,610		2,257,004
Operating Expense Reserve	3,598,459	324,630	(1,794)	3,921,296
Debt Service Reserve	337,952		1,794	339,746
Equipment Replacement Fund	886,405	(35,314)		851,091
Unassigned	-	-		-
Total Unrestricted	7,353,326	1,355,538	-	8,708,864
Total Net Position	15,434,708	1,847,078	-	17,281,786

Water Utility Fund Summary September 30, 2022

Item #14.

	Amended Budget	Projection	Percent of Budget	Budget Balance	Notes
Water Revenues	4,325,991	5,181,118	119.8%	855,127	
Water Operating Expenses					
Personnel	926,730	891,323	96.2%	35,407	
Supplies, Maintenance & Operations	1,826,497	2,002,730	109.6%	(176,233)	Increase due to increased GBRA water commitment and cost of electricity.
Services	178,048	361,114	202.8%	(183,066)	Increase due to water rights legal.
Total Water Operating Expenses	2,931,275	3,255,166	111.0%	(323,891)	
Operating Income	1,394,716	1,925,952	138.1%	531,236	
Capital Outlay	1,717,470	716,070	41.7%	1,001,400	See Schedule Below
Depreciation	647,324	498,557	77.0%	148,767	
Asset Transfer for GAAP	(1,678,815)	(641,967)	38.2%	(1,036,848)	
Debt Service Expense	19,280	18,842	97.7%	438	
Transfers Out	56,032	56,032	100.0%	-	
Transfers (In)	(152,820)	(62,998)	41.2%	(89,822)	Some capital equipment is backordered.
Net Income/(Loss)	786,245	1,341,417	170.6%	555,172	

	Amended Budget	Projected	Budget Balance	Notes
Water CIP				
Elevated Storage Tank	181,623	5,310	176,313	Project will continue into next FY.
Creek Crossings West Waterline	220,433	18,281	202,152	Project will continue into next FY.
Plant 2 HydroTank and Variable Drives	890,725	547,297	343,427	Project in process and under budget.
SCADA System Upgrades	43,215	43,215	-	Project complete.
Willow Wind/Red Bud Hill	70,705	-	70,705	Project will continue into next FY.
Old Frederickburg Rd	50,000	8,080	41,920	Project will continue into next FY.
Rolling Acres Trail	66,794	-	66,794	Project will continue into next FY.
GIS Compatible Work Order System	6,250	631	5,619	Project complete.
Water Rate Study	24,579	19,930	4,649	Project in process.
Water System EPA Risk Assessment	10,326	10,326	-	Project complete.
	1,564,650	653,072	911,578	
Water Operations				
Ford Dump Truck	85,000	-	85,000	Truck has been ordered, may not be delivered until next FY.
Trimble GIS	7,820	11,340	7,820	
Ford F350 Truck	60,000	51,658	(2,998)	
	152,820	62,998	89,822	
Total Capital Outlay	1,717,470	716,070	1,001,400	

Water Utility Fund Revenue
September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Water Revenues					
Water Revenue Residential	2,981,775	3,774,441	126.58%	792,666	Multiple months with drought surcharge in effect.
Water Debt Service	298,374	283,245	94.93%	(15,129)	
Water Capital	252,403	256,178	101.50%	3,775	
Water Revenue Commercial	163,841	159,633	97.43%	(4,208)	
Water Contract Commercial	158,268	172,604	109.06%	14,336	Contract price increased in Q2.
Water Revenue Non Potable	18,430	78,477	425.81%	60,047	June-Aug sales to FORCC during drought.
Water Service Connect Fees	47,960	39,770	82.92%	(8,190)	
Water Penalties	28,440	46,768	164.44%	18,328	
Water Impact Fees	350,000	293,506	83.86%	(56,494)	
Water Interest Income	10,000	29,150	291.50%	19,150	
Water-Bad Debts	(3,000)	(27)	0.89%	2,973	
Misc./Special Requests	2,500	103	4.10%	(2,398)	
Third Party Reimbursement	1,000	13,353	1335.29%	12,353	Billings for damages.
Permits/Variations	1,000	1,175	117.50%	175	
Credit Card Service Fee	15,000	32,743	218.29%	17,743	Increase in customer payments by credit card.
Total Water Revenues	4,325,991	5,181,118	119.77%	855,127	

Water Utility Fund Operating Expense
September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Operating Expenses					
Service Salaries	256,082	261,096	101.96%	(5,014)	
Service Overtime	3,028	8,102	267.56%	(5,074)	Major water leaks
Service Taxes - FICA	16,065	15,744	98.00%	321	
Service Taxes - MEDICARE	3,757	3,682	98.01%	75	
Service Workers' Comp	8,144	7,505	92.15%	639	Annual premium paid.
Service Taxes - SUTA/FUTA	1,181	140	11.87%	1,041	
Service Retirement	30,633	31,443	102.65%	(810)	
Service Insurance	45,803	48,734	106.40%	(2,931)	
Administration Salaries	425,274	389,286	91.54%	35,988	Savings due to vacancies (Env. Eng., Communications)
Administration Overtime	425	181	42.47%	245	
Administration Taxes - FICA	26,393	21,781	82.53%	4,612	
Administration Taxes - MEDICARE	6,173	5,132	83.13%	1,041	
Administration Workers' Comp	2,637	1,847	70.04%	790	
Administration Taxes - SUTA/FUTA	1,204	81	6.71%	1,123	
Administration Retirement	50,328	43,758	86.95%	6,570	
Administration Insurance	49,603	52,810	106.47%	(3,207)	
Uniforms	5,505	5,145	93.46%	360	
Power	135,000	191,985	142.21%	(56,985)	Increased cost of electricity.
Maintenance of Plants/Lines	100,000	112,433	112.43%	(12,433)	Multiple well repairs.
Analysis Fees	7,400	11,132	150.44%	(3,732)	
Chemicals	5,090	5,375	105.60%	(285)	
City Management Fee	166,116	209,258	125.97%	(43,142)	Due to increased revenues.
Equipment Maintenance	12,910	19,938	154.44%	(7,028)	Extensive repairs to generator and hydro pump
Equipment Gas & Oil	11,010	13,843	125.73%	(2,833)	Increased cost of fuel.
GBRA Water Fees	1,137,427	1,205,020	105.94%	(67,593)	Increased due to increase in water commitment.
Equipment Lease	690	1,337	193.79%	(647)	Man Lift Rental
Tools & Minor Equipment	13,000	5,495	42.27%	7,505	
Training	17,380	9,415	54.17%	7,965	Savings for TNRIS, Water conf, TAGIT, and SGR leadership training.
Utilities & Radio	24,335	23,118	95.00%	1,217	
Signal & Telemetry	-	162	0.00%	(162)	Auto dialers are in the process of being cancelled.
Water Building Maintenance	11,500	4,881	42.44%	6,619	Decreased projection for 1x building repairs
Supplies & Consumables	1,400	2,236	159.70%	(836)	
Vehicle Maintenance/Repair	6,500	3,858	59.36%	2,642	
Water Inventory Adjustment	-	2,755	0.00%	(2,755)	
Utilities & Telephone	6,277	9,234	147.11%	(2,957)	Cell phone increase

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Dues & Publications	1,419	669	47.13%	750	
Water Professional Services	168,828	354,625	210.05%	(185,797)	Water rights legal fees and settlements.
Permit & Licenses	8,033	8,441	105.08%	(408)	
General Liability Insurance	25,709	25,495	99.17%	214	Annual premium paid.
Office Supplies	1,769	709	40.05%	1,060	
Travel & Meetings	4,000	750	18.75%	3,250	Savings due to no SAP workshop
Software & Computer	95,306	84,720	88.89%	10,586	Savings for MobileIron, AquaMetric server warranties, SOPHOS
Recording/Reporting	500	627	125.45%	(127)	
Postage	938	595	63.42%	343	
Building/Equip Maintenance	150	88	58.84%	62	Historically no spend; expenses are captured in other accounts.
Conservation Ed & Newsletter	250	-	0.00%	250	Historically no spend; expenses are captured in other accounts.
Billing Statement Charges	3,360	3,567	106.16%	(207)	
Billing Postage	8,100	8,890	109.75%	(790)	
Copier Lease	1,623	1,745	107.53%	(122)	
Public Relations	4,000	2,937	73.43%	1,063	State of the City costs less than budgeted.
Employment Costs	1,750	324	18.52%	1,426	
Employee Appreciation	3,470	3,228	93.02%	242	
Water Miscellaneous	-	226	0.00%	(226)	Employee supplies during winter storm closure.
Credit Card Service Fee	13,800	29,587	214.40%	(15,787)	Increased credit card fee revenue to off-set.
Total Operating Expenses	2,931,275	3,255,166	111.05%	(323,891)	

Water Utility Fund

Capital Outlays, Debt and Non-Operating Detail

September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Capital Outlays					
Capital	-	-	0.00%	-	
Water Equipment Purchases	152,820	62,998	41.22%	89,822	Utility truck was under budget and Dump Truck is backordered.
Elevated Storage Tank	181,623	5,310	2.92%	176,313	Budget balance will roll forward to next FY for project continuation.
Creek Crossings West Waterline	220,433	18,281	8.29%	202,152	Budget balance will roll forward to next FY for project continuation.
Plant 2 HydroTank and Variable Drives	890,725	547,297	61.44%	343,427	Project cost under budget. CP&Y engineering invoice
SCADA System Upgrades	43,215	43,215	100.00%	-	Project completed.
GIS Compatible Work Order System	6,250	631	10.10%	5,619	Project completed and under budget.
Willow Wind/Red Bud Hill	70,705	-	0.00%	70,705	Budget balance will roll forward to next FY for project continuation.
Old Frederickburg Rd	50,000	8,080	16.16%	41,920	Budget balance will roll forward to next FY for project continuation.
Rolling Acres Trail	66,794	-	0.00%	66,794	Budget balance will roll forward to next FY for project continuation.
Water Rate Study	24,579	19,930	81.09%	4,649	Budget balance will roll forward to next FY for project continuation.
Water System EPA Risk Assessment	10,326	10,326	100.00%	-	Project completed.
Total Capital Outlays	1,717,470	716,070	41.69%	1,001,400	
Debt Service					
Bond Interest Cost	19,280	18,842	97.73%	438	
Total Debt Service	19,280	18,842	97.73%	438	
Non-Cash Adjustments					
Transfer to Veh/Equip Replace Fund	56,032	56,032	100.00%	-	Annual transfer posted
Transfer from ERF	(152,820)	(62,998)	41.22%	(89,822)	Transfers post as replacement capital is purchased.
Water Service Depreciation	647,324	498,557	77.02%	148,767	Depreciation posted.
Transfer from Utility Fund	(602,403)	(549,684)	91.25%	(52,719)	Matches Capital Revenue and Impact Fees collected.
Transfer to Water Capital Fund	602,403	549,684	91.25%	52,719	Matches Capital Revenue and Impact Fees collected.
Transfer of Assets to Balance Sheet	(1,678,815)	(641,967)	38.24%	(1,036,848)	
Total Non-Cash Adjustments	(1,128,279)	(150,376)	13.33%	(977,903)	
Total Non-Operating Expenses	608,471	584,535	96.07%	23,936	

Wastewater Utility Fund Summary September 30, 2022

Item #14.

	Amended Budget	Projection	Percent of Budget	Budget Balance	
Wastewater Revenues	2,290,608	2,615,796	114.2%	325,188	
Wastewater Operating Expenses					
Personnel	865,804	849,914	98.2%	15,890	
Supplies, Maintenance & Operations	705,278	706,247	100.1%	(969)	
Services	111,943	65,036	58.1%	46,907	
Total Wastewater Operating Expenses	1,683,025	1,621,196	96.3%	61,829	
Operating Income	607,583	994,600	163.7%	387,017	
Capital Outlay	1,639,055	386,438	23.6%	1,252,616	See Schedule Below
Depreciation	226,477	261,466	115.4%	(34,989)	
Asset Transfer for GAAP	(950,579)	(169,520)	17.8%	(781,058)	
Debt Service Expense	3,672	3,589	97.7%	83	
Transfers Out	27,707	27,707	100.0%	-	
Transfers (In)	(100,579)	(56,055)	55.7%	(44,524)	ERF transfers to post as capital is replaced.
Net Income/(Loss)	(238,171)	540,975	-227.1%	779,145	
	Amended Budget	Projection	Budget Balance	Notes	
Wastewater CIP Fund					
Solids Handling	1,220,004	124,507	1,095,497		
Future WWTP	251,931	186,404	65,527		
GIS Compatible Work Order System	6,250	631	5,619		
Wastewater Rate Study	24,579	19,930	4,649		
Wastewater System EPA Risk Assessmen	35,712	9,953	25,759		
	1,538,476	341,426	1,197,050		
Wastewater Operations					
Ford F250	45,000	-	45,000		
Pumps from prior year encumbrance	55,579	45,013	10,566		
Total budgeted purchases	1,639,055	386,438	1,252,616		
	-	-	-		

Wastewater Utility Fund Revenue September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Wastewater Revenues					
Sewer Revenue Residential	945,512	961,737	101.72%	16,225	
Sewer Debt Service	56,776	54,320	95.68%	(2,456)	
Sewer Capital	95,666	97,305	101.71%	1,639	
Sewer Revenue Commercial	4,186	4,418	105.55%	232	
Sewer Service Connect Fee	33,138	25,900	78.16%	(7,238)	
Sewer Penalties	5,270	8,258	156.70%	2,988	
Sewer Impact Fee	225,000	193,727	86.10%	(31,273)	
Sewer Interest Income	5,000	25,913	518.26%	20,913	
Sewer Bad Debt	(400)	(18)	4.43%	382	
Sewer Grant Revenue	920,210	1,244,133	135.20%	323,923	ARPA funds posted.
SECO EECBG	-	-	0.00%	-	
Misc/Special Requests	-	103	0.00%	103	
Third Party Reimbursement	250	-	0.00%	(250)	
Sale of Assets	-	-	0.00%	-	
Total Wastewater Revenues	2,290,608	2,615,796	114.20%	325,188	

Wastewater Utility Fund Operating Expense
September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Operating Expenses					
Service Salaries	235,238	238,049	101.20%	(2,811)	
Service Overtime	2,792	9,116	326.51%	(6,324)	Major water leaks
Service Taxes - FICA	14,758	14,757	99.99%	1	
Service Taxes - Medicare	3,451	3,451	100.00%	(0)	
Service Workers' Comp	7,602	8,377	110.19%	(775)	Annual premium higher than budgeted.
Service Taxes - SUTA/FUTA	1,069	136	12.70%	933	
Service Retirement	28,142	28,858	102.54%	(716)	
Service Insurance	34,890	39,252	112.50%	(4,362)	
Sewer Service OPEB	-	-	0.00%	-	
Administration Salaries	408,016	384,087	94.14%	23,929	
Administration Overtime	425	181	42.48%	244	
Administration Taxes - FICA	25,323	21,267	83.98%	4,056	
Administration Taxes - Medicare	5,922	5,010	84.61%	912	
Administration Workers' Comp	2,107	1,322	62.76%	785	Annual premium higher than budgeted.
Administration Taxes - SUTA/FUTA	1,136	78	6.87%	1,058	
Administration Retirement	48,288	42,776	88.58%	5,512	
Sewer Admin Insurance	46,645	53,196	114.04%	(6,551)	
Sewer Admin OPEB	-	-	0.00%	-	
Uniforms	4,505	5,438	120.70%	(933)	
Power	36,350	42,770	117.66%	(6,420)	Increased cost of electricity.
Maintenance Of Plant/ Lines	80,000	64,643	80.80%	15,357	
Sludge Hauling	300,000	323,451	107.82%	(23,451)	
Analysis Fees	26,000	18,248	70.19%	7,752	
Chemicals	7,240	14,614	201.85%	(7,374)	
City Management Fee	49,485	48,308	97.62%	1,177	
Equipment Maintenance	7,660	11,193	146.13%	(3,533)	Extensive repairs to generator and hydro pump
Equipment Gas & Oil	9,180	12,064	131.42%	(2,884)	Increased cost of fuel.
Equipment Lease	4,500	7,128	158.39%	(2,628)	Pump rental for Lift Station.
Tools & Minor Equipment	7,500	3,887	51.83%	3,613	
Training	15,680	7,760	49.49%	7,920	Savings for TNRRIS, Water conf, TAGIT, and SGR leadership training.
Utilities & Radios	22,521	21,455	95.26%	1,066	
Signal & Telemetry	-	461	0.00%	(461)	Auto dialers are in the process of being cancelled.
Building Maintenance	7,330	3,689	50.33%	3,641	

Wastewater Utility Fund Operating Expense Cont.

Item #14.

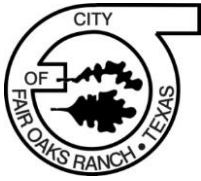
	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Supplies & Consumables	1,300	2,912	224.01%	(1,612)	Supplies stock for WWTP
Vehicle Maintenance & Repairs	5,000	3,936	78.72%	1,064	
Inventory Adjustment	-	1	0.00%	(1)	
Utilities/Telephone	5,418	9,412	173.72%	(3,994)	Cell phone increase
Dues & Publications	1,623	1,044	64.31%	579	
Professional Fees	103,023	58,940	57.21%	44,083	Savings due to no internal control audit and Siemens cancelled.
Permits & Licenses	1,958	1,684	85.99%	274	TCEQ Permit paid
Liability Insurance	25,709	25,495	99.17%	214	Annual premium paid.
Office Supplies	1,322	873	66.05%	449	
Travel & Meetings	4,000	697	17.43%	3,303	
Software & Computers	66,726	59,602	89.32%	7,124	Savings for MobileIron and SOPHOS
Recording/Reporting	100	418	418.49%	(318)	RFP/RFQ notices higher than budgeted.
Sewer Postage	938	548	58.37%	391	
Adm Bldg/Equip. Maintenance	150	88	58.84%	62	
Billing Statement Charges	3,360	3,567	106.16%	(207)	
Billing Postage	8,100	8,890	109.75%	(790)	
Copier Lease	1,623	1,745	107.53%	(122)	
Public Relations	4,000	2,937	73.43%	1,063	State of the City costs less than budgeted.
Employment Costs	1,750	285	16.31%	1,465	
Employee Appreciation	3,170	2,873	90.63%	297	
Miscellaneous	-	226	0.00%	(226)	Employee supplies during winter storm closure.
Total Operating Expenses	1,683,025	1,621,196	96.33%	61,829	

Wastewater Utility Fund
Capital, Debt, and Non-Cash Expenditures
September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
Capital Outlays					
Capital	55,579	45,013	80.99%	10,566	
Wastewater Equipment Purchases	45,000	-	0.00%	45,000	Truck backordered.
Solids Handling	1,220,004	124,507	10.21%	1,095,497	Budget balance will roll forward to next FY for project continuation.
Future WW Treatment Plant	251,931	186,404	73.99%	65,527	Budget balance will roll forward to next FY for project continuation.
GIS Compatible Work Order System	6,250	631	10.10%	5,619	Project completed and under budget.
Wastewater Rate Study	24,579	19,930	81.09%	4,649	Budget balance will roll forward to next FY for project continuation.
Wastewater System EPA Risk Assessment	35,712	9,953	27.87%	25,759	Project completed.
Total Capital Outlays	1,639,055	386,438	23.58%	1,252,616	
Debt Service					
Bond Interest Cost	3,672	3,589	97.73%	83	
Total Debt Service	3,672	3,589	97.73%	83	
Non-Cash Adjustments					
Transfer To Vehicle Repl. Fund	27,707	27,707	100.00%	-	
Transfer from ERF	(100,579)	(56,055)	55.73%	(44,524)	Transfers post as replacement capital is purchased.
Sewer Service Depreciation	226,477	261,466	115.45%	(34,989)	Depreciation posted.
Transfer from Utility Fund	(1,240,876)	(1,511,035)	121.77%	270,159	Annual transfer posted
Transfer to Wastewater Capital Fund	1,240,876	1,511,035	121.77%	(270,159)	Annual transfer posted
Asset Transfers to Balance Sheet	(950,579)	(169,520)	17.83%	(781,058)	
Total Non-Cash Adjustments	(796,974)	63,598	-7.98%	(860,572)	
Total Capital, Debt, and Non-Cash	845,754	453,625		392,128	

Utility Equipment and Vehicle Replacement Fund
September 30, 2022

	Amended Budget	Projection	Percent of Budget	Budget Balance	Comments
<u>Revenues:</u>					
Transfer from Water Division	56,032	56,032	100%	-	
Transfer from Wastewater Division	27,707	27,707	100%	-	
Total Revenue	83,739	83,739	100%	-	
<u>Transfers</u>					
Transfer to Water for Purchases	152,820	62,998	41%	89,822	
Transfer to Wastewater for Purchases	100,579	56,055	56%	44,524	
Total Transfers Costs	<u>253,399</u>	<u>119,053</u>	<u>47%</u>	<u>134,346</u>	
Total Expenditures	253,399	119,053	47%	134,346	
Net Income (Loss)	(169,660)	(35,314)		(134,346)	



CITY COUNCIL REPORT
CITY OF FAIR OAKS RANCH, TEXAS
November 17, 2022

AGENDA TOPIC: Presentation of Investment Report for Quarter Ended September 30, 2022
DATE: November 17, 2022
DEPARTMENT: Finance
PRESENTED BY: Rosie G. Vela, Finance Director

INTRODUCTION/BACKGROUND:

Pursuant to Texas Government Code Section 2256.023 and the City’s Investment Policy Section 12, the Investment Officer is required, on a quarterly basis, to prepare and submit to City Council a written report of investment transactions that have occurred since the previous report and the market value of the current investments.

The attached presentation is being made to comply with the reporting requirements for the quarter ended September 30, 2022.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Frequent review and reporting of the City’s assets and investment vehicles is both prudent and necessary to verify the City’s investment portfolio is being managed according to the Investment Policy.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The investment portfolio shall be managed in accordance with the objectives specified in the Investment Policy (safety, liquidity, diversification, and yield). The portfolio should attain a market rate of return taking into account investment risk and liquidity needs.

LEGAL ANALYSIS:

No legal analysis required.

RECOMMENDATION/PROPOSED MOTION:

This presentation is for informational purposes only and to comply with requirements under Texas Government Code Section 2256.023 and the City’s Investment Policy.



Quarterly Investment Report

Presented by Rosie Vela, Director of Finance
November 17, 2022





Investment Inventory

At September 30, 2022, the City’s combined investment portfolio totals \$19.11MM.

Security	Yield	Beginning Balance	Transfers In/(Out)*	Interest Earnings	Ending Balance	Ending Market Value	Weighted Avg Maturity**
TexPool	2.03%	\$19,456,050	(\$437,850)	\$97,640	\$19,115,840	\$19,115,840	23 days

* Transfers In/Out
 Transfers out of TexPool accounts represent vendor payments made, or funding of city operations by transferring funds to the City's operating cash account.
 Transfers into TexPool accounts represent deposits of property tax revenue.

** Weighted Average Maturity
 Per the City's investment policy, the City will not directly invest in securities maturing more than 13 months from the date of purchase. Reserve funds may be invested in securities up to 2 years.

This report complies with the City's Investment Policy Section 9 and 11, and Texas Government Code Section 2256.023.

Rosie Vela

 Investment Officer

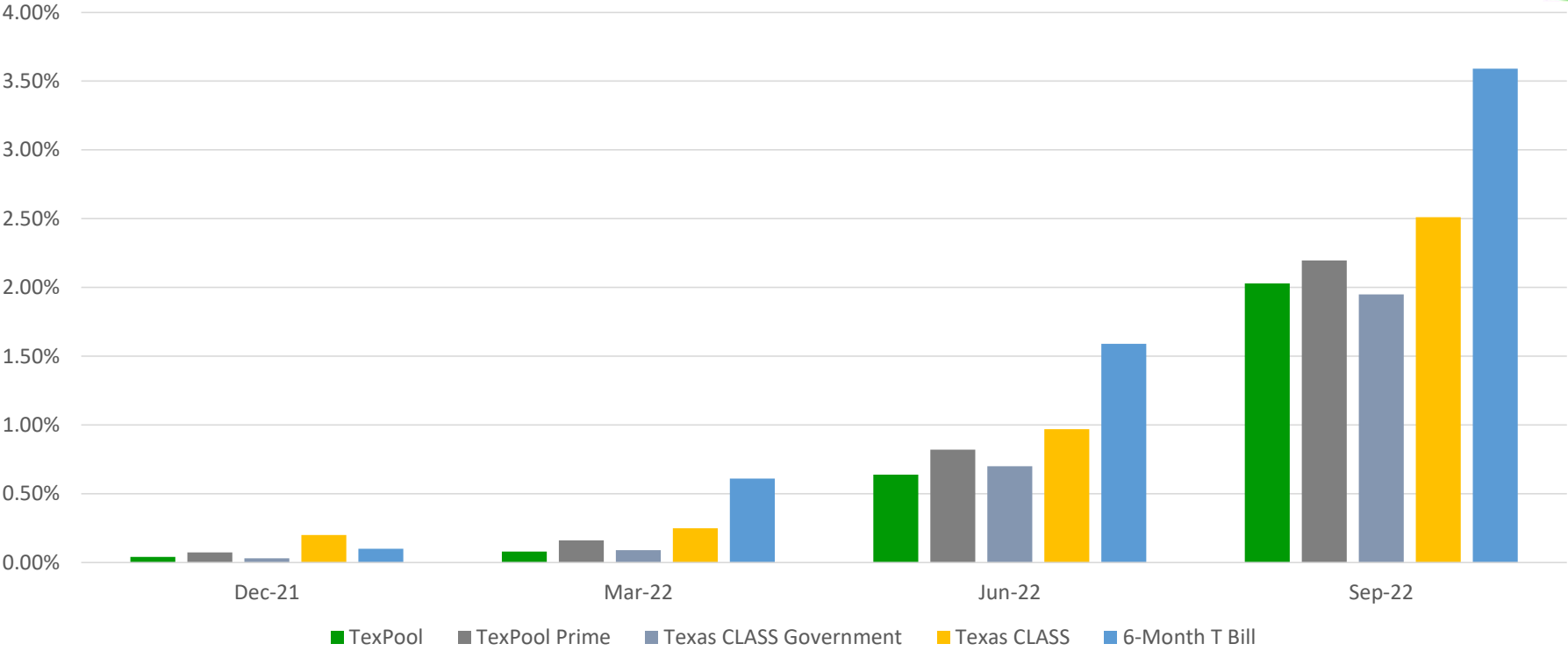
Comparative Rates (Quarterly Average)



	Quarter Ended 12/31/21	Quarter Ended 3/31/22	Quarter Ended 6/30/22	Quarter Ended 9/30/22
TexPool	0.04%	0.08%	0.64%	2.03%
TexPool Prime	0.07%	0.16%	0.82%	2.20%
Texas CLASS Government	0.03%	0.09%	0.70%	1.95%
Texas CLASS	0.20%	0.25%	.097%	2.51%
1 Month T-bill	0.06%	0.08%	0.07%	2.74%
3 Month T-bill	0.05%	0.51%	1.66%	3.29%
6 Month T-bill	0.10%	0.61%	1.59%	3.59%
12 Month T-bill	0.18%	0.94%	2.10%	4.03%
CDARS 6 Month CD	0.08%	0.62%	1.22%	1.97%



Comparative Rates (Quarterly Average)





Quarterly Investment Report

Presented by Rosie Vela, Director of Finance
November 17, 2022

