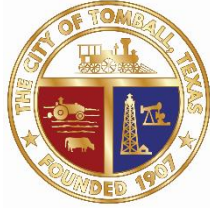


**NOTICE OF REGULAR CITY COUNCIL
CITY OF TOMBALL, TEXAS**



**Monday, May 06, 2024
6:00 PM**

Notice is hereby given of a Regular meeting of the Tomball City Council, to be held on Monday, May 06, 2024 at 6:00 PM, City Hall, 401 Market Street, Tomball, Texas 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball City Council reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location): +1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799 US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 891 2238 7589 Passcode: 477955 . The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

- A. Call to Order
- B. Invocation - Led by Pastor James Clark with First Baptist Church Tomball
- C. Pledges to U.S. and Texas Flags
- D. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]*

E. Presentations

- 1. Presentation - Council Members Mark Stoll & Derek Townsend Sr.

Proclamation – “55th Annual Professional Municipal Clerks Week” May 5 – May 11, 2024

Proclamation – “National Hurricane Preparedness Week” May 5 – May 11, 2024

Proclamation – “Mel’s Country Diner” May 6, 2024

Proclamation – “National Economic Development Week” May 6-10, 2024

Proclamation – “Tomball ISD Color guard”

F. Reports and Announcements

1. Announcements

I. Upcoming Events:

May 9, 2024 – Mayor’s Kaffeeklatsch 8:30 am – 10:00 am @ Community Center

May 11, 2024 – Second Saturday 5:00 pm – 9:00 pm @ the Depot

May 13, 2024 – Canvass of the Election 5:00 pm @ City Hall

May 15, 2024 – Law Enforcement Torch Run 11:30 am – 12:30 pm @ Market & Main St.

May 16, 2024 – Police Memorial 11:00 am – 12:00 pm @ Community Center

2. Reports by City staff and members of council about items of community interest on which no action will be taken:

I. Katherine Tapscott – Quarterly Financial Update for Period Ending March 31, 2024

G. Old Business

1. Adopt, on Second Reading, Ordinance No. 2024-07, an Ordinance of the City of Tomball, Texas, amending Chapter 50 (Zoning) of the Tomball Code of Ordinances by rezoning approximately 31.12 acres of land legally described as being portions of the J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311 from the Agricultural (AG) to Single Family Residential – 6 (SF-6) zoning. The property is generally located within 22100 block (west side) of Tomball Cemetery Road, within the City of Tomball, Harris County, Texas; providing for severability; providing for a penalty of an amount not to exceed \$2,000 for each day of violation of any provision hereof, making findings of fact; and providing for other related matters.

2. Adopt, on Second Reading, Ordinance No. 2024-08, an Ordinance of the City of Tomball, Texas, amending Chapter 50 (Zoning) of the Tomball Code of Ordinances by rezoning approximately 0.87 acres of land legally described as being a portion of Tomball Outlot 286 from Single Family Residential – 20 (SF-20) to Commercial (C) zoning. The property is generally located in the 900 block (North Side) of Agg Road, within the City of Tomball, Harris County, Texas; providing for severability; providing for a penalty of an amount not to exceed \$2,000 for each day of violation of any provision hereof, making findings of fact; and providing for other related matters.
- H. New Business Consent Agenda: *[All matters listed under Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, the item in question will be removed from the Consent Agenda and will be considered separately. Information concerning Consent Agenda items is available for public review.]*

 1. Approve the Minutes of the April 15, 2024, Regular City Council meeting.
 2. Approve a contract with B&C Constructors, LP for the replacement of HVAC systems at the Police Department through a 1GPA Contract (Contract No. 19-03DP) for a not-to-exceed amount of \$115,227.26, approve the expenditure of funds therefor, and authorize the City Manager to execute any and all documents related to the purchase. This expenditure is included in the FY 2023-2024 Budget.
 3. Approve the expenditure of and amount not to exceed \$75,000 for Computer Aided Dispatch Maintenance and False Alarm Monitoring Services from Centralsquare Technologies, LLC and authorize the City Manager to execute any and all documents related to the expenditure. This amount is included in the FY 2023-2024 budget.
 4. Consideration to approve Resolution 2024-20, a Resolution of the City Council of the City of Tomball, Texas, accepting the Preliminary Service and Assessment Plan for Authorized Improvements within the Wood Leaf Reserve Public Improvement District Improvement Area Two (IA#2); Setting a Date for a Public Hearing on the Proposed Levy of Assessments; Authorizing the Publication and Mailing of Notice; and Enacting Other Provisions Relating thereto.
 5. Approve an increase to purchase order number 24-0055 with Siddons-Martin Emergency Group, LLC for preventative maintenance and repairs to Pierce Fire Apparatus, within the fleet of the Fire Department, increasing the not to exceed amount to \$160,000, approve the expenditure of funds therefor, and authorize the City Manager to execute any and all documents relating to the purchase. Funds for vehicle repairs are included in the FY 2023-2024 budget.

6. Approve request from Tomball Museum Center for City Support and In-Kind Services for the 3rd Annual Antique Car Social in downtown Tomball, on Saturday, October 5, 2024, from 10:00 a.m. to 1:00 p.m.
7. Discussion and possible action regarding the budgeted position of Director of Special Projects.

I. New Business

1. Accept the Annual Comprehensive Financial Report and Compliance Report for fiscal year ending September 30, 2023.
2. Approve an agreement authorizing the sale of six vehicles to Montgomery Independent School District for use for their Police Department and authorize the City Manager to execute any and all documents.
3. Conduct Public Hearing of the City Council of the City of Tomball to consider the adoption of the Water Conservation and Drought Contingency Plan.
4. Adopt Ordinance No. 2024-12, an Ordinance of the City of Tomball, Texas Repealing and Replacing Chapter 46, Article VII, Water Conservation, of the City of Tomball Code of Ordinances; Providing for the Repeal of Conflicting Provisions; Providing a Savings Clause; Establishing Penalties for the Violation of and Provisions for Enforcement of These Restrictions; Providing Severability; Adopting a Water Conservation and Drought Contingency Plan; and Providing an Effective Date.
5. Approve a Municipal Solid Waste Collection, Transportation, and Disposal Contract with Frontier Waste K2, LLC (RFP 2024-01) to provide solid waste and recycling collection for the City of Tomball, authorize the expenditure of funds therefor, and authorize the City Manager to execute the agreement. This amount is to be included in the proposed fiscal year 2024-2025 budget.
6. Approve Resolution 2024-21, a Resolution of the City Council of the City of Tomball, Texas, approving and establishing the 2024 to 2029 Solid Waste and Recycling Rate Plan; and Providing an Effective Date.
7. Executive Session: The City Council will meet in Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

Sec. 551.071 – Consultation with the City Attorney regarding a matter which the Attorney’s duty requires to be discussed in closed session.

Section 551.087 - Deliberation regarding Economic Development negotiations.

J. Adjournment

C E R T I F I C A T I O N

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 2nd day of May 2024 by 7:00 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Tracylynn Garcia, TRMC, CMC, CPM
City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (281) 290-1019 for further information.

City Council Meeting Agenda Item Data Sheet

Meeting Date: 5/6/2024

Topic:

- Presentation - Council Members Mark Stoll & Derek Townsend Sr.
- Proclamation – “55th Annual Professional Municipal Clerks Week” May 5 – May 11, 2024
- Proclamation – “National Hurricane Preparedness Week” May 5 – May 11, 2024
- Proclamation – “Mel’s Country Diner” May 6, 2024
- Proclamation – “National Economic Development Week” - May 6-10, 2024
- Proclamation – “Tomball ISD Color guard”

Background:

Origination: Mayor

Recommendation:

Party(ies) responsible for placing this item on agenda: Sasha Luna, Assistant City Secretary

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____ Approved by _____
Staff Member Date City Manager Date

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Upcoming Events:

- May 9, 2024 – Mayor’s Kaffeeklatsch 8:30 am – 10:00 am @ Community Center
- May 11, 2024 – Second Saturday 5:00 pm – 9:00 pm @ the Depot
- May 13, 2024 – Canvass of the Election 5:00 pm @ City Hall
- May 15, 2024 – Law Enforcement Torch Run 11:30 am – 12:30 pm @ Market & Main St.
- May 16, 2024 – Police Memorial 11:00 am – 12:00 pm @ Community Center

Background:

Origination:

Recommendation:

n/a

Party(ies) responsible for placing this item on agenda: Sasha Luna, Assistant City Secretary

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____ Approved by _____
Staff Member Date City Manager Date

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Katherine Tapscott – Quarterly Financial Update for Period Ending March 31, 2024

Background:

Origination: Finance Director

Recommendation:

Party(ies) responsible for placing this item on agenda: Katherine Tapscott, Finance Director

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	<u>Katherine Tapscott</u>	<u>4/29/2024</u>	Approved by	_____
	Staff Member	Date		City Manager
				Date

City Council Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Adopt, on Second Reading, Ordinance No. 2024-07, an Ordinance of the City of Tomball, Texas, amending Chapter 50 (Zoning) of the Tomball Code of Ordinances by rezoning approximately 31.12 acres of land legally described as being portions of the J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311 from the Agricultural (AG) to Single Family Residential – 6 (SF-6) zoning. The property is generally located within 22100 block (west side) of Tomball Cemetery Road, within the City of Tomball, Harris County, Texas; providing for severability; providing for a penalty of an amount not to exceed \$2,000 for each day of violation of any provision hereof, making findings of fact; and providing for other related matters.

Background:

Public Hearing held and First Reading approved during the Regular City Council meeting held on April 15, 2024.

Origination: Ken & Betty Vairin, represented by META Planning & Design, Inc.

Recommendation:

Party(ies) responsible for placing this item on agenda: Community Development Department

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account: # _____ To Account: # _____

Signed: _____ **Approved by:** _____
Staff Member Date City Manager Date

ORDINANCE NO. 2024-07

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS, AMENDING CHAPTER 50 (ZONING) OF THE TOMBALL CODE OF ORDINANCES BY CHANGING THE ZONING DISTRICT CLASSIFICATION OF APPROXIMATELY 31.12 ACRES OF LAND LEGALLY DESCRIBED AS BEING PORTIONS OF THE J H EDWARDS SURVEY, ABSTRACT 20 AND THE C GOODRICH SURVEY, ABSTRACT 311 FROM AGRICULTURAL (AG) TO SINGLE FAMILY RESIDENTIAL - 6 (SF-6). THE PROPERTY IS LOCATED WITHIN THE 22100 BLOCK (WEST SIDE) OF TOMBALL CEMETERY ROAD, WITHIN THE CITY OF TOMBALL, HARRIS COUNTY, TEXAS; PROVIDING FOR A PENALTY OF AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF, MAKING FINDINGS OF FACT; AND PROVIDING FOR OTHER RELATED MATTERS.

Whereas, Ken & Betty Vairin, represented by META Planning & Design, Inc. , to amend Chapter 50 (Zoning) of the Tomball Code of Ordinance, by rezoning approximately 31.12 acres of land legally described as being portions of the J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311, being generally located in the 22100 block (west side) of Tomball Cemetery Road, within the City of Tomball, Harris County, Texas (the “Property”), be rezoned; and

Whereas, at least fifteen (15) days after publication in the official newspaper of the City of the time and place of a public hearing and at least ten (10) days after written notice of that hearing was mailed to the owners of land within three hundred feet of the Property in the manner required by law, the Planning & Zoning Commission held a public hearing on the requested rezoning; and

Whereas, the public hearing was held before the Planning & Zoning Commission at least forty (40) calendar days after the City’s receipt of the requested rezoning; and

Whereas, the City Council deems it appropriate to grant the requested rezoning.

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

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. The rezoning classification of the Property is hereby changed and is subject to the regulations, restrictions, and conditions hereafter set forth.

Section 3. The Official Zoning Map of the City of Tomball, Texas shall be revised and amended to show the designation of the Property as hereby stated, with the appropriate reference thereon to the number and effective date of this Ordinance and a brief description of the nature of the change.

Section 4. This Ordinance shall in no manner amend, change, supplement or revise any provision of any ordinance of the City of Tomball, save and except the change in zoning classification for the Property as described above.

Section 5. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 6. Any person who shall violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be fined in an amount not to exceed \$2,000. Each day of violation shall constitute a separate offense.

FIRST READING:

READ, PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 15TH DAY OF APRIL 2024.

COUNCILMAN FORD	<u>YEA</u>
COUNCILMAN STOLL	<u>YEA</u>
COUNCILMAN DUNAGIN	<u>YEA</u>
COUNCILMAN TOWNSEND	<u>YEA</u>
COUNCILMAN PARR	<u>YEA</u>

SECOND READING:

READ, PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 6TH DAY OF MAY 2024.

COUNCILMAN FORD	_____
COUNCILMAN STOLL	_____
COUNCILMAN DUNAGIN	_____
COUNCILMAN TOWNSEND	_____
COUNCILMAN PARR	_____

LORI KLEIN QUINN, Mayor

ATTEST:

TRACYLYNN GARCIA, City Secretary

PEA GROUP



16060 Dillard Drive, Suite 250
Houston, TX 77040

713.688.3530
peagroup.com

LEGAL DESCRIPTION

Being 31.122 acres or 1,355,691 square feet of land situated in the John Edwards Survey, Block 3, Abstract Number 20 and the Chancey Goodrich Survey, Abstract Number 311, Harris County, Texas, being all of that certain called 31.159 acres of land described in deed recorded in Harris County Clerk File Number V256093, Texas, and more particularly described as follow (Bearings and coordinate are based on the Texas Coordinate System of 1983, South Central Zone, all distances shown hereon are surface distances and may be converted to grid by applying the following combined scale factor: 0.9999443881);

COMMENCING at a found 5/8 inch iron rod with cap stamped "TONY P. SWONKE RPLS" having grid coordinates X: 3,024,702.62 feet, Y: 13,956,276.70 feet found in the west right-of-way line of Tomball Cemetery Road (called 60 feet wide) and the Northwest right-of-way line of FM 2920 (called 120 feet wide), for the southeast corner of Lot 1, Final Plat of Sitemag at Tomball, recorded in Film Code Number 700317 of the Map Records of Harris County;

THENCE, North 03°19'11" West, along the west right-of-way line of said Tomball Cemetery Road and the east line of said Lot 1, a distance of 340.12' to a found 5/8 inch iron rod with cap stamped "TONY P. SWONKE RPLS" having grid coordinates X: 3,024,682.73 feet, Y: 13,956,616.26 feet the POINT OF BEGINNING of the herein described tract;

THENCE, South 86°39'32" West, along the north line of said Lot 1, at a distance of 1,358.48 passing a 5/8 inch iron rod with cap stamped "TONY P. SWONKE RPLS", found for the northerly northwest corner of said Lot 1 and the northeast corner of a called 18.739 acre tract, recorded in Harris County Clerk File Number RP-2017-242129, and continuing along the North line of said 18.739 acre tract, for a total distance of 1,988.49 feet to a 5/8 inch iron rod found in the east line of a called 122 acre tract recorded in Harris County Clerk File Number N908353, for the northwest corner of said 18.739 acre tract;

THENCE, North 03°00'51" West, along the east line of said 122 acre tract, a distance of 683.31 feet to a 5/8 inch iron rod with cap, in the east line of said 122 acre tract, for the southwest corner of Tract 4, of Replat Number 2 of Pine Country of Tomball Section Three, recorded in File Clerk Number 641167 of the Map Records of Harris County;

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THENCE, North 86°42'40" East, along the south line of said Tract 4 and the south line of Reserve "B", Replat of Pine Country of Tomball Section 2, recorded in Film Code Number 628282 of the Map Records of Harris County, at a distance of 1,544.77 feet passing a 1/2 inch iron rod found for the southeast corner of said Reserve B and the southwest corner of Lot 13, Block 1, Pine Country of Tomball Section Two, Reserve "A" Replat, recorded in Film Code Number 671096 of the Map Records of Harris County, continuing for a total distance of 1,984.85 feet to a 5/8 inch iron rod with cap "TONY P. SWONKE RPLS" found in the west right-of-way line of said Tomball Cemetery Road, for the southeast corner of said Lot 13;

THENCE, South 03°19'11" East, along the west right-of-way line of said Tomball Cemetery Road, a distance of 681.49 feet to the POINT-OF-BEGINNING and containing 31.122 acres of land or 1,355,691 square feet of land.



Glen H. Freeland, R.P.L.S. Date: 01-26-2024
Texas Registered Land Surveyor No. 5758
gfreeland@peagroup.com
Agent of PEA Group
TBPELS Firm #10194679
File No. 2023-0613



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Location: 22100 block (west) of Tomball Cemetery Road, being portions of J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311, City of Tomball, Harris County, Texas.

For the PLANNING & ZONING COMMISSION
Please call (281) 290-1491 if you have any questions about this notice.

CASE #: Z24-03

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: BROWN RUSSELL E
Parcel I.D.: 1310150000005
Address: 16011 PINE COUNTRY BLVD

Mailing To: Community Development Department
501 James St., Tomball TX 77375

Email: jasmith@tomballtx.gov

I am in favor
Additional Comments:

I am opposed

Signature: Russell E. Brown

501 James Street • TOMBALL, TEXAS 77375



**City of Tomball
Community Development Department**

VAIRIN KEN & BETTY
616 CASTLEWOOD COVE LN
PINEHURST, TX 77362-2018

NOTICE OF PUBLIC HEARING

RE: Zone Change Case Number Z24-03

03/21/2024

The Planning & Zoning Commission will hold a public hearing on **April 8, 2024 at 6:00 PM**, in City Council Chambers at City Hall, 401 Market Street, Tomball, Texas to recommend approval or denial to City Council on a request by Ken & Betty Vairin, represented by META Planning & Design, Inc., to amend Chapter 50 (Zoning) of the Tomball Code of Ordinances, by rezoning approximately 31.12 acres of land legally described as being portions of the J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311 from the Agricultural (AG) to Single Family Residential – 6 (SF-6) zoning. The property is generally located within 22100 block (west side) of Tomball Cemetery Road, within the City of Tomball, Harris County, Texas.

This hearing is open to any interested person. Opinions, objections and/or comments relative to this matter may be expressed in writing or in person at the hearing. At the bottom of this letter is a form that you may cut off, fill out, and mail. Comments are also accepted by email as listed below. All responses must be signed.

The attached map shows the area of this request. Only that area which is bounded by the cross-hatched line on the map is being considered for **rezoning**. The solid boundary line around the subject area is only a notification area. All owners of property within 300-feet of the subject property are required to be notified. Whether approved or denied by the Planning & Zoning Commission, this case will be heard by City Council for First Reading with public hearing on **April 15, 2024 at 6:00 PM** in City Council Chambers at City Hall, 401 Market Street, Tomball, Texas.

If you have any questions, please contact Jared Smith, City Planner at telephone 281-290-1491 or by email address jasmith@tomballtx.gov

For the PLANNING & ZONING COMMISSION
Please call (281) 290-1491 if you have any questions about this notice.

CASE #: Z24-03

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: VAIRIN KEN & BETTY
Parcel I.D.: 0421810000178
Address: 0 TOMBALL CEMETERY RD

Mailing To: Community Development Department
501 James St., Tomball TX 77375

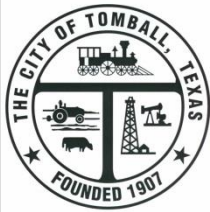
Email: jasmith@tomballtx.gov

I am in favor
Additional Comments:

I am opposed

Signature: Betty Vairin by Laura Vain
(POA)

501 James Street • TOMBALL, TEXAS 77375



**Rezoning
Staff Report**

Planning & Zoning Commission Public Hearing Date: April 8, 2024
City Council Public Hearing Date: April 15, 2024

Rezoning Case: Z24-03
Property Owner(s): Ken and Betty Vairin
Applicant(s): META Planning & Design, Inc.
Legal Description: Portions of the J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311
Location: 22100 block (west side) of Tomball Cemetery Road (Exhibit “A”)
Area: 31.12 acres
Comp Plan Designation: Neighborhood Residential / Corridor Commercial (Exhibit “B”)
Present Zoning: Agricultural (AG) District (Exhibit “C”)
Request: Rezone from the Agricultural (AG) to the Single-Family Residential – 6 (SF-6) district

Adjacent Zoning & Land Uses:

North: Agricultural (AG) and Single Family – 9 (SF-9) / Single-family residence(s)
South: Planned Development (PD) #18 / Undeveloped Multifamily
West: Unincorporated parcel / Outside City Limits and ETJ
East: Commercial (C) District and ETJ

BACKGROUND

The subject property is presently undeveloped. The applicants are requesting to rezone the subject property to Single Family Residential – 6 (SF-6) to allow the development of a single-family residential subdivision. This SF-6 zoning district would allow a subdivision comprised of lots being a minimum of 6,000 square feet in area.

ANALYSIS

Description: The subject property comprises approximately 31.12 acres, located in the 22100 block on the west side of Tomball Cemetery Road. Currently, the subject property is located within the Agricultural zoning district and has been within this zoning classification since the City of Tomball adopted zoning in 2008. Immediately north of the subject property are existing single-family residences located on varying sized lots within Agricultural and Single Family – 9 zoning, the properties which are zoned Single Family Residential – 9 (SF-9) were approved for rezoning in 2014. South of the subject site is Planned Development District #18 (Undeveloped), which was created in 2021 for multi-family residential. In addition to this PD there is an unincorporated parcel that is undeveloped. West of the subject property is a large tract of unincorporated land with a single-family residence present. East of the subject property on the east side of Tomball Cemetery Road are properties located within the Commercial (C) zoning district and within the City of Tomball’s Extra Territorial Jurisdiction (ETJ) with single-family residences present.

Comprehensive Plan Recommendation: Much of this property is designated as “Neighborhood Residential” by the Comprehensive Plans Future Land Use Map with a small portion of the property being within the “Corridor Commercial” land use category. The neighborhood residential category is intended for areas predominantly comprised of single-family detached housing. While this area is primarily served by the automobile, the inclusion of sidewalks is important for both improved access and safety. The lot size of neighborhood residential should be influenced by surrounding land uses, with smaller lots being in close proximity to supporting amenities, and recreation opportunities.

According to the Comprehensive Plan, land uses should focus on promoting safe and desirable neighborhoods, with single-family detached residential being the primary use. Secondary uses that are appropriate include parks, schools, and other public facilities. Limited commercial services and single-family attached residential that do not require large parking lots would be appropriate where residential collector streets meet arterials.

The Comprehensive Plan recommends the zoning districts of: Single Family Estate Residential - 20 (SF-20-E), Single Family Residential - 9 (SF-9), Single Family Residential - 6 (SF-6), or Planned Developments (PD) for the neighborhood residential land use category.

The Comprehensive Plan emphasizes the importance of transitioning or buffering land uses by “stepping down” land uses from more intense to less intense uses. The requested SF-6 zoning district will promote a single-family residential subdivision which will function as an effective transitional land use between the planned multi-family residential development south of the subject property and the existing medium/large lot single-family residential subdivisions north of the subject property which are comprised of lots being 9,000 square feet in area or greater. Furthermore, the requested zoning establishes a range of housing opportunities which promotes the goals and objectives of the Comprehensive Plan. Particularly providing the opportunity to facilitate the development of a new neighborhood that will integrate with the surrounding environment and provide options for citizens of Tomball to find housing in all stages of life.

Staff Review Comments:

The request to rezone the subject property to Single Family Residential – 6 (SF-6) is in direct alignment with the goals and objectives of the Neighborhood Residential land use category identified within the Future Land Use Plan. Additionally, this requested rezoning will facilitate the goals/objectives of the Comprehensive Plan, particularly by establishing suitable transitional land

use and encourage a range of housing opportunities within the city. Lastly, the subject property is located near the intersection of a major arterial street (FM 2920) and collector street (Tomball Cemetery Road). Roadways such as these are often considered appropriate for carrying the volume of traffic which is likely to be generated by additional residential homes being developed within this area.

PUBLIC COMMENT

A Notice of Public Hearing was published in the paper and property owners within 300 feet of the project site were mailed notification of this proposal on March 19 ,2024. Any public comment forms will be provided in the Planning & Zoning Commission and City Council packets or during the public hearing.

RECOMMENDATION

Based on the findings outlined in the analysis section of this staff report, City staff recommends approval of Zoning Case Z24-03.

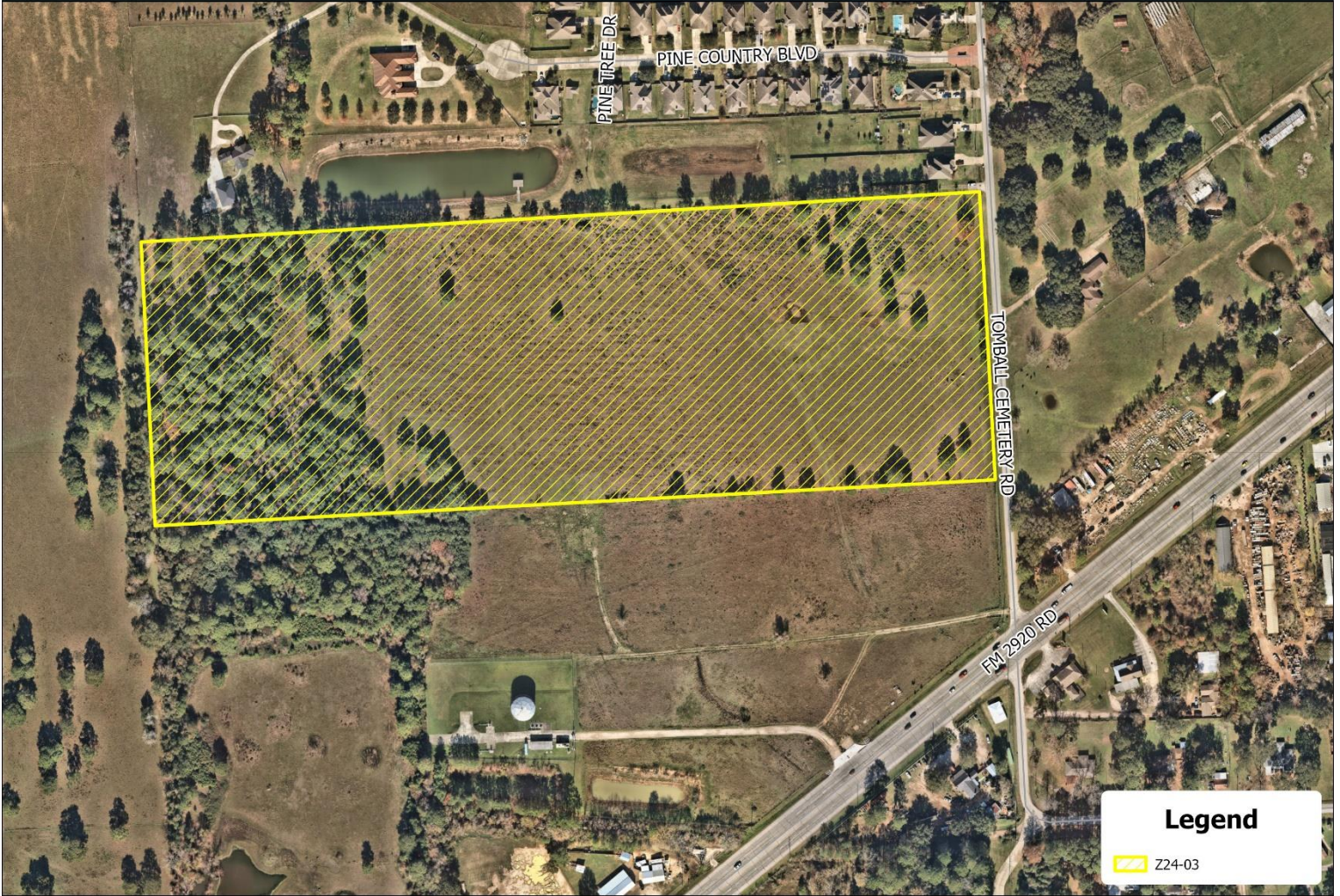
EXHIBITS

- A. Aerial Location Map
- B. Future Land Use Map
- C. Zoning Map
- D. Site Photo(s)
- E. Rezoning Application

Exhibit "A"
Aerial Location Map



Location



Legend

 Z24-03

Exhibit "B"
Future Land Use Plan



Future Land Use



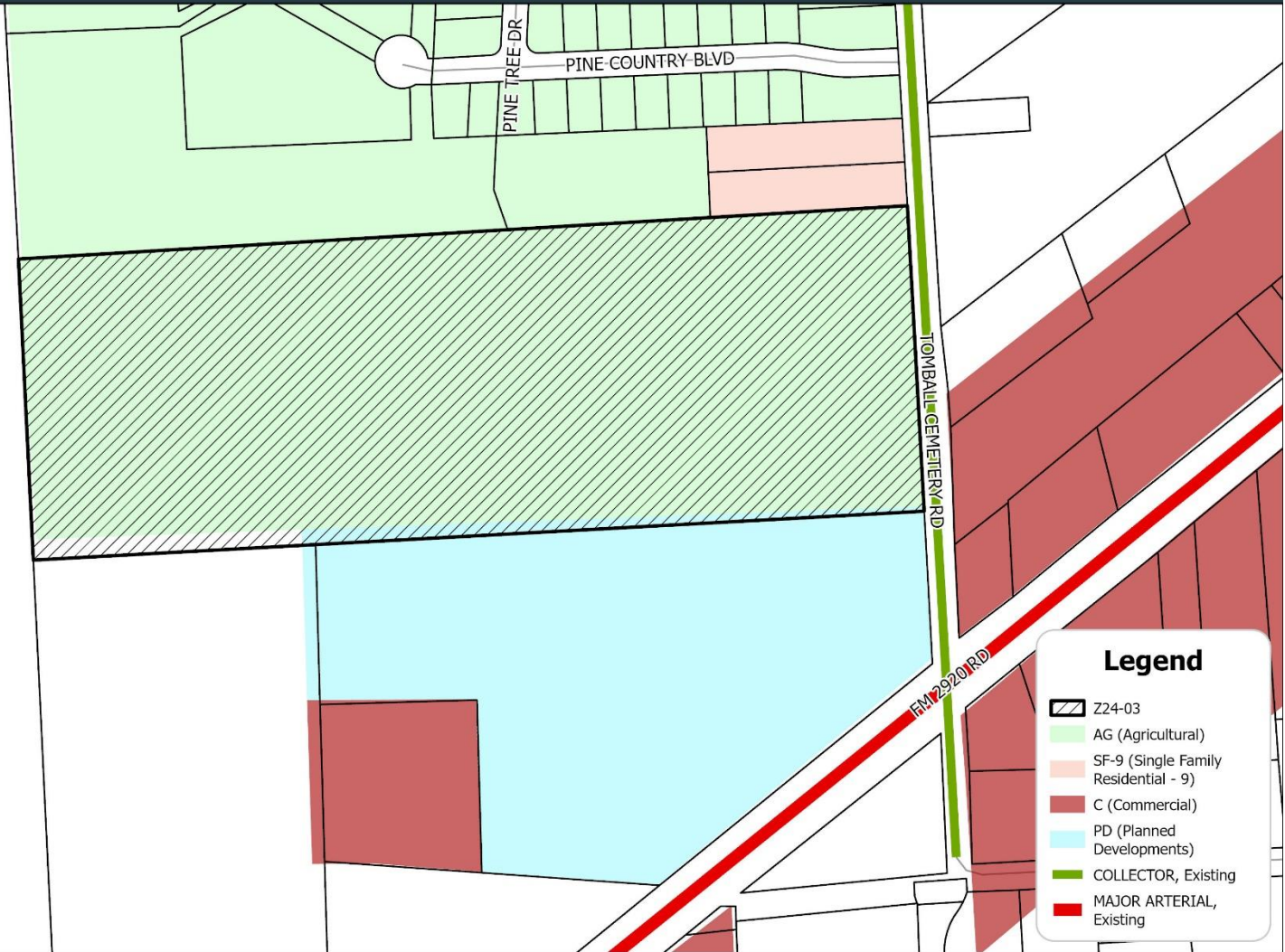
Legend

- Z24-03
- Corridor Commercial
- Neighborhood Residential

Exhibit "C"
Zoning Map



Zoning



Legend

- Z24-03
- AG (Agricultural)
- SF-9 (Single Family Residential - 9)
- C (Commercial)
- PD (Planned Developments)
- COLLECTOR, Existing
- MAJOR ARTERIAL, Existing

Exhibit "D"
Site Photo(s)

Subject Site



Neighbor (West)



Neighbor (East)



Neighbor (North)



Neighbor (North)



Neighbor (North)



Neighbor (South)



Exhibit "E"
Rezoning Application

Revised 5/19/15



APPLICATION FOR REZONING

Community Development Department
Planning Division

APPLICATION SUBMITTAL: Applications will be *conditionally* accepted on the presumption that the information, materials and signatures are complete and accurate. If the application is incomplete or inaccurate, your project may be delayed until corrections or additions are received.

Applicant

Name: Caitlin King (META Planning + Design) Title: Planner
Mailing Address: 24285 Katy Freeway, Suite 525, City: Katy State: TX
Zip: 77494
Phone: (281) 810-7228 Fax: () Email: cking@meta-pd.com

Owner

Name: Betty Vairin Title: _____
Mailing Address: 26 Teakettle City: Hitchcock State: TX
Zip: 77563
Phone: (832) 797-8987 Fax: () Email: vairins@yahoo.com

Engineer/Surveyor (if applicable)

Name: n/a Title: n/a
Mailing Address: n/a City: n/a State: n/a
Zip: n/a
Phone: () n/a Fax: () n/a Email: n/a

Description of Proposed Project: Single family development

Physical Location of Property: Just north of FM 2920; south of Pine Country Blvd, and east of Tomball Cemetery Road
[General Location – approximate distance to nearest existing street corner]

Legal Description of Property: TRS 1C & 2D & TR 17D ABST 20 J H EDWARDS ABST 311 C GOODRICH
[Survey/Abstract No. and Tracts; or platted Subdivision Name with Lots/Block]

Current Zoning District: AG (Agricultural)

Current Use of Property: Undeveloped land

Proposed Zoning District: SF-6 (Single Family Residential -6)

Proposed Use of Property: Single family development

HCAD Identification Number: 0421810000178 Acreage: 31.122

City of Tomball, Texas 501 James Street, Tomball, Texas 77375 Phone: 281-290-1405 www.tomballtx.gov

Please note: A courtesy notification sign will be placed on the subject property during the public hearing process and will be removed when the case has been processed.

This is to certify that the information on this form is COMPLETE, TRUE, and CORRECT and the under signed is authorized to make this application. I understand that submitting this application does not constitute approval, and incomplete applications will result in delays and possible denial.

X Castlin King 02-27-2023
Signature of Applicant Date

X Betty Vairin by Laura Vairin POA 2-27-2024
Signature of Owner Date

Submittal Requirements

The following summary is provided for the applicant's benefit. However, fulfilling the requirements of this summary checklist does not relieve the applicant from the responsibility of meeting the regulations in the Zoning Ordinance, subdivision regulations, and other development related ordinances of the City of Tomball.

Applications must be delivered to the City at least 40 calendar days prior to the City Planning and Zoning Commission hearing date.

- Completed application form
- *Copy of Recorded/Final Plat
- Check for \$400.00 + \$10.00 per acre (Non-Refundable)
- Letter stating reason for request and issues relating to request
- Conceptual Site Plan (if applicable)
- Metes & Bounds of property
- Payment of all indebtedness attributed to subject property must be paid with application or an arrangement in accordance with Section 50-36(a)(3) of the Code of Ordinances as cited below:

(No person who owes delinquent taxes, delinquent paving assessments, or any other fees, delinquent debts or obligations or is otherwise indebted to the City of Tomball, and which are directly attributed to a piece of property shall be allowed to submit any application for any type of rezoning, building permit, or plan review until the taxes, assessments, debts, or obligations directly attributable to said property and owed by the owner or previous owner thereof to the City of Tomball shall have been first fully discharged by payment, or until an arrangement satisfactory to the City has been made for the payment of such debts or obligations. It shall be the applicant's responsibility to provide evidence of proof that all taxes, fees, etc.. have been paid, or that other arrangements satisfactory to the City have been made for payment of said taxes, fees, etc.)

The City's staff may require other information and data for specific required plans. Approval of a required plan may establish conditions for construction based upon such information.

***Legal Lot Information:** If property is not platted, a plat will be required to be filed with the Community Development Department unless evidence of a legal lot is provided. To be an unplatted legal lot, the applicant is required to demonstrate that the tract existed in the same shape and form (same metes and bounds description) as it currently is described prior to August 15, 1983, the date the City adopted a subdivision ordinance.

Application Process

1. The official filing date is the date the application and fee are received by the City.
2. The City will review the application for completeness and will notify the applicant in writing within 10 days if the application is deemed incomplete.
3. Property owners within two-hundred (200) feet of the project site will be notified by letter within 10 calendar days prior to the public hearing date and legal notice will appear in the official newspaper of the City before the eighth calendar day prior to the date of the hearing.
4. A public hearing will be held by the Planning and Zoning Commission at 6:00 p.m. in the City Council chambers, unless otherwise noted. The Planning and Zoning Commission meetings are scheduled on the second Monday of the month. The staff will review the request with the Commission and after staff presentations the chair will open the public hearing. The applicant will have ten (10) minutes to present the request. The chair will then allow those present in favor of the request and those in opposition to the request to speak. The Commission may then ask staff or anyone present additional questions, after which the Commission may close or table the public hearing. The Commission may then vote to recommend approval or denial to the City Council. The Commission may also table the request to a future date before a recommendation is sent to the City Council.
5. A second public hearing will be scheduled before the City Council after fifteen (15) days of legal notice. The Council meetings are held on the first (1st) and third (3rd) Mondays of the month at 6:00 p.m. in the City Council chambers (401 Market Street, Tomball, Texas, 77375).
6. The City Council will conduct a public hearing on the request in the same manner as the Planning and Zoning Commission. In the event that there has been a petition filed with the City Secretary with twenty percent (20%) of the adjoining property owners in opposition to the subject zoning request, it will require a three fourths (3/4) vote of the full Council to approve the request. Upon approval of the request by the City Council, an amended ordinance shall be prepared and adopted. The ordinance shall have two separate readings and will be effective at such time that it is adopted by City Council and signed by the Mayor and attested by the City Secretary.

FAILURE TO APPEAR: It is the applicant/property owner's responsibility to attend all Planning and Zoning Commission and City Council meetings regarding their case. Failure of the applicant or his/her authorized representative to appear before the Planning and Zoning Commission or the City Council for more than one (1) hearing without approved delay by the City Manager, or his/her designee, may constitute sufficient grounds for the Planning and Zoning Commission or the City Council to table or deny the application unless the City Manager or his/her designee is notified in writing by the applicant at least seventy-two (72) hours prior to the hearing. If the agenda item is tabled the Planning and Zoning Commission shall specify a specific date at which it will be reconsidered.



February 27, 2024

City of Tomball
Planning and Zoning Commission and City Council
c/o City of Tomball Planning Department
501 James Street,
Tomball, Texas, 77375

RE: Tomball Cemetery Road Rezone Application

Dear Commissioners and Councilpersons,

On behalf of Beazer Homes, we, META Planning + Design, LLC, respectfully request for a rezoning of a ±31.1-acre tract of land located within the northwestern portion of the City of Tomball. The subject tract (HCAD number 0421810000178) is located just north of FM 2920, just south of the Pine Country of Tomball development, and just east of Tomball Cemetery Road. Currently, this tract is zoned as AG (Agricultural), but it is being requested that this tract be rezoned to the SF-6 (Single Family Residential -6) zone.

The subject tract is bounded by PD #18 (a proposed multi-family development) to the south and a single-family residential development that is zoned as AG to the north. These adjacent developments exemplify that this area is a prime location for single-family residential development. Additionally, per the City of Tomball's Comprehensive Plan, the future land use for this tract (and the residential neighborhood to the north) is designated as Neighborhood Residential. Rezoning this tract from AG to SF-6 would be in line with the goals of the City of Tomball, as a compatible zoning district for Neighborhood Residential is SF-6. The SF-6 zoning district will allow detached, single-family residential units with a minimum lot area of 6,000 square feet (a minimum lot width of 50' and a minimum lot depth of 100'). Please find the preliminary land plan attached. Please note that the land plan is for graphical representation only and is subject to change.

Beazer Homes is working with the seller to develop this tract in accordance with the rules and regulations of the SF-6 zone. As the subject tract is abutted by single-family and multi-family residential and the City of Tomball has identified the subject tract's future land use as Neighborhood Residential, we feel that the subject tract is in a prime location for the SF-6 zone.

Please contact me if you have any questions.

Sincerely,

Caitlin King

16060 Dillard Drive, Suite 250
Houston, TX 77040

713.688.3530
peagroup.com

LEGAL DESCRIPTION

Being 31.122 acres or 1,355,691 square feet of land situated in the John Edwards Survey, Block 3, Abstract Number 20 and the Chancey Goodrich Survey, Abstract Number 311, Harris County, Texas, being all of that certain called 31.159 acres of land described in deed recorded in Harris County Clerk File Number V256093, Texas, and more particularly described as follow (Bearings and coordinate are based on the Texas Coordinate System of 1983, South Central Zone, all distances shown hereon are surface distances and may be converted to grid by applying the following combined scale factor: 0.9999443881);

COMMENCING at a found 5/8 inch iron rod with cap stamped "TONY P. SWONKE RPLS" having grid coordinates X: 3,024,702.62 feet, Y: 13,956,276.70 feet found in the west right-of-way line of Tomball Cemetery Road (called 60 feet wide) and the Northwest right-of-way line of FM 2920 (called 120 feet wide), for the southeast corner of Lot 1, Final Plat of Sitemag at Tomball, recorded in Film Code Number 700317 of the Map Records of Harris County;

THENCE, North 03°19'11" West, along the west right-of-way line of said Tomball Cemetery Road and the east line of said Lot 1, a distance of 340.12' to a found 5/8 inch iron rod with cap stamped "TONY P. SWONKE RPLS" having grid coordinates X: 3,024,682.73 feet, Y: 13,956,616.26 feet the POINT OF BEGINNING of the herein described tract;

THENCE, South 86°39'32" West, along the north line of said Lot 1, at a distance of 1,358.48 passing a 5/8 inch iron rod with cap stamped "TONY P. SWONKE RPLS", found for the northerly northwest corner of said Lot 1 and the northeast corner of a called 18.739 acre tract, recorded in Harris County Clerk File Number RP-2017-242129, and continuing along the North line of said 18.739 acre tract, for a total distance of 1,988.49 feet to a 5/8 inch iron rod found in the east line of a called 122 acre tract recorded in Harris County Clerk File Number N908353, for the northwest corner of said 18.739 acre tract;

THENCE, North 03°00'51" West, along the east line of said 122 acre tract, a distance of 683.31 feet to a 5/8 inch iron rod with cap, in the east line of said 122 acre tract, for the southwest corner of Tract 4, of Replat Number 2 of Pine Country of Tomball Section Three, recorded in File Clerk Number 641167 of the Map Records of Harris County;

S:\PROJECTS\2023\23-0613 TOMBALL CEMETERY RD SUBDIVISION\SURVEY\LEGALS\23-0613 LEGAL DESCRIPTION.doc

THENCE, North 86°42'40" East, along the south line of said Tract 4 and the south line of Reserve "B", Replat of Pine Country of Tomball Section 2, recorded in Film Code Number 628282 of the Map Records of Harris County, at a distance of 1,544.77 feet passing a 1/2 inch iron rod found for the southeast corner of said Reserve B and the southwest corner of Lot 13, Block 1, Pine Country of Tomball Section Two, Reserve "A" Replat, recorded in Film Code Number 671096 of the Map Records of Harris County, continuing for a total distance of 1,984.85 feet to a 5/8 inch iron rod with cap "TONY P. SWONKE RPLS" found in the west right-of-way line of said Tomball Cemetery Road, for the southeast corner of said Lot 13;

THENCE, South 03°19'11" East, along the west right-of-way line of said Tomball Cemetery Road, a distance of 681.49 feet to the POINT-OF-BEGINNING and containing 31.122 acres of land or 1,355,691 square feet of land.



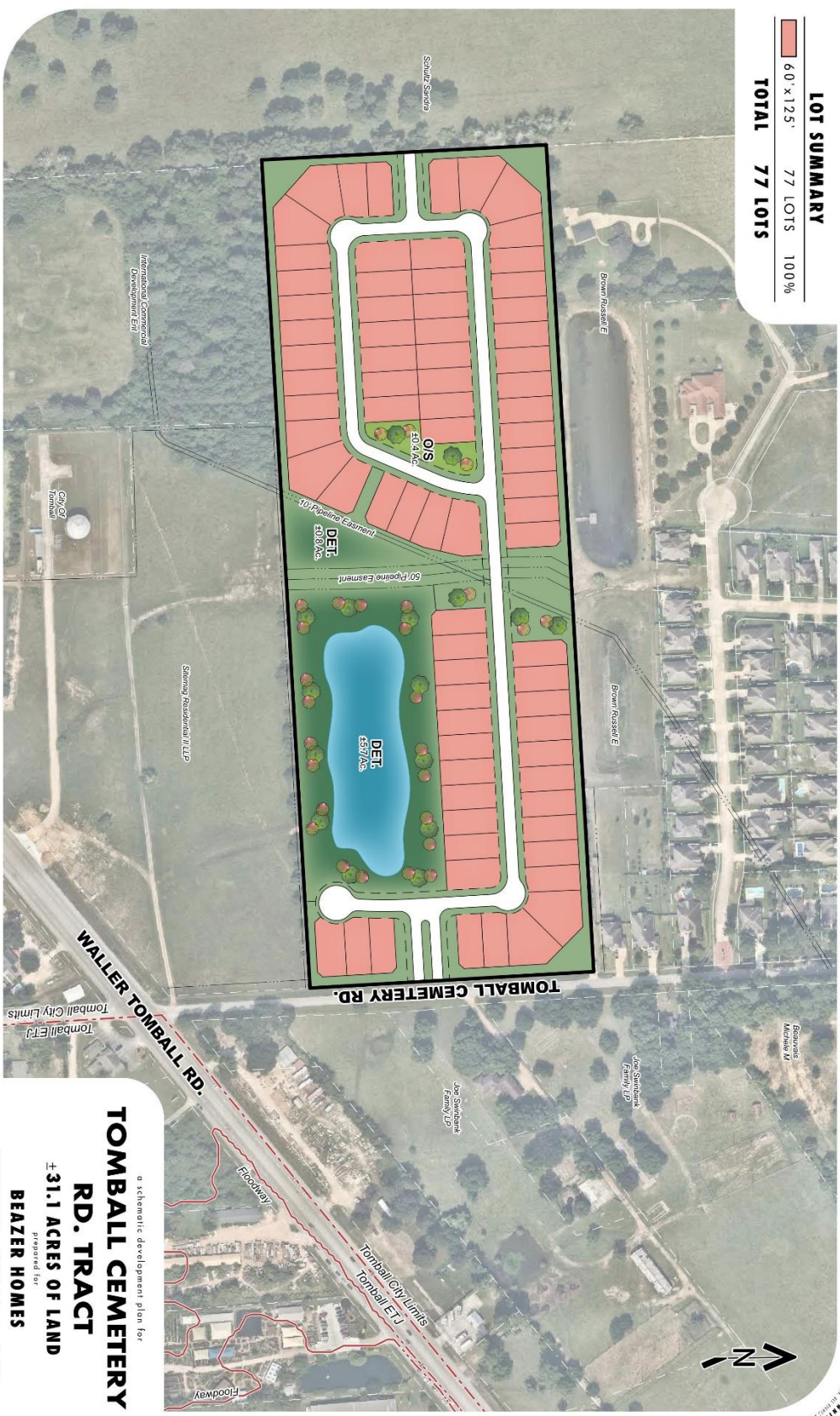
Glen H. Freeland, R.P.L.S. Date: 01-26-2024
Texas Registered Land Surveyor No. 5758
gfreeland@peagroup.com
Agent of PEA Group
TBPELS Firm #10194679
File No. 2023-0613



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LOT SUMMARY

60' x 125'	77 LOTS	100%
TOTAL	77 LOTS	



THIS DRAWING IS A GRAPHIC REPRESENTATION OF A DEVELOPMENT PLAN AND IS NOT FOR CONSTRUCTION OR FOR ANY OTHER PURPOSE. IT IS THE PROPERTY OF META PLANNING & DESIGN, INC. AND IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF META PLANNING & DESIGN, INC. ANY REPRODUCTION OR TRANSMISSION OF THIS DRAWING WITHOUT THE WRITTEN PERMISSION OF META PLANNING & DESIGN, INC. IS STRICTLY PROHIBITED. THE PRESENCE OF THIS NOTICE DOES NOT CONSTITUTE AN ENDORSEMENT OR A GUARANTEE OF THE ACCURACY OF THE INFORMATION CONTAINED HEREIN. © 2024 META PLANNING & DESIGN, ALL RIGHTS RESERVED.

OPTION E3
 *REQUIRES ZONING CHANGE

TOMBALL CEMETERY RD. TRACT
 a schematic development plan for
+31.1 ACRES OF LAND
 prepared for
BEAZER HOMES
 24235 Katy Freeway, Ste. 525
 Houston, TX 77050
 Tel: 281-810-1432
 HOU-0432
 FEBRUARY 13, 2024



City Council Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Adopt, on Second Reading, Ordinance No. 2024-08, an Ordinance of the City of Tomball, Texas, amending Chapter 50 (Zoning) of the Tomball Code of Ordinances by rezoning approximately 0.87 acres of land legally described as being a portion of Tomball Outlot 286 from Single Family Residential – 20 (SF-20) to Commercial (C) zoning. The property is generally located in the 900 block (North Side) of Agg Road, within the City of Tomball, Harris County, Texas; providing for severability; providing for a penalty of an amount not to exceed \$2,000 for each day of violation of any provision hereof, making findings of fact; and providing for other related matters.

Background:

Public Hearing Held and First Reading approved during the Regular City Council meeting held on April 15, 2024.

Origination: Houston Deco Balloons LLC

Recommendation:

Party(ies) responsible for placing this item on agenda: Community Development Department

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account: # _____ To Account: # _____

Signed: _____ **Approved by:** _____
Staff Member Date City Manager Date

ORDINANCE NO. 2024-08

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS, AMENDING CHAPTER 50 (ZONING) OF THE TOMBALL CODE OF ORDINANCES BY CHANGING THE ZONING DISTRICT CLASSIFICATION OF APPROXIMATELY 0.87 ACRES OF LAND LEGALLY DESCRIBED AS BEING A PORTION OF TOMBALL OUTLOT 286 FROM SINGLE FAMILY RESIDENTIAL – 20 (SF-20) TO COMMERCIAL (C). THE PROPERTY IS LOCATED WITHIN THE 900 BLOCK (NORTH SIDE) OF AGG ROAD, WITHIN THE CITY OF TOMBALL, HARRIS COUNTY, TEXAS; PROVIDING FOR A PENALTY OF AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF, MAKING FINDINGS OF FACT; AND PROVIDING FOR OTHER RELATED MATTERS.

Whereas, Houston Deco Balloons, LLC, has requested that approximately 0.87 acres of land legally described as being a portion of Tomball Outlot 286, being generally located in the 900 block (north side) of Agg Road, within the City of Tomball, Harris County, Texas (the “Property”), be rezoned; and

Whereas, at least fifteen (15) days after publication in the official newspaper of the City of the time and place of a public hearing and at least ten (10) days after written notice of that hearing was mailed to the owners of land within three hundred feet of the Property in the manner required by law, the Planning & Zoning Commission held a public hearing on the requested rezoning; and

Whereas, the public hearing was held before the Planning & Zoning Commission at least forty (40) calendar days after the City’s receipt of the requested rezoning; and

Whereas, the City Council deems it appropriate to grant the requested rezoning.

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

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. The rezoning classification of the Property is hereby changed and is subject to the regulations, restrictions, and conditions hereafter set forth.

Section 3. The Official Zoning Map of the City of Tomball, Texas shall be revised and amended to show the designation of the Property as hereby stated, with the appropriate reference thereon to the number and effective date of this Ordinance and a brief description of the nature of the change.

Section 4. This Ordinance shall in no manner amend, change, supplement or revise any provision of any ordinance of the City of Tomball, save and except the change in zoning classification for the Property as described above.

Section 5. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect,

or invalidate this Ordinance as a whole or any part or provision hereof other any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 6. Any person who shall violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be fined in an amount not to exceed \$2,000. Each day of violation shall constitute a separate offense.

FIRST READING:

READ, PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON 15TH DAY OF APRIL 2024.

COUNCILMAN FORD	<u>YEA</u>
COUNCILMAN STOLL	<u>YEA</u>
COUNCILMAN DUNAGIN	<u>YEA</u>
COUNCILMAN TOWNSEND	<u>NAY</u>
COUNCILMAN PARR	<u>YEA</u>

SECOND READING:

READ, PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON 6TH DAY OF MAY 2024.

COUNCILMAN FORD	_____
COUNCILMAN STOLL	_____
COUNCILMAN DUNAGIN	_____
COUNCILMAN TOWNSEND	_____
COUNCILMAN PARR	_____

LORI KLEIN QUINN, Mayor

ATTEST:

TRACYLYNN GARCIA, City Secretary

Exhibit "A"

STATE OF TEXAS §
§
§
§
COUNTY OF HARRIS §

Metes & Bounds Property Description

A tract of land containing 0.8694 Acre (37,870 Square Feet), being a portion of Outlot 286 of Tomball Townsite according the map or plat thereof recorded in Volume 2, Page 65 of the Map Records of Harris County, Texas (M.R.H.C.T.), being the remainder of a tract recorded in the name of James Case et ux under Harris County Clerk's File (H.C.C.F.) No. R838860 (Exhibit "A", Tract II) of the Real Property Records of Harris County, Texas (R.P.R.H.C.T.), and being more particularly described by metes and bounds as follows: (Bearings based on H.C.C.F. No. R838860 of the R.P.R.H.C.T.)

BEGINNING at an iron rod found at the intersection of the north right-of-way line of Agg Road and the west line of said Outlet 286, being the northwest corner of a right-of-way tract recorded in the name of the City of Tomball under H.C.C.F. No. RP-2020-383168 of the R.P.R.H.C.T., and being the southwest corner of this tract;

THENCE, **NORTH 00° 13' 27" EAST**, with the east lines of Outlots 283 and 285 being the east lines of tracts recorded in the name of Robert C. Metcalf and Sherry L. Metcalf under H.C.C.F. No. 20140116371 (Tracts 1 & 2) of the R.P.R.H.C.T., a distance of **147.19 Feet** to 1/2 Inch iron rod found at the northwest corner of this tract;

THENCE, with the lines of a tract recorded in the name of Francisco Lopez and Veronica Beltran under H.C.C.F. No. 20150144381 of the R.P.R.H.C.T. the following two (2) courses:

1. **SOUTH 89° 51' 00" EAST**, a distance of **255.48 Feet** to point at the northeast corner of this tract from which a fence corner bears South 03 01 54 West, a distance of 0.75 Feet;

2. **SOUTH 01° 35' 04" EAST**, a distance of **146.66 Feet** to a 1/2 Inch iron rod with a "PRECISION" cap set on the aforementioned north right-of-way line of Agg Road at the southwest corner of this tract (from which a iron rod found at the southwest corner of the Final Plat of Tim Littlefield, LLC Subdivision recorded under Film Code No. 704839 of the M.R.H.C.T. bears South 89° 59' 00" East, a distance of 30.00 Feet, from said iron rod found a second iron rod found at a corner of said Final Plat bears South 89° 59' 07" East, a distance of 258.39 Feet, from said second rod found a third iron rod found at a corner of said Final Plat bears North 44° 59' 39" East, a distance of 28.27 Feet, from said third rod found a fourth iron rod found bears North 53° 01' 24" West, a distance of 353.25 Feet, from said fourth rod found a fifth iron rod found bears North 00° 08' 58" East, a distance of 10.00 Feet);

THENCE, **NORTH 89° 59' 00" WEST**, with said north right-of-way line, a distance of **260.11 Feet** to the POINT OF BEGINNING and containing 0.8694 Acre of land.

(See attached drawing)



Terrance P. Mish
Registered Professional Land Surveyor
No. 4981
Job No. 24-00516
January 26, 2024



Location: 900 block (north side) of Agg Road, being a portion of Tomball Outlot 286, City of Tomball, Harris County, Texas

CASE #: Z24-04

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: CASE JAMES & PATRICIA
Parcel I.D.: 1212190000001
Address: 1514 S PERSIMMON ST

Mailing To: Community Development Department
501 James St., Tomball TX 77375

Email: jasmith@tomballtx.gov

I am in favor
Additional Comments:

I am opposed

Signature: Patricia Case

501 James Street • TOMBALL, TEXAS 77375

CASE #: Z24-04

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: CASE JAMES & PATRICIA
Parcel I.D.: 0352880000289
Address: 1514 S PERSIMMON ST

Mailing To: Community Development Department
501 James St., Tomball TX 77375

Email: jasmith@tomballtx.gov

I am in favor
Additional Comments:

I am opposed

Signature: Patricia Case

Correct Address: Agg Rd/Medical Complex Blvd.

501 James Street • TOMBALL, TEXAS 77375

CASE #: Z24-04

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: CASE JAMES & PATRICIA ANN
Parcel I.D.: 0352880000415
Address: 0 S PITCHFORD ST

Mailing To: Community Development Department
501 James St., Tomball TX 77375

Email: jasmith@tomballtx.gov

I am in favor
Additional Comments:

I am opposed

Signature: Patricia Case

Correct Address : Agg Rd / Medical Complex ~~Plot~~

501 James Street • TOMBALL, TEXAS 77375

CASE #: Z24-04

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: CASE JAMES & PATRICIA
Parcel I.D.: 035288000411
Address: 1514 S PERSIMMON ST

Mailing To: Community Development Department
501 James St., Tomball TX 77375

Email: jasmith@tomballtx.gov

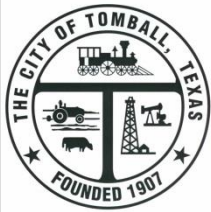
I am in favor
Additional Comments:

I am opposed

Signature: Patricia Case

Correct Address: A 99 Rd. / Medicine Complex Blvd

501 James Street • TOMBALL, TEXAS 77375



**Rezoning
Staff Report**

Planning & Zoning Commission Public Hearing Date: April 8, 2024
City Council Public Hearing Date: April 15, 2024

Rezoning Case: Z24-04
Property Owner(s): Houston Deco Ballons LLC
Applicant(s): Houston Deco Ballons LLC
Legal Description: Portion of Lot 286 of Tomball Outlots
Location: 900 block (North Side) of Agg Road (Exhibit “A”)
Area: 0.87 acres
Comp Plan Designation: Business Park and Industrial (Exhibit “B”)
Present Zoning: Single-Family Residential -20 District (Exhibit “C”)
Request: Rezone from the Single-Family Residential – 20 (SF-20) to the Commercial (C) district

Adjacent Zoning & Land Uses:

North: Single-Family Residential -20 (SF-20)/ Single-family residence(s)
South: Single-Family Residential – 20 (SF-20)/ Single Family residence(s)
West: Single-Family Residential – 20 (SF-20) / Single-family residence(s)
East: Single-Family Residential – 20 (SF-20) / Single-family residence(s)

BACKGROUND

The subject property has been within the City Limits of Tomball since at least 1909. There is an existing agricultural structure located on the property which according to historic imagery appears to have been located on the subject property since at least 1989. The applicants are requesting to rezone the subject property to the Commercial (C) zoning district. According to the information provided by the applicant the intent of this rezoning is to allow for the development of mixed-use space comprising office warehouse and retail facilities.

ANALYSIS

Description: The subject property comprises approximately 0.87 acres, located within the 900 block (north side) of Agg Road. The subject property currently is located within the Single Family Residential Estate – 20 (SF-20) zoning district and has been within this zoning classification since the City of Tomball adopted zoning in 2008. Immediately north, south, east, and west of the subject property are properties within the Single Family Residential Estate – 20 (SF-20) zoning designation, these properties appear to be occupied by single family residences at this time. Even though the property is surrounded by properties zoned Single Family Residential Estate – 20 (SF-20), properties just to the east of the subject property, separated by a narrow driveway, are within the Light Industrial (LI) zoning district. These properties were rezoned to this classification in 2021. The property northeast of the subject property was recently developed with office warehouse buildings.

Comprehensive Plan Recommendation: The property is designated as “Business Park & Industrial” by the Comprehensive Plans Future Land Use Map. This Business Park & Industrial category is intended to create opportunities for employment. The uses that are to be promoted in this designated land use should be uses that benefit from proximity to major thoroughfares which provide convenient access for vehicle traffic, including freight traffic. According to the Comprehensive Plan, land uses should consist of office, warehousing, light manufacturing (with indoor operations), breweries/distilleries, equipment sales, contractor services, and corporate campuses. Appropriate secondary uses may include things such as utility services, government facilities, and transportation/freight uses. The Comprehensive Plan recommends the zoning districts of – Light Industrial (LI), Commercial (C), Office (O), or Planned Developments (PD) for the Business Park & Industrial land use category.

The proposed zoning category of Commercial (C) is in conformance with the Comprehensive Plan recommendation for this area.

Staff Review Comments:

The request to rezone the subject property to Commercial (C) is in conformance with the Future Land Use Plans goal and objective of establishing the Business Park & Industrial land use. The approval of the requested zoning will promote a new development that is consistent with the type of development patterns and character endorsed by the Future Land Use Plan for this area. Furthermore, the subject property is sited along Agg Road, which is a segment of Medical Complex Drive, a roadway which is identified as being a major arterial street in the City of Tomball Major Thoroughfare Plan. Roadways such as this are customarily appropriate for commercial land uses as they provide convenient vehicular access and exposure often necessary to promote commercial success. Additionally, the subject property is near the intersection of Agg Road (major arterial street) and South Persimmon Street (minor arterial street), key intersections of major thoroughfares such as these are important to ensure convenient access to commercial traffic, to include potential freight traffic as promoted by the Business Park & Industrial future land use category.

PUBLIC COMMENT

A Notice of Public Hearing was published in the paper and property owners within 300 feet of the project site were mailed notification of this proposal on March 19, 2024. Any public comment

forms will be provided in the Planning & Zoning Commission and City Council packets or during the public hearing.

RECOMMENDATION

Based on the findings outlined in the analysis section of this staff report, City staff recommends approval of Zoning Case Z24-04.

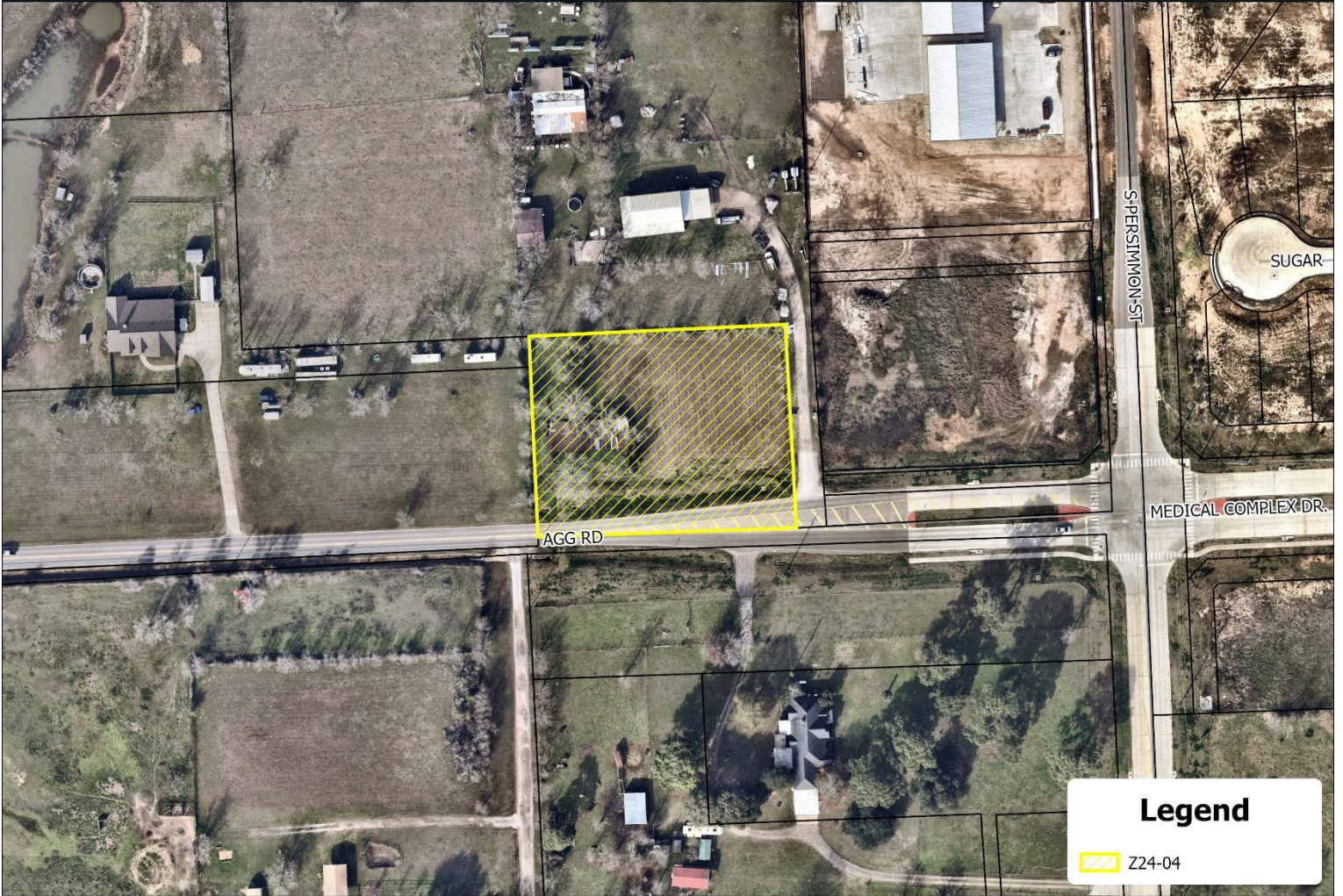
EXHIBITS

- A. Aerial Location Map
- B. Future Land Use Map
- C. Zoning Map
- D. Site Photo(s)
- E. Rezoning Application

Exhibit "A"
Aerial Location Map



Location



Legend

 Z24-04

Exhibit "B"
Future Land Use Map



Future Land Use

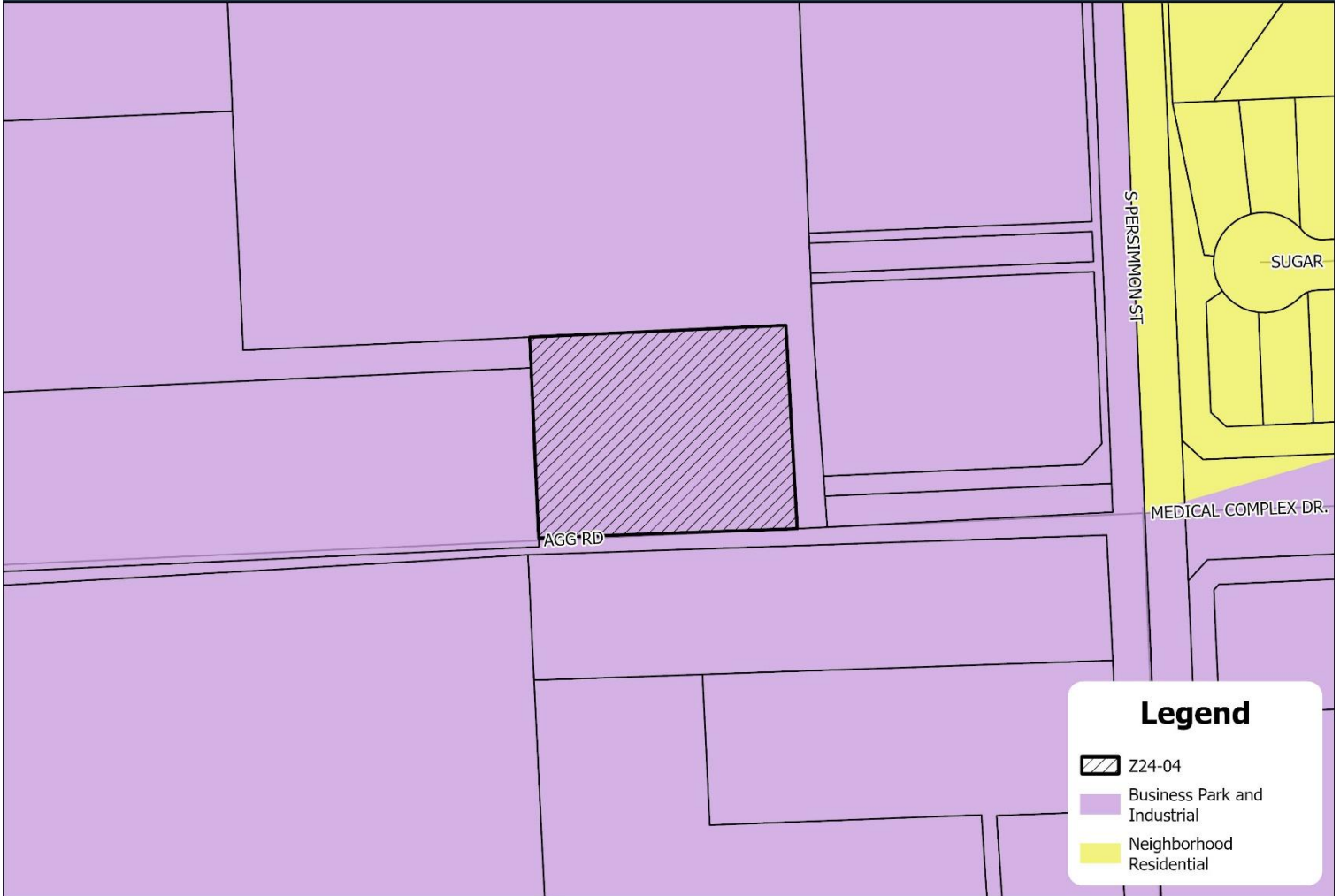
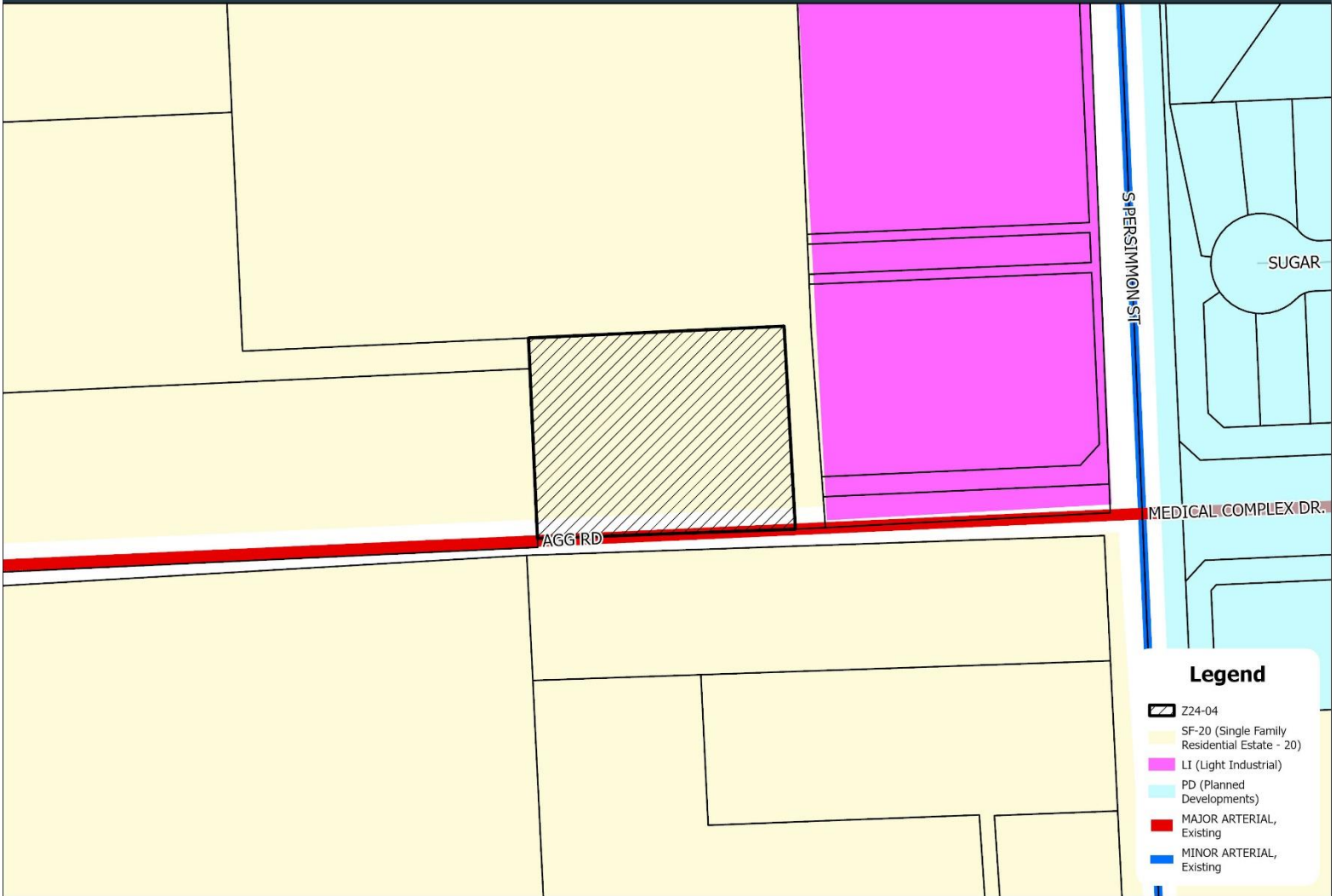


Exhibit "C"
Zoning Map



Zoning



Legend

- Z24-04
- SF-20 (Single Family Residential Estate - 20)
- LI (Light Industrial)
- PD (Planned Developments)
- MAJOR ARTERIAL, Existing
- MINOR ARTERIAL, Existing

Exhibit "D"
Site Photo(s)

Subject Site



Neighbor (West)



Neighbor (East)



Neighbor (North)



Neighbor (South)



Exhibit "E"
Rezoning Application

Revised: 08/25/2023



APPLICATION FOR RE-ZONING
Community Development Department
Planning Division

APPLICATION REQUIREMENTS: Applications will be *conditionally* accepted on the presumption that the information, materials and signatures are complete and accurate. If the application is incomplete or inaccurate, your project may be delayed until corrections or additions are received.

FEEs: Must be paid at time of submission or application will not be processed.

- \$1,000.00 fee for requests to rezone to standard zoning districts
- \$1,500.00 fee for request to rezone to Planned Development districts.

DIGITAL APPLICATION SUBMITTALS:

PLEASE SUBMIT YOUR APPLICATIONS AND PLANS DIGITALLY WITHIN SMARTGOV

[WEBSITE: ci-tomball-tx.smartgovcommunity.com](http://www.ci-tomball-tx.smartgovcommunity.com)

Applicant

Name: Sellapperumage Asanka Fernando Title: Managing Member
Mailing Address: 12307 Northpointe Ridge LN City: Tomball State: TX
Zip: 77377 Contact: Sellapperumage Asanka Fernando
Phone: (346) 2258200 Email: madurawala@gmail.com

Owner

Name: Houston Deco Balloons LLC/ Sellapperumage Asanka Fernando Title: Managing Member
Mailing Address: 11424 Spring Cypress RD, Suite A-7 City: Tomball State: TX
Zip: 77377 Contact: Sellapperumage Asanka Fernando
Phone: (346) 2258200 Email: madurawala@gmail.com

Engineer/Surveyor (if applicable)

Name: _____ Title: _____
Mailing Address: _____ City: _____ State: _____
Zip: _____ Contact: _____
Phone: (____) _____ Fax: (____) _____ Email: _____

Description of Proposed Project: Office Warehouse and Retail Space

Physical Location of Property: Agg Road and S.Persimmon St (0 S PITCHFORD ST)
[General Location – approximate distance to nearest existing street corner]

Legal Description of Property: 0.8694 Acre Being a Portion of outlot 286 Tomball Townsite
[Survey/Abstract No. and Tracts; or platted Subdivision Name with Lots/Block]

Current Zoning District: (SF-20-E) : Single Family Residential Estate

City of Tomball, Texas 501 James Street, Tomball, Texas 77375 Phone: 281-290-1405 www.tomballtx.gov

Current Use of Property: Vacant

Proposed Zoning District: (C) : Commercial

Proposed Use of Property: Office warehouse and Retail Space

HCAD Identification Number: 0352880000415 Acreage: 0.8694

Please note: A courtesy notification sign will be placed on the subject property during the public hearing process and will be removed when the case has been processed.

This is to certify that the information on this form is COMPLETE, TRUE, and CORRECT and the under signed is authorized to make this application. I understand that submitting this application does not constitute approval, and incomplete applications will result in delays and possible denial.

X [Signature] 2/23/24
Signature of Applicant Date

X [Signature] 2/23/24
Signature of Owner Date

2/23/2024

City of Tomball,

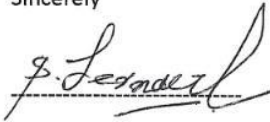
Re: Rezoning for 0.8694 Acre Being a Portion of outlot 286 Tomball Townsite

We have recently acquired a 0.8694-acre property situated at 0 S Pitchford St, Tomball, TX. Presently zoned as SF-20-E: Single Family Residential Estate, our intention is to develop the site into a mixed-use space comprising an office warehouse and a retail warehouse facility.

To align with our development plans, it is imperative to pursue rezoning of the property to commercial status. This strategic endeavor will enable us to optimize the property's potential and contribute positively to the local business landscape.

Thank you,

Sincerely

A handwritten signature in black ink, appearing to read "S. Fernando", written over a horizontal dashed line.

Sellapperumage Asanka Fernando

STATE OF TEXAS §
 §
 §
 §
 §
COUNTY OF HARRIS §

Metes & Bounds Property Description

A tract of land containing 0.8694 Acre (37,870 Square Feet), being a portion of Outlet 286 of Tomball Townsite according the map or plat thereof recorded in Volume 2, Page 65 of the Map Records of Harris County, Texas (M.R.H.C.T.), being the remainder of a tract recorded in the name of James Case et ux under Harris County Clerk's File (H.C.C.F.) No. R838860 (Exhibit "A", Tract II) of the Real Property Records of Harris County, Texas (R.P.R.H.C.T.), and being more particularly described by metes and bounds as follows: (Bearings based on H.C.C.F. No. R838860 of the R.P.R.H.C.T.)

BEGINNING at an iron rod found at the intersection of the north right-of-way line of Agg Road and the west line of said Outlet 286, being the northwest corner of a right-of-way tract recorded in the name of the City of Tomball under H.C.C.F. No. RP-2020-383168 of the R.P.R.H.C.T., and being the southwest corner of this tract;

THENCE, **NORTH 00° 13' 27" EAST**, with the east lines of Outlots 283 and 285 being the east lines of tracts recorded in the name of Robert C. Metcalf and Sherry L. Metcalf under H.C.C.F. No. 20140116371 (Tracts 1 & 2) of the R.P.R.H.C.T., a distance of **147.19 Feet** to 1/2 Inch iron rod found at the northwest corner of this tract;

THENCE, with the lines of a tract recorded in the name of Francisco Lopez and Veronica Beltran under H.C.C.F. No. 20150144381 of the R.P.R.H.C.T. the following two (2) courses:

1. **SOUTH 89° 51' 00" EAST**, a distance of **255.48 Feet** to point at the northeast corner of this tract from which a fence corner bears South 03 01 54 West, a distance of 0.75 Feet;
2. **SOUTH 01° 35' 04" EAST**, a distance of **146.66 Feet** to a 1/2 Inch iron rod with a "PRECISION" cap set on the aforementioned north right-of-way line of Agg Road at the southwest corner of this tract (from which a iron rod found at the southwest corner of the Final Plat of Tim Littlefield, LLC Subdivision recorded under Film Code No. 704839 of the M.R.H.C.T. bears South 89° 59' 00" East, a distance of 30.00 Feet, from said iron rod found a second iron rod found at a corner of said Final Plat bears South 89° 59' 07" East, a distance of 258.39 Feet, from said second rod found a third iron rod found at a corner of said Final Plat bears North 44° 59' 39" East, a distance of 28.27 Feet, from said third rod found a fourth iron rod found bears North 53° 01' 24" West, a distance of 353.25 Feet, from said fourth rod found a fifth iron rod found bears North 00° 08' 58" East, a distance of 10.00 Feet);

THENCE, **NORTH 89° 59' 00" WEST**, with said north right-of-way line, a distance of **260.11 Feet** to the POINT OF BEGINNING and containing 0.8694 Acre of land.

(See attached drawing)



Terrance P. Mish
Registered Professional Land Surveyor
No. 4981
Job No. 24-00516
January 26, 2024

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Approve the Minutes of the April 15, 2024, Regular City Council meeting.

Background:

Origination: City Staff

Recommendation:

Approve Minutes

Party(ies) responsible for placing this item on agenda: Tracylynn Garcia, City Secretary

FUNDING (IF APPLICABLE)

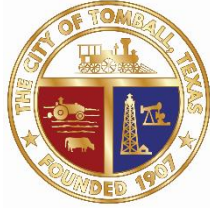
Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed Sasha Luna Approved by _____
Staff Member _____ Date _____ City Manager _____ Date _____

**MINUTES OF REGULAR CITY COUNCIL
CITY OF TOMBALL, TEXAS**



**Monday, April 15, 2024
6:00 PM**

- A. Mayor Klein Quinn called the meeting of the City Tomball Council to order at 6:00 p.m.

PRESENT

Council 1 John Ford
Council 2 Mark Stoll
Council 3 Dane Dunagin
Council 4 Derek Townsend, Sr. (via video)
Council 5 Randy Parr

OTHERS PRESENT

City Manager - David Esquivel
Assistant City Manager - Jessica Rogers
City Attorney – Loren Smith
City Secretary - Tracylynn Garcia
Assistant City Secretary - Sasha Luna
Director of Community Development - Craig Meyers
Police Chief – Jeff Bert
Director of Marketing & Tourism - Chrislord Templonuevo
IT Director - Tom Wilson
Public Works Director - Drew Huffman
Project Manager - Meagan Mageo
Part-time Administrative Assistant – Tabitha Trejo

- B. Invocation - Led by Pastor Abraham Jasso with Templo La Hermosa
- C. Pledges to U.S. and Texas Flags Latrel Shannon
- D. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]*

No public comments were received.

E. Reports and Announcements

1. Announcements

I. Upcoming Events:

April 15 – 20, 2024 - Annual Spring Clean-up & Chipping Week
April 20, 2024 - Tomball Consolidated Recycling Day

Early Voting @ City Hall:

April 22 – 26, 2024 – 7:45 am – 5:00 pm

April 29, 2024 – 7:45 am – 5:00 pm

April 30, 2024 – 7:45 am – 7:45 pm

April 27, 2024 – Rails & Tails Mudbug Festival 11:00 am – 6:00 pm @
the Depot

May 2, 2024 – National Day of Prayer 5:00 pm – 6:00 pm @ Community
Center

May 4, 2024 – Election Day 7:00 am – 7:00 pm @ City Hall

F. New Business Consent Agenda: *[All matters listed under Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, the item in question will be removed from the Consent Agenda and will be considered separately. Information concerning Consent Agenda items is available for public review.]*

1. Approve the Minutes of the April 1, 2024, Regular City Council meeting.
2. Notice of the General and Special Elections
3. Approve request from Cancer Kiss My Cooley for City Support and In-Kind Services for the Cancer Kiss My Cooley 5k and Superhero Dash near Paradigm Brewery in Tomball, on Saturday, October 26, 2024, from 6:30 – 11:00 a.m.
4. Approve request from MAD for Vets for City Support and In-Kind Services for the Freedom 5k Fun Run/Walk in downtown Tomball, on Saturday, October 19, 2024, from 8:00 – 11:00 a.m.
5. Approve a Professional Services Agreement with Freese & Nichols, Inc. for the design of drainage improvements for North Star Estates, Project Number 2024-10008, for a not-to-exceed amount of \$59,193, authorize the expenditure of funds therefor, and authorize the City Manager to execute the agreement. This amount is to be paid from the Capital Improvement Project budget for fiscal year 2023-2024.

Motion made by Council 1 Ford, Seconded by Council 2 Stoll.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

G. New Business

1. Discussion and possible action to schedule Special City Council Meeting(s) and workshop(s).

As discussed, the following dates were confirmed:

May 6, 2024 @ 4pm, Joint CC and P & Z Unified Development Code

May 13, 2024 @ 5pm, Canvas of the Election

May 20, 2024 @ 4pm, Tree preservation and Noise ordinance workshop

2. Approve Resolution No. 2024-17, a Resolution of the City Council of the City of Tomball, Texas regarding acceptance of an approximately 18.739 acre tract of land located at 16000 Farm to Market 2920, Tomball, TX 77377 into the extraterritorial jurisdiction of the City of Tomball.

Motion made by Council 1 Ford, Seconded by Council 5 Parr.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

3. Approve a donation agreement with the estate of Gilbert and Virginia Freitag for the donation and display of antique train equipment and authorize the City Manager to execute any and all documents related to the donation.

Motion made by Council 1 Ford, Seconded by Council 2 Stoll.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

4. Approve Resolution No. 2024-15 - A Resolution of the City Council of the City of Tomball, Texas, authorizing the City Manager to act for the City in connection

with the City's expenditure of grants from the American Rescue Plan and the Coronavirus Local Fiscal Recovery Fund and making other provisions related to the subject.

Motion made by Council 5 Parr, Seconded by Council 3 Dunagin.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

5. Consideration to Approve **Zoning Case Z24-03**: Request by Ken & Betty Vairin, represented by META Planning & Design, Inc., to amend Chapter 50 (*Zoning*) of the Tomball Code of Ordinances, by rezoning approximately 31.12 acres of land legally described as being portions of the J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311 from the Agricultural (AG) to Single Family Residential – 6 (SF-6) zoning. The property is generally located within 22100 block (west side) of Tomball Cemetery Road, within the City of Tomball, Harris County, Texas.

Conduct Public Hearing on **Zoning Case Z24-03**

- Mayor Klein Quinn called the PH to order at 6:25 pm
- Hearing no comments the Mayor closed the PH at 6:26 pm

Adopt, on First Reading, Ordinance No. 2024-07, an Ordinance of the City of Tomball, Texas, amending Chapter 50 (*Zoning*) of the Tomball Code of Ordinances by rezoning approximately 31.12 acres of land legally described as being portions of the J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311 from the Agricultural (AG) to Single Family Residential – 6 (SF-6) zoning. The property is generally located within 22100 block (west side) of Tomball Cemetery Road, within the City of Tomball, Harris County, Texas; providing for severability; providing for a penalty of an amount not to exceed \$2,000 for each day of violation of any provision hereof, making findings of fact; and providing for other related matters.

Motion made by Council 1 Ford, Seconded by Council 2 Stoll to read by caption only Ordinance No. 2024-07.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

Motion made by Council 2 Stoll, Seconded by Council 4 Townsend, Sr to adopt Ordinance No. 2024-07.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

6. Consideration to Approve **Zoning Case Z24-04:** Request by Houston Deco Balloons LLC, to amend Chapter 50 (*Zoning*) of the Tomball Code of Ordinances, by rezoning approximately 0.87 acres of land legally described as being a portion of Tomball Outlot 286 from Single Family Residential – 20 (SF-20) to Commercial (C) zoning. The property is generally located in the 900 block (North Side) of Agg Road, within the City of Tomball, Harris County, Texas.

Conduct Public Hearing on **Zoning Case Z24-04**

- Mayor Klein Quinn called the PH to order at 6:40 pm
- Hearing no comments the Mayor closed the PH at 6:41 pm

Adopt, on First Reading, Ordinance No. 2024-08, an Ordinance of the City of Tomball, Texas, amending Chapter 50 (*Zoning*) of the Tomball Code of Ordinances by rezoning approximately 0.87 acres of land legally described as being a portion of Tomball Outlot 286 from Single Family Residential – 20 (SF-20) to Commercial (C) zoning. The property is generally located in the 900 block (North Side) of Agg Road, within the City of Tomball, Harris County, Texas; providing for severability; providing for a penalty of an amount not to exceed \$2,000 for each day of violation of any provision hereof, making findings of fact; and providing for other related matters.

Motion made by Council 1 Ford, Seconded by Council 2 Stoll to read by caption only Ordinance No. 2024-08.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

Motion made by Council 2 Stoll, Seconded by Council 4 Townsend, Sr., to adopt Ordinance No. 2024-08.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 5 Parr

Voting Nay: Council 4 Townsend, Sr.

Motion carried 4 votes yea, 1 vote nay.

7. Approve Resolution 2024-18, a Resolution of the City Council of the City of Tomball, Texas, approving the Utility Rate Study; and Providing an Effective Date.

Motion made by Council 3 Dunagin, Seconded by Council 5 Parr.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

8. Approve Resolution 2024-19, a Resolution of the City Council of the City of Tomball, Texas, approving and establishing the 2024 to 2028 Utility Rate Plan as approved in the Utility Rate Study; and Providing an Effective Date.

Motion made by Council 1 Ford, Seconded by Council 2 4 Townsend, Sr.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

9. Executive Session: The City Council will meet in Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

- Sec. 551.071 – Consultation with the City Attorney regarding a matter which the Attorney’s duty requires to be discussed in closed session.

Executive session started: 7:00 PM

Executive session ended: 7:30 PM

H. Adjournment

Motion made by Council 1 Ford, Seconded by Council 5 Parr.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Dunagin, Council 4 Townsend, Sr., Council 5 Parr

Motion carried unanimously.

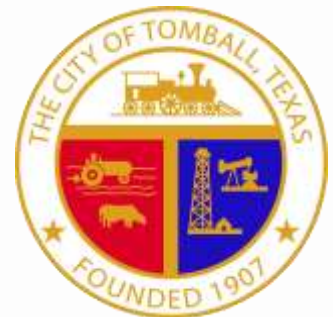
PASSED AND APPROVED THIS 6th DAY OF May 2024.

Tracylynn Garcia
City Secretary, TRMC, CMC, CPM

Lori Klein Quinn
Mayor

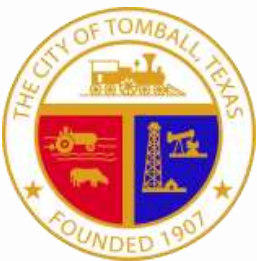
Rezoning Case Z24-03

- Request by Ken & Betty Vairin, represented by META Planning & Design, Inc. , to amend Chapter 50 (Zoning) of the Tomball Code of Ordinances, by rezoning approximately 31.12 acres of land legally described as being portions of the J H Edwards Survey, Abstract 20 and the C Goodrich Survey, Abstract 311 from the Agricultural (AG) to Single Family Residential – 6 (SF-6) zoning. The property is generally located within 22100 block (west side) of Tomball Cemetery Road, within the City of Tomball, Harris County, Texas.





Location



Site Photos



Subject Property



Neighboring Property (south)



Neighboring Property (north)



Neighboring Property (east)



Neighboring Property (west)



Neighboring Property (north)



Neighboring Property (north)



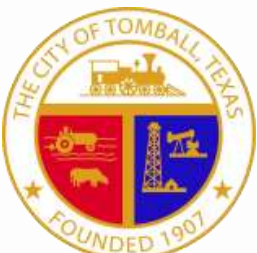


Zoning



Legend

- Z24-03
- AG (Agricultural)
- SF-9 (Single Family Residential - 9)
- C (Commercial)
- PD (Planned Developments)
- COLLECTOR, Existing
- MAJOR ARTERIAL, Existing



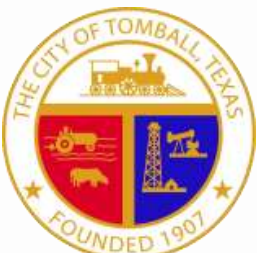


Future Land Use

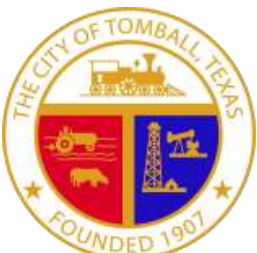


Legend

- Z24-03
- Corridor Commercial
- Neighborhood Residential



Site Exhibit



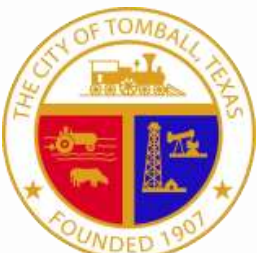


Notification Area



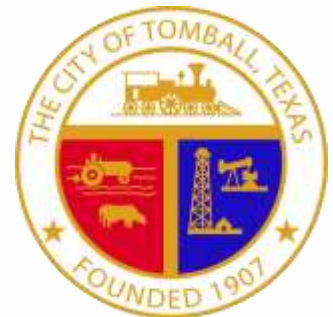
1 - In Favor- ●
1 - Opposed- ●

Legend
300' Notification Area
Z24-03



Recommendation

- Request for Single Family Residential - 6 (SF-6) zoning is consistent with the “Neighborhood Residential” land use category identified in the Future Land Use Plan as adopted by City Council with the Comprehensive Plan in 2019.
- Planning & Zoning Commission recommended approval (3-2).
- City staff recommends approval of case Z24-03.



Tomball Cemetery Road Rezone Request

April 15, 2024



LOT SUMMARY

60'x125' 77 LOTS 100%

TOTAL 77 LOTS

Pine County
(single-family
residential).



Proposed
multi-family
development.

a schematic development plan for
**TOMBALL CEMETERY
 RD. TRACT**
 ± 31.1 ACRES OF LAND
 prepared for
BEAZER HOMES



34203 Katy Freeway, Ste. 535
 Katy, Texas 77494
 Tel: 281-810-1422



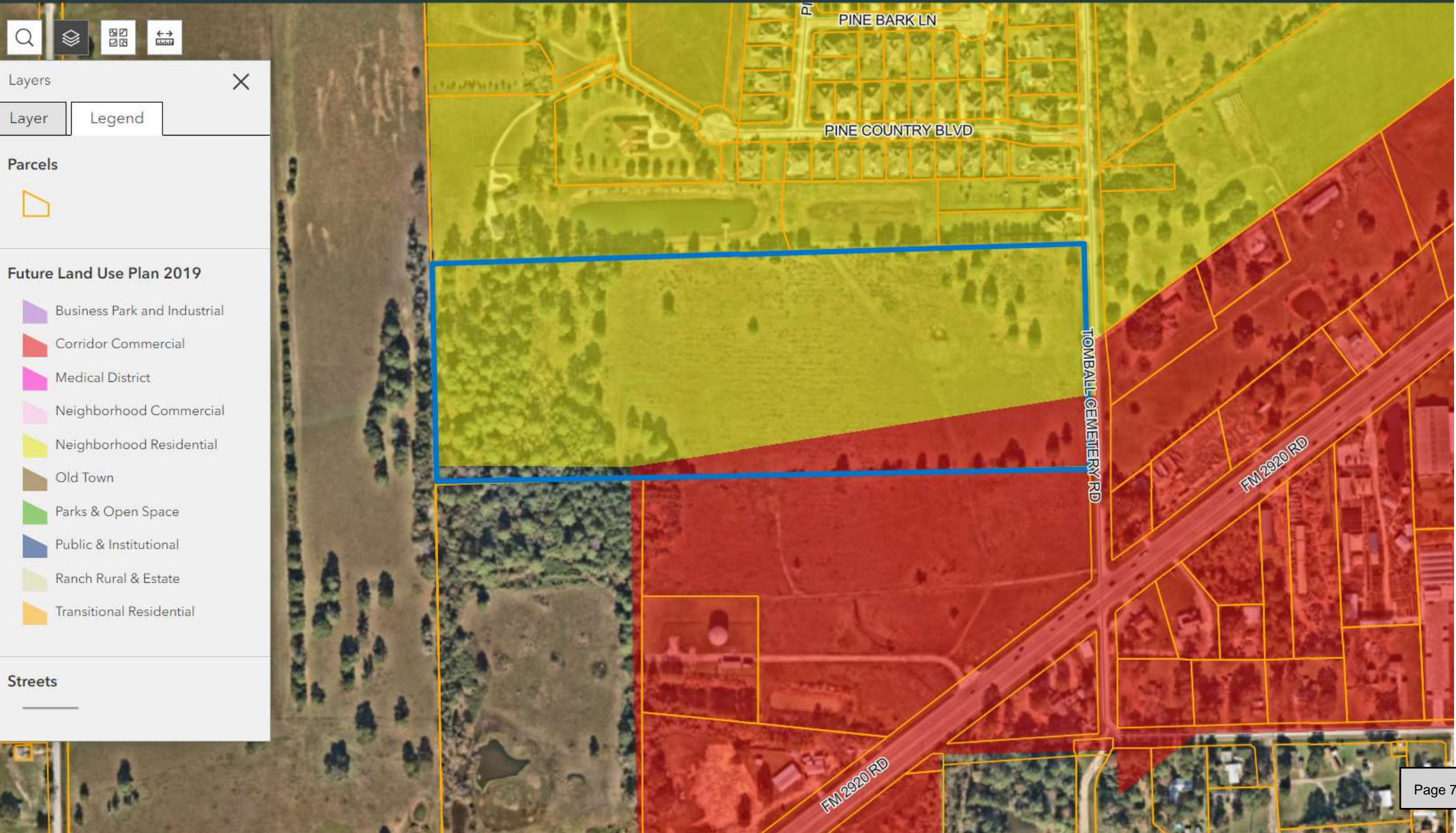
NOI-0483
 FEBRUARY 13, 2024

THIS DRAWING IS A GRAPHIC REPRESENTATION FOR INFORMATIONAL PURPOSES ONLY AND IS NOT THE COMPLETION OF A CONTRACTOR'S OBLIGATION. EACH DRAWING IS A GRAPHIC REPRESENTATION ONLY AND IS SUBJECT TO CHANGE WITHOUT NOTICE. META PLANNING & DESIGN MAY OR MAY NOT INCORPORATE ANY INFORMATION PROVIDED BY OTHER CONSULTANTS, INCLUDING BUT NOT LIMITED TO THE TOPICS OF SURVEYING AND GEOTECHNICAL ENGINEERING. META PLANNING & DESIGN SHALL BE RESPONSIBLE FOR THE DESIGN, AND ANY OTHERS, SERVICES OR PRODUCTS, INCLUDING THE PHYSICAL DESIGN, LOCATION, AND EXISTENCE OF THE PROJECTS SHOWN ON THIS MAP AND ANY OTHERS, ADDITIONAL, AND WORKSHEETS IS MADE TO THE EXTENT OF THE INFORMATION CONTAINED HEREIN.

© 2024 META PLANNING & DESIGN. ALL RIGHTS RESERVED.

E3

***REQUIRES ZONING
 CHANGE**



Layers ✕

Layer Legend

Parcels

Future Land Use Plan 2019

- Business Park and Industrial
- Corridor Commercial
- Medical District
- Neighborhood Commercial
- Neighborhood Residential
- Old Town
- Parks & Open Space
- Public & Institutional
- Ranch Rural & Estate
- Transitional Residential

Streets



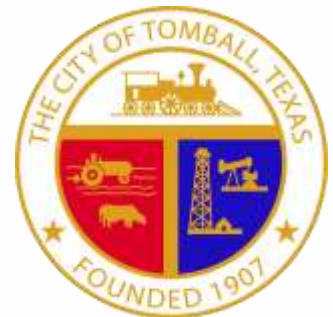
- Beazer Heritage Product
- Average home square footage: 2,500 sqft.
- Average lot square footage: 7,500 sqft
- Base prices ranging from \$405,000-\$512,000
 - Average price: \$530,000
- The community will feature walking trails, green spaces, and a park.
- Third car garage option available on all lots.
- Home sales beginning January 2026.



Example Beazer Communities and Key Facts

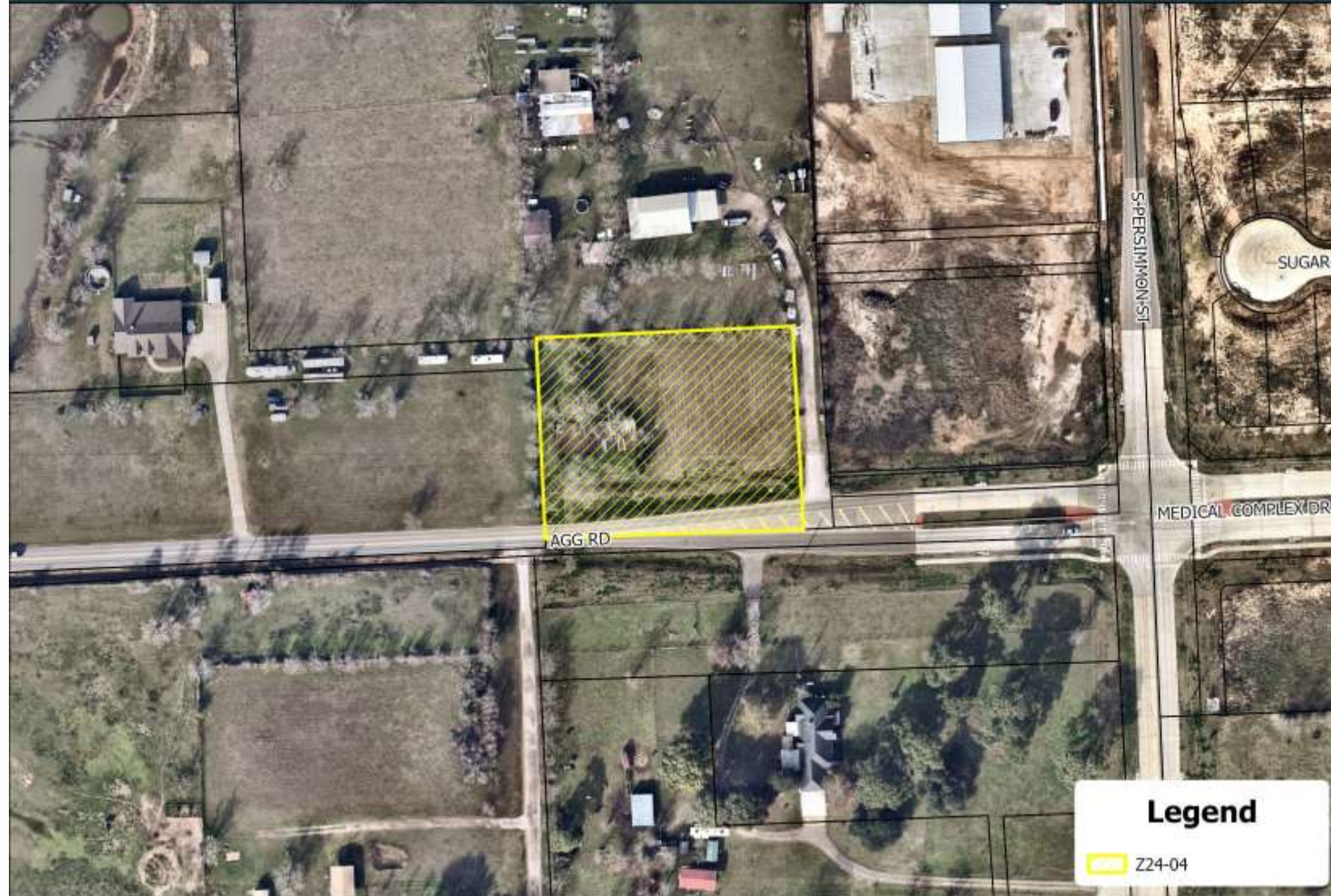
Rezoning Case Z24-04

- Request by Houston Deco Balloons LLC, to amend Chapter 50 (Zoning) of the Tomball Code of Ordinances, by rezoning approximately 0.87 acres of land legally described as being a portion of Tomball Outlot 286 from Single Family Residential – 20 (SF-20) to Commercial (C) zoning. The property is generally located in the 900 block (North Side) of Agg Road, within the City of Tomball, Harris County, Texas.



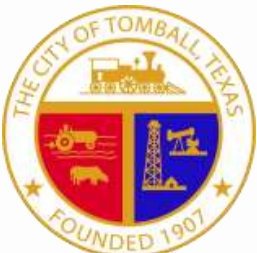


Location



Legend

 Z24-04



Site Photos

Subject Property



Neighboring Property (south)



Neighboring Property (north)



Neighboring Property (west)

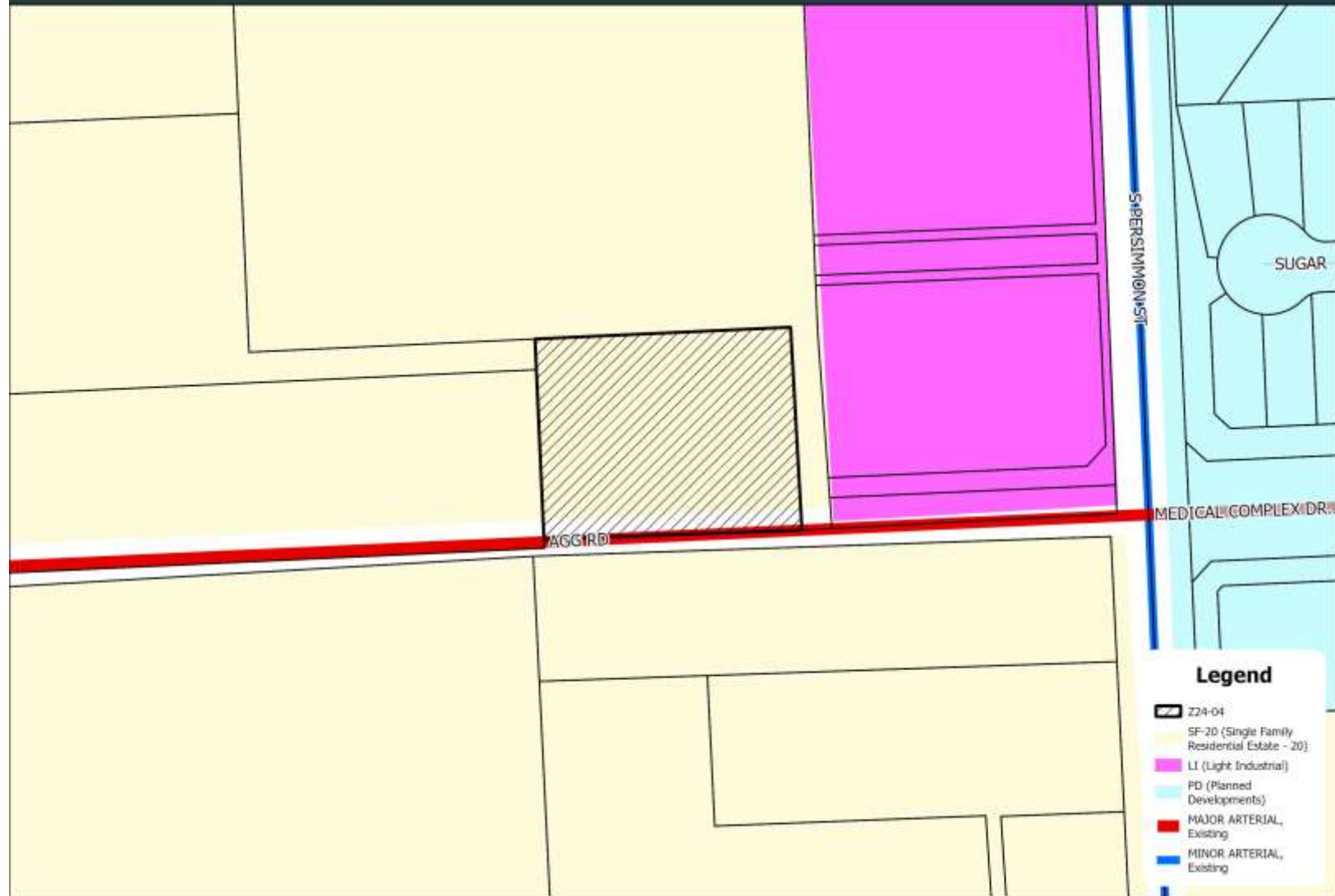


Neighboring Property (east)



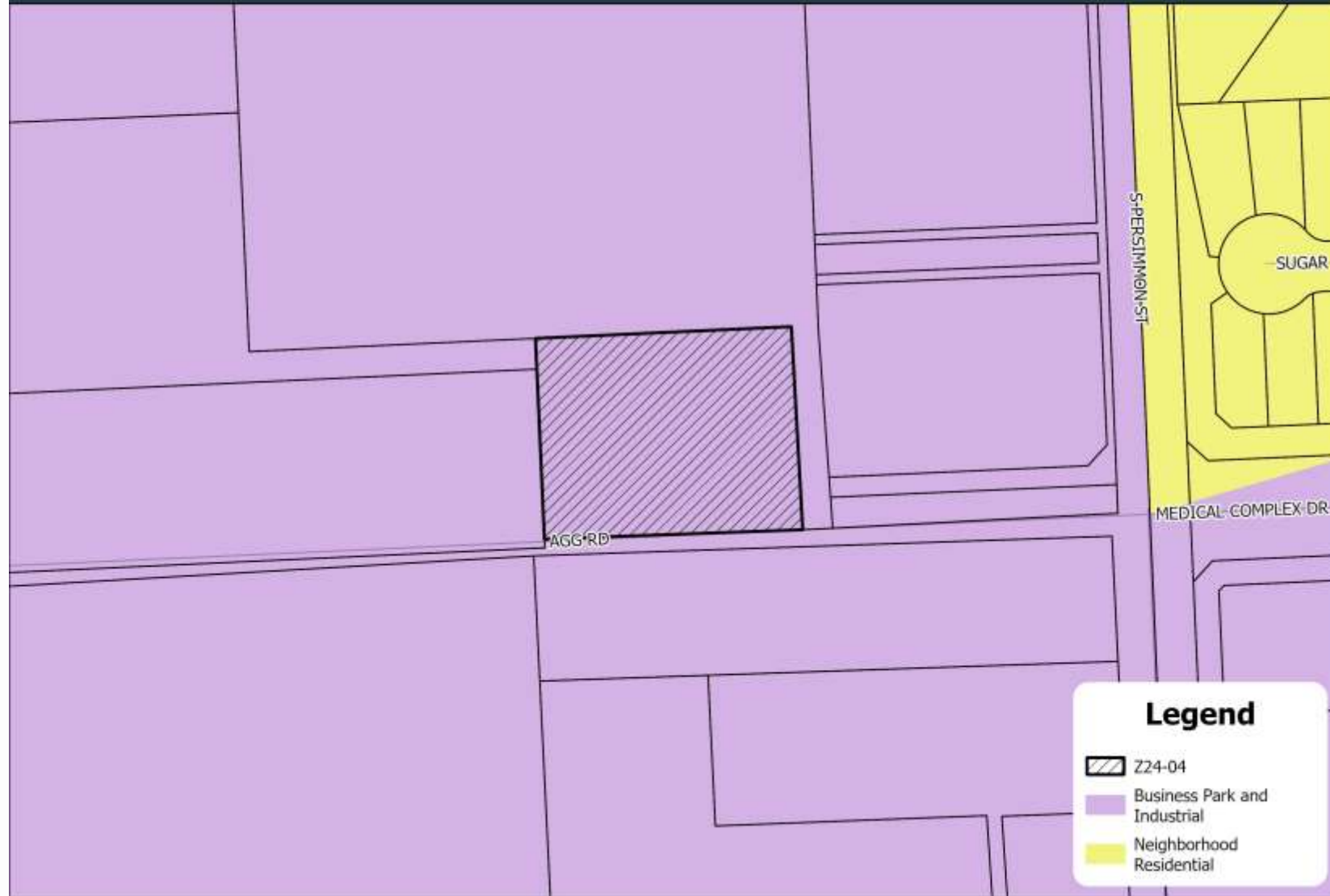


Zoning





Future Land Use



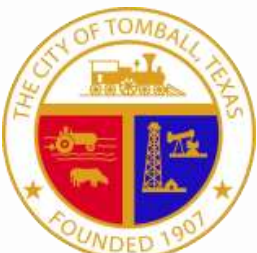
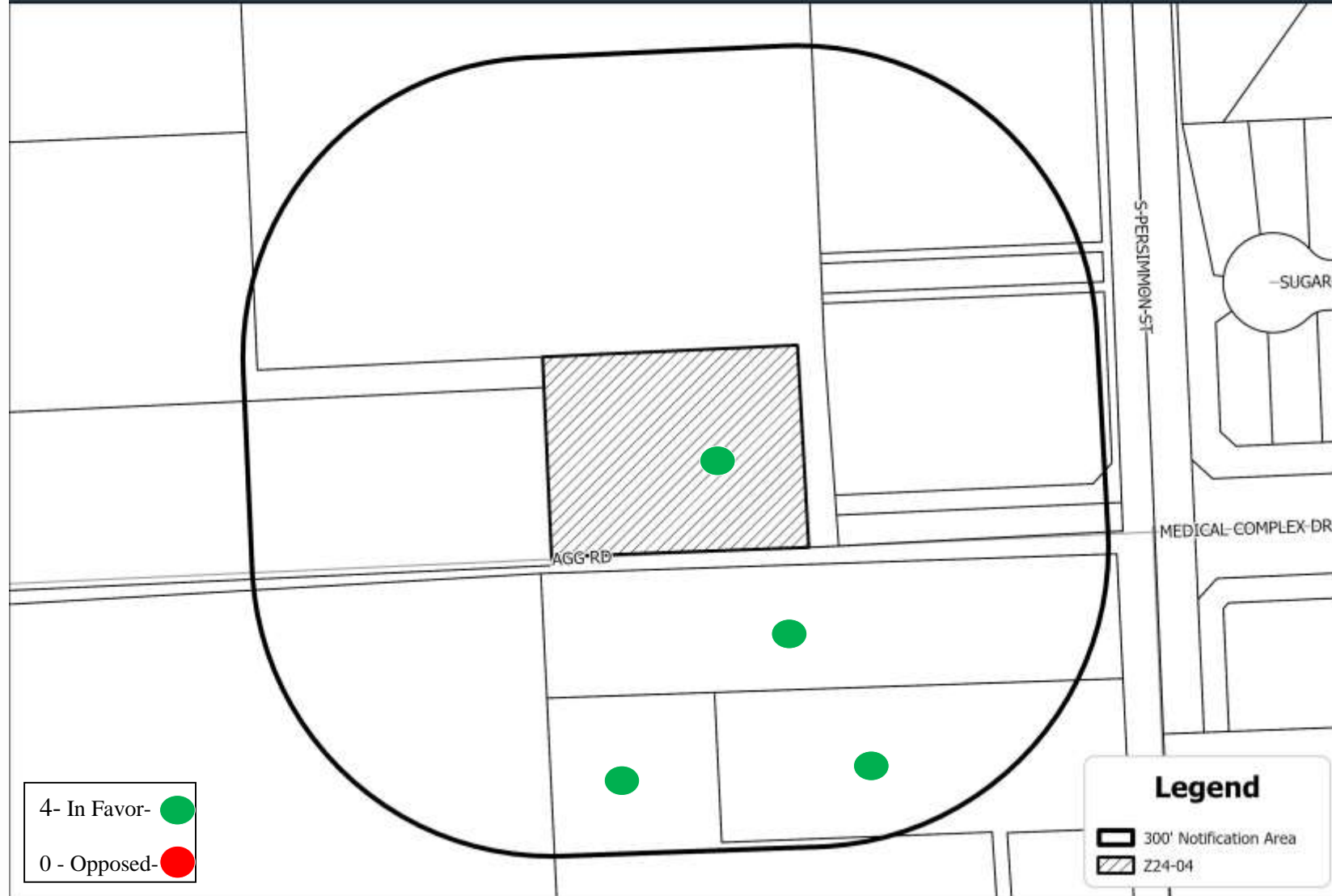
Legend

-  Z24-04
-  Business Park and Industrial
-  Neighborhood Residential



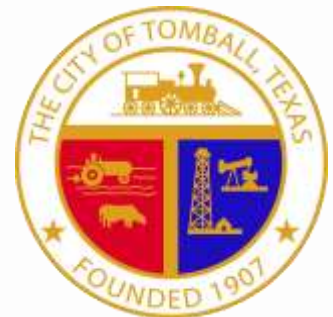


Notification Area



Recommendation

- Request for Commercial (C) zoning is consistent with the “Business Park & Industrial” land use category identified in the Future Land Use Plan as adopted by City Council with the Comprehensive Plan in 2019.
- Planning & Zoning Commission recommended approval (3-2).
- City staff recommends approval of case Z24-04.



City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Approve a contract with B&C Constructors, LP for the replacement of HVAC systems at the Police Department through a 1GPA Contract (Contract No. 19-03DP) for a not-to-exceed amount of \$115,227.26, approve the expenditure of funds therefor, and authorize the City Manager to execute any and all documents related to the purchase. This expenditure is included in the FY 2023-2024 Budget.

Background:

In 2023, staff completed an inspection of the HVAC at the Community Center and City Hall and identified retrofits and replacements that are required due to the age and repairs of HVAC systems. With a preliminary list of potential upgrades and repairs, staff requested funding in the FY 2023-2024 Budget.

Staff worked with the contractor, B&C Constructors, to obtain a quote for the work to be completed, including the complete retrofit of the entire HVAC systems at the Police Department, to include three 10 ton units, one 7.5 ton unit and one 5 ton unit. The scope of the units include air handler, condenser, heating kit and installation. The current units were originally installed in 1997. Parts and materials for repair are becoming obsolete.

This item authorizes a contract with B&C Constructors who will perform the necessary work on the HVAC system at the Police Department under a 1GPA Contract (Contract No. 19-03DP).

Origination: Public Works Department

Recommendation:

Staff recommends approving a contract with B & C Constructors, LP to perform the HVAC system retrofit and replacement at the Police Department.

Party(ies) responsible for placing this item on agenda: Drew Huffman, Public Works Director

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: _____ If yes, specify Account Number: # 100-157-6403

If no, funds will be transferred from _____ # _____ To account # _____
account _____

Signed Drew Huffman Approved by _____
Staff Member Date City Manager Date



Budget Proposal

Magnolia, Texas 77354
 713.932.9400 - o
 713.932.9443 - f

DATE: November 16, 2023

PROJECT: 400 Fannin St. HVAC
 Replacement

To: Justin Pruitt

City of Tomball
 501 James Street
 Tomball TX, 77375

1GPA # 19-03DP

Attn: Justin Pruitt

DESCRIPTION	AMOUNT
General Conditions/Supervision	\$ 3,800.00
* Provide and install 2ea. 10ton ICP condenser 2 stage (208/230v) Model-CAS121HMA0A00A. Provide and install 2ea. 10ton ICP air Handler (2 circuit 208/230v) Model-FAX120H2AA0AUA. With a 15KW heat kit and copper line sets	\$ 54,910.00
*2 Provide and install 1ea. 7.5ton ICP condenser 2 stage (208/230v) Model-CAS091HGA0A00A. Provide and install 1ea. 10ton ICP air Handler (2 circuit 208/230v) Model-FAX091H2AA0AUA. With a 15KW heat kit and copper line sets	\$ 24,200.00
*3 Provide and install 1ea. 10ton ICP condenser 2 stage (208/230v) Model-CAS072HGA0A00A. Provide and install 1ea. 10ton ICP air Handler (2 circuit 208/230v) Model-FAX072H2AA0AUA. With a 15KW heat kit and copper line sets	\$ 20,350.00
*4 Provide/ install 1ea. 5ton ICP condenser and matching air handler	\$ 15,580.00
Subtotal	\$ 118,840.00
1GPA.96	\$ 114,086.40
1GPA J.O.C Fee 1%	\$ 1,140.86
SCOPE OF PROPOSAL	
Quote is subject to price change and availability from time of order.	
Quote is based on reuse of current duct work and its current design.	
Out side spacing at brick barrier wall for newly installed units may need to be altered this is not reflected in the proposal.	
James Laycock, Project Manager	TOTAL AMOUNT \$ 115,227.26

THANK YOU FOR YOUR BUSINESS!

AGREEMENT FOR FALSE ALARM MANAGEMENT SERVICES

THIS CONTRACT FOR FALSE ALARM MANAGEMENT SERVICES (“Contract”) made and entered into this 18th day of September, 2023, by and between the **City of Tomball, a home-rule Texas municipal corporation (“Tomball”) 401 Market Street, Tomball, TX 77375** and **CentralSquare Technologies, LLC (“CONTRACTOR”)**, a corporation of the State of Florida with its principal offices located at 1000 Business Center Drive, Lake Mary, FL 32746, each, a “Party”, and together, the “Parties”.

WITNESSETH:

WHEREAS, the Tomball City Council enacted ordinances related to alarm systems and false alarms titled as Alarm Ordinance No. 2010-06 of this date (“Alarm Ordinance”), as amended; and

WHEREAS, in its implementation of the Alarm Ordinance, Tomball is authorized to engage a third-party CentralSquare to assist Tomball in the enforcement of the Alarm Ordinance; and

WHEREAS, effective November 1st, 2016, City and Public Safety Corporation entered into a Agreement for Alarm Billing and Tracking Services, including any and all amendments thereto (collectively the “Agreement”); and

WHEREAS, the CentralSquare created and markets the proprietary and patented (U.S. Patent No. 6,856,246) software system called CryWolf (“Software”), an integrated suite of software applications operating in a Windows-based environment, designed to assist false alarm reduction managers and planners in government agencies and industry in accessing information relevant to false alarms, and which has been developed at CentralSquare’s private expense for the commercial marketplace and is not in the public domain; and

WHEREAS, CentralSquare, through purchase, currently owns 100% of the assets of Public Safety Corporation, including all rights in the CryWolf software system. CentralSquare hereby represents that it intends to perform all obligations and be bound by all terms and conditions in the Agreement for Alarm Management Services previously entered into between Tomball and Public Safety Corporation. City hereby consents to CentralSquare’s substitution as obligated party under the Agreement; and

WHEREAS, Tomball desires to engage the CentralSquare to provide the full-service false alarm management solution (“Services”) described in **Attachment A**; and

WHEREAS, the CONTRACTOR desires to accept such engagement.

Now, Therefore, the parties agree as follows:

1. Term.

The term of this Contract shall commence on the date that it is signed, (the "Effective Date") and shall continue for a period of three (3) years.

2. Contract Documents and Order of Precedence.

The contract documents consist of the following Attachments which are incorporated into the Contract by this reference:

- A. **Attachment A**, describes the Statement of Work to be provided by the CONTRACTOR and outlines Tomball's operational responsibilities, and **Attachment B**, Pricing and Payment Terms.
- B. The Order of Precedence shall be as follows: (1) this Contract; (2) Attachment A and (3) Attachment B.

3. Alarm Management Statement of Work.

- A. The CONTRACTOR shall provide the False Alarm Management Services described in **Attachment A - False Alarm Management Services Statement of Work**.
- B. The False Alarm Management Services shall assist Tomball in enforcing its Alarm Ordinance to include tracking of responsible persons (including individuals, businesses and government agencies) who use alarm systems, registering of alarm systems, billing and notification of permit and false alarm fees in accordance with the Alarm Ordinance and at the direction and under the supervision of Tomball's Alarm Administrator, maintenance of a database of persons who use alarm systems, tracking of false alarm occurrences, collection of fees, the collection and enforcement of penalties for violations, generating performance and outcome reports and assuring the availability to Tomball of timely false alarm information, all as more specifically described in **Attachment A - False Alarm Management Services**.

4. Software License.

Tomball shall be licensed and authorized to use the Software and any additional specific customization and development provided as part of the Alarm Management Services described in **Attachment A**. The license shall cover all Software, including, without limitation, software interfaces and software modifications. The scope of the license is non-transferable and non-exclusive and is authorized by CONTRACTOR for use by Tomball to access its false alarm information.

5. Duration of the Software License.

Tomball shall have the right to use the Software in accordance with **Attachment A** for so long as the CONTRACTOR provides False Alarm Management Services to Tomball and/or licenses the Software in accordance with the Termination provisions in this Contract. This license shall apply for the duration of the Contract and any extensions provided for herein or agreed to in writing by the parties. In the event the business relationship with CONTRACTOR is terminated

or ended for any reason, CUSTOMER's license rights to use the Software shall likewise terminate except as provided for in this Contract, including **Attachment B**.

6. Modification of the Software.

- A. Modifications or adaptations of the Software shall be limited to creating or providing interfaces between the Software and Tomball's computer systems required to import or export data in order to implement the Software.
- B. Tomball shall retain a nonexclusive License to use the modified and/or "customized" interfaces with the Software, provided, however, the use of the original Software with such adaptations in any projects other than the management of the Alarm Ordinance shall be subject to additional compensation to CONTRACTOR in an amount and subject to terms to be determined by the parties in writing prior to any such additional use.

7. Protecting Confidential and Proprietary Information.

The proprietary information of both Parties, CONTRACTOR and CUSTOMER, is and shall remain the valuable intellectual property of each respective party. Except as required by law, neither party shall disclose any such information to any third party for any reason without the express written consent of the other party and shall only use proprietary information for internal purposes to facilitate and assist CONTRACTOR and Tomball staff in the administration of the Alarm Ordinance. In addition, the parties shall provide reasonable safeguards to protect their respective software, hardware systems and data from unauthorized intrusion by third parties. Notwithstanding, the parties recognize that Tomball is a government body subject to compliance with _____ Public Records laws.

Names, addresses, type of alarm, identification information of any alarm monitoring company, or identification information of any person cited under the Alarm Ordinance shall not be released, exhibited or sold to any third party by CentralSquare, except as required by law.

All data received hereunder shall be made a part of CUSTOMER's permanent records and files and preserved therein for a period in accordance with the requirements of _____ law. CUSTOMER will inform CONTRACTOR of the required retention time in writing at the beginning of the Contract term and, in the event these requirements change, as soon as those changes are approved by the appropriate State or Tomball agency.

All alarm related data maintained by the CONTRACTOR shall remain the property of Tomball. If the contract is terminated for any reason, the CONTRACTOR shall provide such data to Tomball on a timely basis in a mutually acceptable, electronic file format.

8. Reproduction and Copyright.

- A. The Software is protected under the Copyright and Patent laws of the United States, and as extended by treaty, with Canada. CUSTOMER may not copy, or allow anyone else to copy or otherwise reproduce, any part of the Software without the prior written consent of CONTRACTOR, except to store and/or install a copy of the Software on a storage device,

such as a network server, used only to run the Software on other computers over an internal network and except for two copies for back-up or archive purposes.

- B. Tomball may copy any CONTRACTOR provided Software as necessary to its hard disks or other such storage medium to efficiently operate the Software on Tomball single-user system, multiple-user system, or network. The Software shall be copied as a whole, and the use of the copies shall be governed by this Contract. All other copying is prohibited.

9. Limitations on the Use of the Software.

Tomball may not reverse engineer, decompile, or disassemble the Software. The Software is licensed as a single product. Its component parts may not be separated.

10. Notices of Intellectual Property Rights.

Tomball shall assure that CONTRACTOR's notices of intellectual property (e.g., patent, trademark, and copyright notices) provided by CONTRACTOR, if any, shall remain visible on the Software when displayed electronically, or when output created by it is printed for distribution to persons or organizations outside the normal scope of the Alarm Ordinance.

11. Payment.

Tomball shall pay the CONTRACTOR for the Services described, in accordance with **Attachment B** ("Payment Terms").

12. Collection of Fines.

The Parties recognize that the City has the administrative discretion to administer the collection of fines in the manner it deems appropriate. Notwithstanding the City's inherent administrative discretion, Tomball shall support the collection of false alarm fees, fines and penalties in accordance with the Alarm Ordinances and at the direction of the Alarm Administrator. If Tomball directs CONTRACTOR to engage a third-party collection organization for delinquent amounts, Tomball shall cause the necessary legislative and administrative procedures to be enacted and/or adopted in order to delegate to the CONTRACTOR the authority to collect the delinquent fees on behalf of the.

13. Confidentiality of Tomball False Alarm Data.

Any false alarm collection data provided to the CONTRACTOR during the performance of the False Alarm Management Services shall be used only in a manner consistent with this Contract, and no false alarm collection data shall be disclosed without the prior written consent of Tomball. If such disclosure is compelled or required in any judicial or administrative proceeding, the CONTRACTOR shall, before disclosing such information, first notify Tomball and give Tomball an opportunity to object to the disclosure.

In the event Tomball objects to such disclosure, it shall notify the CONTRACTOR that it will indemnify it, to the extent provided by law, for any costs and expense incurred, including,

without limitation, the cost of attorney fees expended in the defense of any action or proceeding, or relating to the refusal to disclose such information.

14. TOMBALL Responsibilities.

A. Tomball shall cooperate with and assist the CONTRACTOR by providing management decisions affecting startup or provision of the False Alarm Management Services within ten (10) business days of receipt of CONTRACTOR's request for a decision, as well as providing personnel, information, approvals, and acceptances in accordance with a mutually-agreed Implementation Plan to be developed by CONTRACTOR and CUSTOMER at the start of the Services. This Implementation Plan will define the detailed tasks and schedule necessary to achieve the following program target milestones:

- 1) Commence Services implementation activities on the Effective Date;
- 2) Begin collecting and processing alarm location information within sixty (60) days of the Effective Date; and
- 3) Begin processing false alarm activations within ninety (90) days of the Effective Date.

The Implementation Plan shall be agreed to in writing by both parties and upon execution by both parties shall be incorporated into this Contract by reference. If factors beyond the CONTRACTOR's control prevent processing of false alarms within the implementation timeline, extension of the implementation must be mutually agreed to and documented via change order.

B. Tomball shall provide the CONTRACTOR with CAD alarm incident records, appeal records, and necessary historical, non-financial alarm registration and alarm incident information in accordance with the terms of a mutually-agreed implementation plan and in a mutually-agreed electronic format, as necessary and proper, to allow the CONTRACTOR to effectively provide the Services and enforce the Alarm Ordinance.

15. Tomball Alarm Administrator.

To facilitate effective communication between Tomball and the CONTRACTOR, and in accordance with the Alarm Ordinance, Tomball shall designate an Alarm Administrator. The Alarm Administrator shall have the power and authority to make decisions relating to the Services. A secondary Alarm Administrator will also be designated to act on behalf of the Alarm Administrator when the primary Alarm Administrator is unavailable. The primary and secondary Alarm Administrators shall be designated by Tomball. The Alarm Administrator has the authority to waive, void, or modify violation notices and the resulting fine amounts. Any such waiver, modification, or voiding will be communicated to the CONTRACTOR in a written format.

16. Resolution of Disputes

- A. Exclusive Dispute Resolution Mechanism. The parties agree to resolve any dispute, controversy, or claim arising out of or relating to this Agreement (each, a "Dispute"), exclusively under the provisions of this Section. Either Party may seek interim or provisional relief in any court of competent jurisdiction, if necessary, to protect the rights

or property of that Party pending the appointment of the arbitrator or pending the arbitrator's determination of the merits of the dispute.

- B. Good Faith Negotiations. The parties agree to send written notice to the other party of any Dispute ("Dispute Notice"). After the other party receives the Dispute Notice, the parties agree to undertake good faith negotiation between themselves to resolve the Dispute at either CONTRACTOR or the Service Provider's location. Each Party shall be responsible for its associated travel costs. The parties agree to attend no fewer than three negotiation sessions attended Vice Presidents of each party (or employees of equivalent or superior position).
- C. Escalation to Mediation. If the parties cannot resolve any Dispute during the good faith negotiations either party may initiate mediation hereunder.
- D. Mediation. Subject to the provisions below, the parties may escalate a Dispute to a mutually agreed to mediator. Parties agree to act in good faith in selecting a neutral mediator and in scheduling the mediation proceedings. The parties agree to use commercially reasonable efforts in participating in the mediation. The parties agree the mediator's fees and expenses, and the mediator's costs incidental to the mediation will be shared equally between the parties. The parties shall bear their own fees, expenses, and costs.
- E. Confidential Mediation. The parties further agree all written or oral offers, promises, conduct, and statements made in the course of the mediation are confidential, privileged, and inadmissible for any purpose in any litigation, arbitration or other proceeding involving the parties. However, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.
- F. Arbitration as a Final Resort. If the parties cannot resolve a Dispute through mediation, then once an impasse is issued by the mediator either party shall commence binding arbitration in accordance with the provisions of this Section.
- G. Arbitration. The Parties agree that any dispute, controversy, or claim arising out of or related to either parties obligations or rights under this Agreement, or any alleged breach of this Agreement shall be governed by the Federal Arbitration Act (FAA) and submitted to and decided by binding arbitration to be held in. Parties agree to hold the deliberations in such arbitration confidential.
- H. Arbitration Procedure. Parties agree arbitration must be commenced by delivering a notice of arbitration to the other party. The Notice must set out the nature of the claim(s), and the relief requested. Within 30 days of the receipt of the notice, the receiving party shall deliver an answer, any counterclaim(s), and relief requested. Arbitration shall be heard by a single arbitrator. Each Party shall pay its own costs of arbitration. The parties shall confer in good faith to attempt to agree upon a suitable arbitrator, and if unable to do so, they will select an arbitrator from the American Arbitration Association's commercial arbitration panel for the area. The arbitrator shall decide the procedures in the arbitration after consultation with the parties. The arbitrator will have the power to grant any provisional or final remedy or relief it deems appropriate, including conservatory measures and an award of attorneys' fees. The decision of the arbitrator

shall be final and binding upon the parties hereto. The parties agree that judgment may be entered upon the award by any court having jurisdiction.

17. Termination.

- A. *For Convenience.* Either party may terminate this Contract for any reason and at any time by giving at least ninety (90) days written notice to the other party of such termination and specifying the effective date thereof. If the Contract is terminated by Tomball, the CONTRACTOR shall be paid for any services already performed by sharing in the collections of all amounts billed by the CONTRACTOR through the date of termination. If the Contract is terminated by the CONTRACTOR, the CONTRACTOR shall provide an option for Tomball to transition operation of the alarm program to Tomball facilities and staff using the CONTRACTOR's proprietary Software as described in Paragraph 18A.
- B. *For Cause.* Either party may terminate this Contract for cause if the other party does not perform its duties or exercise its responsibilities in accordance with this Contract including the maintenance of the system of fees and fines in effect at the beginning of the Contract period. Upon an event of cause by either party (Non-performing party), the other (Claimant) party shall provide thirty (30) days prior written notice to the non-performing party that the Contract terms have not been carried out in accordance with this Contract. If the event of cause is not corrected by the Non-performing party to the reasonable satisfaction of the Claimant, the Claimant may terminate this Contract after a thirty (30) day written cure notice to the Non-performing party.

18. Rights upon Termination.

- A. If the CONTRACTOR is entitled to terminate this Contract or Tomball chooses not to continue the Contract for its convenience, the CONTRACTOR shall offer Tomball an option, which must be exercised within thirty (30) calendar days after the Notice of Termination, to continue a conditional, uninterrupted, non-exclusive and non-transferable license to use the proprietary Software as necessary to support and administer Tomball's Alarm Ordinance conditional on the payment of one-time transitional service and ongoing annual license, maintenance and support fees at the CONTRACTOR's then prevailing rates.
- B. If Tomball terminates this Contract or if the CONTRACTOR terminates for cause, Tomball, in addition to payment of false alarm collections owed to the CONTRACTOR based on the CONTRACTOR's billings through the date of termination, Tomball shall undertake good faith efforts to collect any Alarm Management Services fees and civil penalties for Ordinance violations billed, but not yet collected, as of the date of termination, in order to pay the CONTRACTOR, all amounts due the CONTRACTOR as a result of efforts engaged in by the CONTRACTOR on Tomball's behalf.
- C. In the event that either party terminates this agreement, the CONTRACTOR agrees that all data collected under this agreement is part of Tomball's permanent record and that all data, including historical records under the required retention time will be provided to Tomball in an agreed upon data format within 30 days of the termination date.

19. Indemnification.

- A. The CONTRACTOR shall indemnify, hold harmless, and defend CUSTOMER, its elected and appointed officials, employees, agents and successors in interest from all claims, damages, losses and expenses including attorney's fees, arising out of or resulting, directly or indirectly, from the CONTRACTOR's (or CONTRACTOR's subcontractors, if any) performance or breach of the Contract provided that such claim, damage, loss, or expense is not caused by the negligent act or omission or willful misconduct of Tomball or its elected and appointed officials and employees acting within the scope of their employment. This Hold Harmless and Indemnification provision shall in no way be limited by any financial responsibility or insurance requirements described in Section 22 and shall survive the termination of this Contract.
- B. In the event that a claim is made against the CONTRACTOR, which arises out of the negligence or willful misconduct of Tomball or any of Tomball's employees, Tomball shall indemnify the CONTRACTOR to the extent Tomball is liable and authorized to do so under the law.
- C. Any party seeking indemnification shall promptly notify the other party of its discovery of any matter-giving rise to a claim of indemnity. For each individual claim, the indemnifying party shall have no obligation to the other or to any third party with respect to any expenses incurred by or on behalf of the other or its assumption of control of the defense of the claim, or with respect to any compromise or settlement made, without the prior written consent of both parties.

20. Patent infringement.

The CONTRACTOR shall indemnify Tomball, its elected and appointed officials, officers, employees, agents, and successors in interest from and against all damages and expenses resulting from any infringement action brought against the CONTRACTOR, or against Tomball to the extent that any such action is predicated on the use of CONTRACTOR's software, during the term of this Contract. This Hold Harmless and Indemnification provision shall in no way be limited by any financial responsibility or insurance and shall survive termination of this Contract.

21. Limitation of Liability.

LIMITED LIABILITY OF CONTRACTOR. CONTRACTOR'S LIABILITY IN CONNECTION WITH THE SERVICES, IMPROVEMENTS OR ANY OTHER MATTER RELATING TO THIS AGREEMENT WILL NOT EXCEED THE FEES COLLECTED IN CONNECTION WITH THIS AGREEMENT FOR THE PREVIOUS 12 MONTHS.

EXCLUSION OF DAMAGES. REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT CONTRACTOR, CONTRACTOR PERSONNEL, SUBCONTRACTORS OR SUPPLIERS BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT FOR ANY (I) LOSS OF USE, DATA, BUSINESS, REVENUE, PROFIT, GOODWILL, OR REPUTATION, (II) BUSINESS INTERRUPTION, INCREASED COSTS, OR DIMINUTION IN VALUE, OR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE; AND WHETHER OR NOT CENTRALSQUARE, CENTRALSQUARE PERSONNEL,

SUBCONTRACTORS OR SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE.

BASIS OF THE BARGAIN. CUSTOMER ACKNOWLEDGES THAT CONTRACTOR HAS AGREED TO THE REVENUE SHARING STRUCTURE AND ENTERED INTO THIS AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THIS AGREEMENT, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES.

22. Insurance.

The CONTRACTOR shall provide and maintain in full force and effect at no additional cost to Tomball for the duration of the Contract commercial general liability insurance or comprehensive general liability insurance with a minimum limit of \$1,000,000 per occurrence for bodily injury and damage to property including contractual liability, premises/operations, products/completed operations, independent CONTRACTORS, broad form property damage, and personal injury coverage and a minimum aggregate amount of \$1,000,000 or commercial/comprehensive general liability insurance plus additional excess umbrella liability insurance to meet these limits.

The CONTRACTOR agrees that it shall add Tomball, its elected and appointed officials, officers, employees, agents, and successors in interest to the CONTRACTOR's liability insurance policies as additional insureds. The CONTRACTOR shall require its insurance carrier or agent to certify that this requirement has been satisfied on all Insurance Certificates issued under this Contract.

Before any work is initiated and before any invoices are paid for work performed under this Contract, the CONTRACTOR shall provide written proof of compliance with the above insurance requirements by delivering to:

City of Tomball
401 Market Street
Tomball, TX 77375
Attention: City Secretary

A copy of a certificate or certificates of insurance completed by its insurance carrier or agent certifying that minimum insurance coverages as required above are in effect and that the coverage will not be canceled or changed until thirty (30) days after written notice is given to Tomball. The CONTRACTOR shall maintain, update, and renew the Certificate(s) for the term of this Contract.

23. Assignment.

This Contract shall not be assigned to any third party without prior written consent, which may be withheld in the sole and absolute discretion of either party. A change in ownership of the CONTRACTOR or a purchase of the majority of assets or stock of the CONTRACTOR by another company shall not be considered an assignment of this Contract.

24. Attorney's Fees.

Should the parties or either of them employ an attorney to enforce by litigation in a court of competent jurisdiction, any of the contract provisions because of a disputed matter arising under this Contract, to assert damages for the breach of the Contract, or in order to obtain injunctive relief, then the prevailing party shall be entitled to recover reasonable attorney's fees, costs, charges, and any expenses expended or incurred.

25. Notices.

Wherever under this Contract one party is required or permitted to give notice to the other, such notice shall be deemed given when delivered in hand or when mailed, by United States mail, certified, return receipt requested, postage prepaid, and addressed as follows:

In the case of the CONTRACTOR:

CentralSquare Technologies, LLC
1000 Business Center Drive
Lake Mary, Florida 32746
Attention: Legal Department

In the case of Tomball:

City of Tomball
401 Market Street
Tomball, TX 77375
Attention: City Secretary

26. Governing Law.

The substantive laws of the State of Texas shall govern this Contract without regard to the law of conflicts. Venue shall be in the appropriate court of Texas. Such actions shall neither be commenced in nor removed to federal court.

27. Severability.

If any provision of this Contract is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired.

28. No Waiver.

The failure by any party to exercise any right stated in this Contract shall not be deemed a waiver of the right.

29. Complete Agreement.

This Contract when signed by both parties sets forth the entire understanding of the parties as to its subject matter, conditions and obligations and may not be modified except by further written agreement.

30. Independent Contractors.

In performing the work under this Contract, the CONTRACTOR acts as an independent CONTRACTOR and is solely responsible for necessary and adequate worker's compensation insurance, personal injury and property damage insurance, as well as errors and omissions insurance. The CONTRACTOR, as an independent CONTRACTOR, is obligated to pay federal and state income tax on moneys earned. The personnel employed by the CONTRACTOR are not and shall not become employees, agents or servants of CUSTOMER because of the performance of any work by or under the performance of this Contract.

31. Cooperative Purchases.

This Contract may be used by other government agencies. The CONTRACTOR has agreed to offer similar services to other agencies under the same terms and conditions as stated herein except that the revenue share percentage (Compensation) may be negotiated between the CONTRACTOR and other agencies based on the specific revenue expectations, agency reimbursed costs, and other agency requirements. Tomball will in no way whatsoever incur any liability in relation to specifications, delivery, payment, or any other aspect of purchases by such agencies.

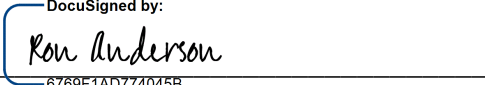
WHEREAS, the individuals representing the parties are both authorized and have executed this Contract effective as of on the date first written above.

City of Tomball

By: _____

[Name and Title – please print]

CentralSquare Technologies, LLC

By:  _____
DocuSigned by:
Ron Anderson
6769F1AD774045B...

Ron Anderson Chief Sales Officer

[Name and Title – please print]

ATTACHMENT A

Scope of Services

Purpose

The purpose of this Scope of Services is to describe the duties and responsibilities of the CONTRACTOR, and Tomball.

Responsibilities

CONTRACTOR Responsibilities

1. At the beginning of the project, electronic conversion/import to CONTRACTOR computer server(s) of any Tomball alarm program records required to support the proposed CONTRACTOR services. These records may contain historical Tomball alarm business, alarm system location, responsible party and other alarm data previously developed by or for Tomball. CONTRACTOR shall obtain this data directly from Tomball and relies on Tomball for the accuracy and completeness of any such historical data;
2. Update alarm business, alarm system location and responsible party information and renew permits and alarm registrations in accordance with Tomball Alarm Ordinance ("Ordinance"). Updated information may be processed by mail, electronically and / or online;
3. Register, renew and bill the registration of alarm systems in accordance with the Ordinance. Registrations and renewals may be processed by mail, telephone, electronically and / or online. Notices related to registration may be sent by email or mail based on the alarm user contact information maintained;
4. Import daily into the CONTRACTOR's CryWolf® alarm billing system, alarm incident data (in formats prescribed by CONTRACTOR) extracted by Tomball from Tomball's CAD/911 System;
5. Create and host a dedicated, secure (SSL encrypted) Tomball Alarm Program website for Tomball citizens and businesses to obtain false alarm reduction educational information, review alarm ordinance and appeal requirements, access and update alarm account information, and pay alarm fees online if preferred. This website may be linked by Tomball to Tomball website if desired;
6. Initialize, maintain, secure and back-up Program databases including alarm business, alarm system location and incident data; alarm-related financial transactions and accounts receivable information. CONTRACTOR will comply with the provisions of the Alarm Ordinance, and update Program business rules to comply with Alarm Ordinance changes as supported by the CONTRACTOR software;
7. Process false alarm incident data, including the matching of false alarm incidents with the alarm system location database maintained by CONTRACTOR;

8. Bill and correspond with alarm businesses and alarm users in accordance with the Alarm Ordinance provisions. This will include but may not be limited to invoices and delinquent payment notices. A warning notice will be sent to each alarm user on the occasion of the alarm user's first false alarm immediately preceding the first chargeable alarm incident. Warning notices may be sent by mail, email or other electronic method based on the alarm user's accepted contact method(s);
9. Provide Tomball alarm users access to online information on false alarm reduction and Ordinance requirements to include an Online Alarm School.
10. Answer telephone inquiries from Tomball alarm users that are placed to a false alarm program toll-free customer service number established for Tomball;
11. Process fee / penalty payments mailed to and deposited in a nearby Tomball-approved bank lockbox and account, and received from other payment channels, e.g. online, as agreed on by CONTRACTOR and Tomball, and apply these payments to alarm accounts;
12. Support alarm hearings and appeals by notifying Tomball of any such appeals, providing a Tomball Alarm Program representative with documentation supporting noticing / billing decisions; and updating the system with the disposition of any hearing results;
13. Provide and maintain computer equipment, software, mailing equipment and furniture at CONTRACTOR's Program processing facilities;
14. Provide Tomball secure (SSL encrypted), online, on-demand access to alarm management information and reports including, but not limited to, alarm account transaction history, alarm system information, and financial transactions/balances with format and content specified by the CryWolf® Alarm Management System and the designated Bank, and agreed on between Tomball and CONTRACTOR; and,
15. Perform special collection functions as directed and authorized by Tomball such as retaining a third party collection agency or providing delinquent account information to other Tomball agencies. To the extent permitted by local law, third-party collection fees will be added to the delinquent amounts.

CONTRACTOR is responsible for all costs of carrying out these responsibilities including, but not limited to, the costs of staff, facilities, equipment, consumable supplies and first-class postage. Only third-party bank and credit card fees, third party collection costs (if any), e.g. collection agency fee, and citizen overpayments, if any, will be paid from gross collections before revenue sharing is applied.

Tomball Responsibilities

1. Appointing a Tomball Alarm Administrator ("Administrator") and backup administrator who will be the primary points of contact between CONTRACTOR and Tomball. The Administrator(s) is responsible for overseeing CONTRACTOR's operation of the False Alarm Management

Services Program (“Program”) and accessing Program information, as needed, via CONTRACTOR provided online access;

2. Requesting or supporting CONTRACTOR’s requests of Alarm Companies, as needed, to provide alarm system information;
3. Making any and all decisions about alarm call response, determining whether calls are false alarms, providing any on-scene communication of alarm related information to alarm users, and for entering any alarm related information within Tomball’s CAD/911 system;
4. Extracting false alarm call incident data from the CAD/911 System and transferring this data electronically to CONTRACTOR (via CONTRACTOR’s FTP site). The data extraction format will be provided by CONTRACTOR and CONTRACTOR will provide Tomball additional software for automating the daily transfer of alarm incident files to CONTRACTOR;
5. Scheduling, conducting and making appeal decisions for any false alarm hearings;
6. Conducting any general public education programs on false alarms; and,
7. Transferring any and all financial information from the Program generated alarm reports to other Tomball’ financial systems, as needed.

Tomball is responsible for all costs of carrying out Tomball’s responsibilities, including, but not limited to the costs of staff, facilities, computer equipment and consumable supplies.

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ATTACHMENT B PRICING AND PAYMENT TERMS

Revenue-Share Percentage

For the provision of all Services and technology outlined in this Contract, CentralSquare shall obtain payment exclusively from the revenues CentralSquare helps generate. There shall be no upfront systems development, licensing, equipment, travel, support or other costs. CentralSquare shall purchase, configure, install, and customize all systems and processes CentralSquare requires to provide the Services described herein. CentralSquare's Revenue Share is 35%.

This Revenue Share is based on the current Alarm Ordinance provisions as of June 30, 2016, and is subject to renegotiation by Tomball with CentralSquare following any new fee provisions enacted by Tomball's City Council as part of a subsequent Alarm Ordinance.

The only amounts that shall be paid from the total collected revenue and subtracted from the total collected revenue before the revenue sharing percentages are applied are:

1. Any overpayments by alarm users to be refunded or held for application against future charges, as directed by Tomball;
2. Special mailing costs, if any, in excess of U.S. Post Office first class rates; and Third-party credit card processing charges, if any.

Any certified mail requirements will be billed separately on a monthly basis and is not subject to the revenue share division.

The revenue share percentage includes all annual license, maintenance, and support of CentralSquare's Software.

The revenue share percentage is based on several assumptions over which CentralSquare has little or no control:

- The Ordinance fee and fine schedules remain at levels equal to or greater than at the Contract effective date;
- Tomball adopts a fair, but firm approach to granting appeals. Appeals and Tomball waived charges are expected to reduce collections by no more than 5% annually; and
- Tomball actively supports enforcement of the Alarm Ordinance, including support of reasonable measures to collect all amounts due for violations of the Alarm Ordinance.

Revenue Share Payment Process

Tomball and CentralSquare agree as follows:

- 1) All false alarm related fee collections from any payment method, including but not limited to bank lockbox and online credit card, shall be deposited, as soon as practical, in a False Alarm Bank Account ("False Alarm Account") to be established at Tomball's depository

bank;

- 2) Tomball and CentralSquare agree to maintain a positive balance of available funds ("Minimum Balance") at all times in the False Alarm Account;
- 3) At the beginning of each month, CentralSquare will reconcile the alarm related deposits for the most recent completed month and report the same to Tomball. Upon Tomball's approval, Tomball and CentralSquare shall authorize and cause the issuance of electronic (ACH) transfers to Tomball and to CentralSquare as follows:
 - a. With regard to the transfer to CentralSquare, the amount will be calculated for CentralSquare based on the Revenue Share described above. That amount, not to exceed 35% of the revenue collected during the preceding month, shall be transferred to a bank and account authorized by CentralSquare; and,
 - b. The remaining balance of the revenue collected during the preceding month of no less than 65%, shall be transferred to a bank and Tomball account specified by Tomball.
- 4) At the termination of this Contract, any remaining balance shall be transferred to CentralSquare and to Tomball on the same prorata basis, e.g. 35% and 65% respectively.
- 5) Tomball is a Texas entity and all financial obligations extending beyond the current fiscal year are subject to funds being budgeted and appropriated therefore.

Delinquent Account Terms

The parties shall define a mutually agreeable process and methods for collecting amounts due from delinquent accounts. If organizations other than Tomball and CentralSquare are retained to collect overdue amounts, the parties agree that the collection costs shall to the extent permitted by State of Texas law be added to the delinquent amounts owed by alarm system users or be borne by the parties on a pro-rata basis by deducting the third party collection fees from the gross third party collections before the revenue shares are calculated.

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: May 6, 2024

Topic:

Approve the expenditure of and amount not to exceed \$75,000 for Computer Aided Dispatch Maintenance and False Alarm Monitoring Services from Centralsquare Technologies, LLC and authorize the City Manager to execute any and all documents related to the expenditure. This amount is included in the FY 2023-2024 budget.

Background:

Both the current emergency services dispatching software and the false alarm monitoring service are products of CentralSquare Technologies, LLC. The annual expenditure on these services has exceeded \$50,000.00. Per the City’s adopted Purchasing Policy & Manual, expenditures in excess of \$50,000 require approval of the City Council.

Item Description	Amount
Computer Aided Dispatch Maintenance	\$44,556.65
False Alarm Monitoring Services	25,000.00
Annual Integration Charges	5,443.35
Total	\$75,000.00

Origination: Fire Department

Recommendation:

Staff recommends approval of expenditures in an amount not to exceed \$75,000 to Centralsquare Technologies, LLC.

Party(ies) responsible for placing this item on agenda: Joe Sykora, Fire Chief

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: No:

If yes, specify Account Number: #100-142-6304 & 100-117-6320

If no, funds will be transferred from account: # _____ To Account: # _____

Signed: Joe Sykora 04/30/2024 **Approved by:** _____
 Staff Member Date City Manager Date

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Consideration to approve Resolution 2024-20, a Resolution of the City Council of the City of Tomball, Texas, accepting the Preliminary Service and Assessment Plan for Authorized Improvements within the Wood Leaf Reserve Public Improvement District Improvement Area Two (IA#2); Setting a Date for a Public Hearing on the Proposed Levy of Assessments; Authorizing the Publication and Mailing of Notice; and Enacting Other Provisions Relating thereto.

Background:

Resolution 2024-20 accepts the Preliminary Service and Assessment Plan for the Wood Leaf Reserve Public Improvement District (TPID 11), Improvement Area Two (IA#2) and sets the date for the Public Hearing on the proposed levy of assessments for June 17, 2024.

Origination: Project Management

Recommendation:

Staff recommends approving Resolution 2024-20 and calling for the Public Hearing on June 17, 2024.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed Meagan Mageo Approved by _____
Staff Member Date City Manager Date

RESOLUTION NO. 2024-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, ACCEPTING THE PRELIMINARY SERVICE AND ASSESSMENT PLAN FOR AUTHORIZED IMPROVEMENTS WITHIN IMPROVEMENT AREA #2 OF THE WOOD LEAF RESERVE PUBLIC IMPROVEMENT DISTRICT; SETTING A DATE FOR PUBLIC HEARING ON THE PROPOSED LEVY OF ASSESSMENTS; AUTHORIZING THE PUBLICATION AND MAILING OF NOTICE; AND ENACTING OTHER PROVISIONS RELATING THERETO.

* * * * *

WHEREAS, the City Council (the “City Council”) of the City of Tomball, Texas (the “City”) received a petition (the “Petition”) requesting creation of a public improvement district (the “PID”) under Chapter 372 of the Texas Local Government Code (the “Act”), from the record owners of taxable real property representing more than fifty percent (“50%”) of the appraised value of the real property liable for assessment (as determined by the most recent certified appraisal roll for Harris County) in the proposed PID and the record owners of taxable real property that constitute more than 50% of all of the area of all taxable real property that is liable for assessment in the proposed PID; AND

WHEREAS, on November 16, 2020, the City Council accepted the Petition and called a public hearing for December 21, 2020, on the creation of the PID and the advisability of the improvements; and

WHEREAS, notice of the hearing was published in a newspaper of general circulation in the City in which the District is to be located on November 25, 2020; and

WHEREAS, on November 20, 2020, notice to the owners of property within the proposed District was sent by first-class mail to the owners of 100% of the property subject to assessment under the proposed District containing the information required by the Act such that such owners had actual knowledge of the public hearing to be held on December 21, 2020; and

WHEREAS, the City Council opened and continued such public hearing on the advisability of the improvements and the creation of the District until January 18, 2021; and

WHEREAS, on January 18, 2021 the City Council continued such public hearing on the creation of the District and heard any comments or objection thereto; and

WHEREAS, the City Council approved the creation of the PID by Resolution approved on January 18, 2021 (the " Creation Resolution") and published the Creation Resolution as authorized by the Act; and

WHEREAS, the District is to be developed in phases and assessments are anticipated to be levied in each development phase (each an “Improvement Area”); and

WHEREAS, the City has previously levied assessments on property within Improvement Area #1 of the District for certain public improvement benefitting Improvement Area #1; and

WHEREAS, pursuant to Sections 372.013, 372.014, and 372.016 of the Act, the City Council has directed the preparation of a Preliminary Amended and Restated Service and Assessment Plan (the “Preliminary Plan”), for the levy of assessments for certain public improvements (the “Improvements”) that benefit Improvement Area #2 within the District (the “Assessments”) such Preliminary Plan attached hereto as Exhibit B, covers a period of at least five years and defines the annual indebtedness and the projected costs of the Improvements within the District; and

WHEREAS, the Preliminary Plan also includes assessment plans that apportion the cost of an Improvements to be assessed against property within Improvement Area #2 of the District and such apportionment is made on the basis of special benefits accruing to the assessed property within Improvement Area #2 of the District because of the Improvements; and

WHEREAS, the City Council also directed the preparation of an assessment roll for the District that states the assessment for the Improvements against each parcel of land within the District (the “Assessment Roll”) and such Assessment Roll is attached to and a part of the Preliminary Plan; and

WHEREAS, after determining the total costs of the Improvements, the City Council notes that the Preliminary Plan and proposed Assessment Roll may be changed as the City Council deems appropriate before such Preliminary Plan and Assessment Roll are adopted as final by the City Council; and

WHEREAS, the City has determined to call a public hearing regarding the proposed levy of Assessments pursuant to the Preliminary Plan and the proposed Assessment Roll on property within Improvement Area #2 of the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City desires to publish and mail notice of such public hearing in order to provide notice to all interested parties of the City's proposed levy of Assessments against such property in Improvement Area #2 of the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City desires to file the Preliminary Plan and Assessment Roll with the City Secretary such that they are available for public inspection pursuant to Section 372.016 of the Act;

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

Section 1. Findings. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

Section 2. Calling Public Hearing. The City Council hereby calls a public hearing (the “Public Hearing”) for 6:00 p.m. on June 17, 2024 at the regular meeting place of the City, the City Council Chamber at Tomball City Hall, 401 Market Street, Tomball, Texas 77375 (unless alternative meeting arrangements are required to address public health concerns, which meeting

arrangements will be specified in the notice of such meeting posted in accordance with applicable law), to consider approving the Preliminary Plan, with such changes and amendments as the City Council deems necessary, and the proposed Assessment Roll with such amendments to the Assessments on any parcel as the City Council deems necessary, as the final Service and Assessment Plan (the “Final Plan”) and final Assessment Roll (the “Final Roll”) for Improvement Area #2 of the District. After all objections made at such hearing have been heard, the City Council may (i) levy the Assessments as special assessments against each parcel of property in Improvement Area #2 of the District as set forth in the Final Plan, including the Final Roll; (ii) specify the method of payment of the Assessments; and (iii) provide that Assessments be paid in periodic installments. Notice of the Public Hearing setting out the matters required by Section 372.016 of the Act shall be given by publication at least eleven (11) days before the date of the hearing, in a newspaper of general circulation in the City. Notice of such hearing shall also be given by the City Secretary, by mailing a copy of the notice containing the information required by Section 372.016(b) of the Act to the last known address of each owner of property liable for an Assessment in the proposed Final Roll as reflected on the tax rolls of the Harris County Appraisal District. All residents and property owners within Improvement Area #2 of the District, and all other persons, are hereby invited to appear in person, or by their attorney, and contend for or contest the Preliminary Plan and the Final Roll, and the proposed assessments and offer testimony pertinent to any issue presented on the amount of the Assessments, purpose of the Assessments, special benefit of the Assessments, and the costs of collection and the penalties and interest on delinquent Assessments. At or on the adjournment of the hearing conducted pursuant to Section 372.016 on the proposed Assessments, the City Council must hear and pass on any objection to a proposed Assessment. The City Council may amend a proposed Assessment on any parcel in the District. The failure of a property owner to receive notice does not invalidate the proceeding.

Section 3. Publication of Notice. The City Council hereby directs the City Secretary to cause the publication and mailing of notice of the Public Hearing substantially in the form attached as Exhibit A. Such publication shall occur before the 10th day before the date of the Public Hearing.

Section 4. Conduct of Public Hearing. The City Council shall convene at the location and at the time specified in the notice described above for the Public Hearing and shall

conduct the Public Hearing in connection with its consideration of the Final Plan, including the Final Roll, for Improvement Area #2 of the District and the levy of the proposed Assessments, including costs of collection, penalties and interest on delinquent Assessments. At the Public Hearing, the City Council will hear and pass on any objections to the Preliminary Plan and the proposed Assessment Roll and the levy of the proposed Assessments (which objections may be written or oral). At or on the adjournment of the Public Hearing, the City Council may amend a proposed Assessment on any parcel in Improvement Area #2 of the District. After all objections, if any, have been heard and passed upon, the City may (i) levy the Assessments as special assessments against each parcel of property in Improvement Area #2 of of the District as set forth in the Final Plan and Final Roll for the District, (ii) specify the method of payment of the assessments, and (iii) provide that the Assessments be paid in periodic installments.

Section 5. Filing of Proposed Assessment Roll. The proposed Final Roll shall be filed in the office of the City Secretary and be made available to any member of the public who wishes to inspect the same.

Section 6. Further Action. The City Secretary is hereby authorized and directed to take such other actions as are required, including providing notice of the Public Hearing as required by the Texas Open Meetings Act and placing the Public Hearing on the agenda for the June 17, 2024 meeting of the City Council.

PASSED AND APPROVED AT THE MEETING OF THE CITY COUNCIL HELD ON THE ____ DAY OF MAY 2024.

Lori Klein Quinn, Mayor

ATTEST:

Tracylynn Garcia, City Secretary

Wood Leaf Reserve Public Improvement District

2024 PRELIMINARY AMENDED & RESTATED SERVICE AND
ASSESSMENT PLAN

MAY 6, 2024



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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 2024 Amended and Restated Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Service and Assessment Plan for all purposes.

On January 18, 2021, the City passed and approved Resolution No. 2021-04 authorizing the creation of the District in accordance with the PID Act, as amended, which authorization was effective upon publication as required by the PID Act.

On September 19, 2022, the City Council approved the 2022 Service and Assessment Plan for the District by adopting the 2022 Assessment Ordinance, which approved the levy of Assessments on Assessed Property within Improvement Area #1 of the District and approved the Improvement Area #1 Assessment Roll.

On August 7, 2023, the City Council approved the 2023 Service and Assessment Plan Update for the District by adopting the 2023 Assessment Ordinance, which approved the levy of Assessments on Assessed Property within Improvement Area #1 of the District and approved the Improvement Area #1 Assessment Roll.

The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 90.54 acres, which at the time of the initial assessment levy will be within the corporate limits of the City, as described legally by metes and bounds on **Exhibit K-1** and as depicted by the map on **Exhibit A-1**.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements and including a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property

must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The updated Improvement Area #1 Assessment Roll is contained in **Exhibit F-1**. The Improvement Area #2 Assessment Roll is contained in **Exhibit G-1**.

SECTION I: DEFINITIONS

“2022 Assessment Ordinance” means Ordinance No. 2022-31, approved and adopted by the City Council on September 19, 2022, which levied the Improvement Area #1 Assessment against Improvement Area #1.

“2022 Service and Assessment Plan” means the Wood Leaf Reserve Public Improvement District Service and Assessment Plan approved by City Council on September 19, 2022 by the 2022 Assessment Ordinance, as updated annually, and which is to be replaced in its entirety by this 2024 Amended and Restated Service and Assessment Plan.

“Actual Costs” mean, with respect to Authorized Improvements, the Developer’s demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvements, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the amount for each Authorized Improvement as set forth in this Service and Assessment Plan, except for authorized reallocations, which include Cost Underruns (as defined in the Development Agreement) in any category of Authorized Improvements being reallocated to cover Cost Overruns (as defined in the Development Agreement) in any different category of Authorized Improvements as approved by the City. Actual Costs may include: (1) the costs incurred by, caused to be incurred by, or on behalf of the Developer (either directly or through affiliates) for the design, planning, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) construction management fees equal to 4% of cost of the Authorized Improvements; (4) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (5) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; and (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, and governmental fees and charges.

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means an amount not to exceed 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or the person or firm designated by the City who shall have the responsibility provided in this Service and Assessment Plan, an Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

“Annual Collection Costs” mean the actual or budgeted annual costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments, including the costs of foreclosure; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment on the Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, as applicable.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Apportionment of Costs” means an amount allocated by this Service and Assessment Plan to a Parcel within the District for future Authorized Improvement costs, other than Non-Benefitted Property and Non-Assessed Property, subject to a future levy of Assessments by the City and also subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Assessed Property” means any Parcel within the District against which an Assessment is levied and does not include Non-Benefitted Parcels.

“Assessment” means an assessment (including interest thereon) levied against a Parcel within the District and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act.

“Assessment Ordinance” means one or more ordinance(s), adopted by the City Council in accordance with the PID Act that levies an Assessment.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements, more specifically described in **Section V**.

“Assessment Roll” means any assessment roll for the Assessed Property, including the Improvement Area #1 Assessment Roll and Improvement Area #2 Assessment Roll as updated,

modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds, or in any Annual Service Plan Update.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including Bond Issuance Costs, as described in **Section III**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

“City” means the City of Tomball, Texas.

“City Council” means the governing body of the City.

“County” means Harris County, Texas.

“Delinquent Collection Costs” mean costs related to the foreclosure of the lien on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this 2024 Amended and Restated Service and Assessment Plan including penalties and reasonable attorney’s fees to the extent permitted by law, but excluding amounts representing interest and penalty interest.

“Developer” means Chesmar Homes, LLC, a Texas limited liability corporation and any successor developer of property in the District or any portion thereof.

“Development Agreement” means that certain Wood Leaf Reserve Development Agreement between the City and the Developer effective January 18, 2021, as may be amended.

“District” means the Wood Leaf Reserve Public Improvement District containing approximately 90.54 acres located within the City as shown on **Exhibit A-1** and more specifically described on **Exhibit K-1**.

“District Formation Expenses” means costs incurred in the formation of the District and the levy of Assessments including attorney fees, financial consultant fees, and other fees.

“Estimated Buildout Value” means the estimated buildout value of an Assessed Property with fully constructed buildings, as provided by the Developer, and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit E**.

“Future Improvement Area” means the property within the District, excluding Improvement Area #1 and Improvement Area #2. Future Improvement Areas may be developed in phases after Improvement Area #1 and Improvement Area #2.

“Future Improvement Area Apportioned Property” means any Parcel within the Future Improvement Area against which a portion of the Actual Costs of the Major Improvements are Apportioned based on special conferred benefit, and against which an Assessment is expected to be levied, but not yet levied.

“Future Improvement Area Apportionment of Costs” means an Apportionment of Costs against a Parcel within the Future Improvement Area for the Future Improvement Area Projects, as shown on Exhibit B-2, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Future Improvement Area Assessed Property” means any and all Parcels within the Future Improvement Area other than Non-Benefited Property.

“Future Improvement Area Assessment” means an Assessment levied against a Parcel within a Future Improvement Area and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an assessment roll applicable to such Future Improvement Area, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Future Improvement Area Bonds” means bonds issued to fund Future Improvement Area Improvements (or a portion thereof) in a Future Improvement Area that are secured by Assessments levied on Assessed Property within such Future Improvement Area, if such bonds are issued.

“Future Improvement Area Improvements” means those certain Authorized Improvements which only benefit the Future Improvement Area Assessed Property within the applicable Future Improvement Area.

“Future Improvement Area Projects” means the Future Improvement Area Improvements and the Future Improvement Area’s allocable share of the Major Improvements.

“Improvement Area” means specifically defined and designated portions of the District that are developed in phases, including Improvement Area #1, Improvement Area #2 and each area within the Future Improvement Areas that is specifically defined and designated as a phase of the District.

“Improvement Area #1” means approximately 33.4418 acres located within the District, as described in **Exhibit A-2** and more specifically detailed on **Exhibit K-2**.

“Improvement Area #1 2022 Bonds” means those certain “City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2022 (Wood Leaf Reserve Public Improvement District Improvement Area #1)”, that are secured by Improvement Area #1 Assessments.

“Improvement Area #1 Annual Installment” means the annual installment payment on the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest, as applicable.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the assessment roll for Improvement Area #1 Assessed Property included in this Service and Assessment Plan as **Exhibit F-1**.

“Improvement Area #1 Authorized Improvements” means the Improvement Area #1 Projects, District Formation Expenses, First Year Annual Collection Costs, and Bond Issuance Costs relating to the Improvement Area #1 Initial Bonds and Improvement Area #1 Additional Bonds, if such bonds are issued.

“Improvement Area #1 Improvements” means those certain Authorized Improvements that only benefit Improvement Area #1, as depicted on **Exhibit H-1**.

“Improvement Area #1 Projects” means the Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #2” means the second area to be developed within the District as generally depicted on **Exhibit A-3**, and described on **Exhibit K-3**, consisting of approximately 18.02 acres.

“Improvement Area #2 Annual Installment” means the Annual Installment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #2; and (4) Additional Interest related to the Improvement Area #2 Bonds, as shown on **Exhibit G-2**.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means the Assessment levied against Improvement Area #2 Assessed Property and imposed pursuant to the 2024 Assessment Ordinance and the

provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Improvement Area #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates. The Improvement Area #2 Assessment Roll is included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit G-1**.

“Improvement Area #2 Bonds” means those certain “City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2024 (Wood Leaf Reserve Public Improvement District Improvement Area #2 Projects)”, that are secured by Improvement Area #2 Assessments.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit the Improvement Area #2 Assessed Property as further described in **Section III.C** and depicted on **Exhibit H-3**.

“Improvement Area #2 Initial Parcel” means the all property located within Improvement Area #2, which is described on **Exhibit K-3**, and generally depicted on **Exhibit A-3**, against which the entire Improvement Area #2 Assessment is levied as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit G-1**.

“Improvement Area #2 Projects” means collectively, (1) the Improvement Area #2 Improvements; (2) Improvement Area #2’s share of the Major Improvements; and (3) Bond Issuance Costs incurred in connection with the issuance of Improvement Area #2 Bonds.

“Indenture” means one or more Indenture(s) of Trust entered into in connection with the issuance of PID Bonds, as amended from time to time, between the City and a Bond Trustee setting forth terms and conditions related to a series of PID Bonds.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or Official Public Records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded Subdivision Plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value

of the Lot as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E**.

“Lot Type 1” means a single family residential Lot within Improvement Area #1 marketed to homebuilders as a 40’ Lot and identified as such on the Improvement Area #1 Assessment Roll attached as **Exhibit F-1**.

“Lot Type 2” means a single family residential Lot within Improvement Area #1 marketed to homebuilders as a 50’ Lot and identified as such on the Improvement Area #1 Assessment Roll attached as **Exhibit F-1**.

“Lot Type 3” means a Lot within Improvement Area #2 marketed to homebuilders as a 40’ Lot, with an Estimated Buildout Value of \$361,300 as of the date of adoption of this 2024 Amended and Restated Service and Assessment Plan.

“Lot Type 4” means a Lot within Improvement Area #2 marketed to homebuilders as a 50’ Lot, with an Estimated Buildout Value of \$398,000 as of the date of adoption of this 2024 Amended and Restated Service and Assessment Plan.

“Major Improvements” means those Authorized Improvements described in **Section III.B** that benefit all areas within the District.

“Maximum Assessment” means, for each Lot Type, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount shown on **Exhibit E**.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

“Owner” means the person in whom is vested the ownership, dominion, or title of property.

“Parcel(s)” means a specific property within the District identified by either a tax map parcel identification number assigned by the Harris Central Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the City.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments. This term is used in this 2024 Amended and Restated Service and Assessment Plan to collectively refer to: (1) the Improvement Area #1 Bonds, and (2) the Improvement Area #2 Bonds, including any bonds issued to refund these bonds.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an

Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

“Prepayment Costs” means interest, including Additional Interest, and Annual Collection Costs, to the date of Prepayment.

“Reimbursement Agreement” means any reimbursement agreement between the City and the Developer pursuant to which the City agrees to levy Assessments on an Improvement Area and all or a portion of such Assessments are paid to the Developer to reimburse the Actual Costs related to such Improvement Area.

“Reimbursement Obligation” means the amount to be paid to the Developer pursuant to a Reimbursement Agreement.

“Service Plan” means the plan described in **Section IV** and covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

“Trustee” means a trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 90.54 contiguous acres located within the City, as more particularly described by metes and bounds on **Exhibit K-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 299 single-family homes.

Improvement Area #1 includes approximately 33.414 acres as more particularly described on **Exhibit K-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to contain 123 single-family homes.

Improvement Area #2 includes approximately 18.02 acres as described on **Exhibit K-3**, and depicted on **Exhibit A-3**. Development of Improvement Area #2 is anticipated to contain 81 single-family homes.

It is anticipated there will be one additional Future Improvement Areas within the District. As Future Improvement Areas are developed and in connection with the issuance of any Future Improvement Area Bonds, or the levy of Assessments in a Future Improvement Area pursuant to a Reimbursement Agreement, this Service and Assessment Plan will be amended to update the Exhibits. A map of the property that will comprise the Future Improvement Areas is depicted on **Exhibit A-4**.

SECTION III: AUTHORIZED IMPROVEMENTS

The City Council, based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs described below are costs of Authorized Improvements, as defined by the PID Act, that confer a special benefit on the Assessed Property. The budget for the Authorized Improvements is shown on **Exhibit B-1**.

A. Improvement Area #1 Improvements

All Improvement Area #1 Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Streets*

Improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street

access to each Lot. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Water*

Improvements include trench excavation and embedment, trench safety, PVC piping, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications will be owned and operated by the City.

- *Wastewater*

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Detention & Drainage*

Improvements include clearing and grubbing, trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds including spreading and compaction of excavated materials. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Natural Gas*

Improvements including trench excavation and embedment, trench safety, plastic/metal piping, manholes, service connections, gas mains, valves, testing, earthwork, excavation, erosion control, and all necessary appurtenances required to provide natural gas service. The natural gas improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, and contingency.

B. Major Improvements

- *Wastewater*

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Drainage and Detention*

Include clearing and grubbing, a bypass channel, and detention reinforced concrete piping into existing M121 channel.

- *Soft Costs*

Costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, and District Formation Expenses.

C. Improvement Area #2 Improvements

All Improvement Area #2 Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Streets*

Improvements including subgrade stabilization (including excavation), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #2.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, service connections, water mains, valves, fire hydrants, testing, earthwork, excavation, and erosion control. These lines will include all necessary appurtenances to be fully operational transmission lines extending water service to the limits of the Improvement Area. The water improvements will provide water service to each Lot within Improvement Area #2.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, sewer mains, testing, related earthwork, excavation, and erosion control. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will provide wastewater service to each Lot within Improvement Area #2.

- *Drainage and Detention*

Improvements including earthen and concrete lined channels, swales, curb and drop inlets, storm sewer mains, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, clearing, and erosion control necessary to provide storm water. The storm drainage improvements will manage storm drainage for the Lots within Improvement Area #2.

- *Soft Costs*

Improvements including engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Improvement Area #2 Improvements described above.

D. Future Improvement Area Improvements

As Future Improvement Areas are developed and Assessments are levied on Assessed Property within the Future Improvement Areas, this Amended and Restated Service and Assessment Plan will be amended to identify the specific Future Improvement Area Improvements that confer a special benefit to the Assessed Property inside each Future Improvement Area.

E. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required to fund a reserve under an applicable Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

F. Other Costs

- *Deposit to Administrative Fund*

Includes District Annual Collection Costs for the first year immediately following the issuance of a series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. Exhibit C summarizes the Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this 2024 Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B**.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to

be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this 2024 Amended and Restated Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future Owners and Developers of the Assessed Property.

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Developer and their engineers and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the Improvement Area #1 Projects and Improvement Area #2 Projects shall be allocated between Improvement Area #1, Improvement Area #2 and the Future Improvement Area as follows:

- Improvement Area #1 Projects shall be allocated 100% to Improvement Area #1 Assessed Property.
- Improvement Area #2 Projects shall be allocated 100% to Improvement Area #2 Assessed Property.
- Major Improvements are allocated, as shown in **Exhibit B-1**, between Improvement Area #1, Improvement Area #2 and the Future Improvement Area based on Estimated Buildout Value.

B. Assessments

Improvement Area #1 Assessments were levied on the Improvement Area #1 Assessed Property according to the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit F-2**, subject to revisions made during any Annual Service Plan Update.

Improvement Area #2 Assessments will be levied on the Improvement Area #2 Initial Parcel according to the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit G-2**, subject to revisions made during any Annual Service Plan Update.

When, and if, Future Improvement Areas are developed and the levy of Assessments on Future Improvement Areas is contemplated, this 2024 Amended and Restated Service and Assessment Plan will be amended to determine the Assessment and Annual Installment associated with the costs of Future Improvement Area Improvements on each Lot located within a Future Improvement Area. The Assessment shall not exceed the benefit received by the Assessed Property.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by City, has found and determined:

- *Improvement Area #1*
 - The total costs of the Improvement Area #1 Projects equal \$6,393,667 as shown on **Exhibit B-1**; and
 - The Improvement Area #1 Assessed Property receives special benefit from Improvement Area #1 Projects equal to or greater than the Actual Costs of the Improvement Area #1 Projects; and
 - The Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Projects, which was equal to \$4,406,000 as shown on the Improvement Area #1 Assessment Roll, attached as **Exhibit F-1**; and
 - The special benefit (\geq \$6,393,667) received by the Improvement Area #1 Assessed Property from Improvement Area #1 Projects is greater than the amount of the Improvement Area #1 Assessments (\$4,406,000) levied on the Improvement Area #1 Assessed Property.
 - At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments, the property owners within Improvement Area #1 acknowledged that Improvement Area #1 Projects, confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for Actual Costs associated therewith. The property owners within Improvement Area #1 ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the 2022 Service and Assessment Plan and the applicable Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.

- *Improvement Area #2*
 - The total costs of the Improvement Area #2 Projects equal \$5,429,087 as shown on **Exhibit B-1**; and
 - The Improvement Area #2 Assessed Property receives special benefit from Improvement Area #2 Projects equal to or greater than the Actual Costs of the Improvement Area #2 Projects; and
 - The Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Assessments levied for the Improvement Area #2 Projects, which equal \$2,935,000 as shown on the Improvement Area #2 Assessment Roll, attached as **Exhibit G-1**; and
 - The special benefit (\geq \$5,429,087) received by the Improvement Area #2 Assessed Property from Improvement Area #2 Projects is greater than the amount of the Improvement Area #2 Assessments (\$2,935,000) levied on the Improvement Area #2 Assessed Property.
 - At the time the City Council approved the Assessment Ordinance levying the Improvement Area #2 Assessments, the property owners within Improvement Area #2 acknowledged that Improvement Area #2 Projects, confer a special benefit on the Improvement Area #2 Assessed Property and consented to the imposition of the Improvement Area #2 Assessments to pay for Actual Costs associated therewith. The property owners within Improvement Area #2 ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessments remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of Annual Installments in the amounts shown on **Exhibit F-2**, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Interest at the rate of the PID Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. *Upon Division Prior to Recording of Subdivision Plat*

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

2. *Upon Subdivision by a Recorded Subdivision Plat*

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Parcel according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type

D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

The sum of the Assessments for all newly subdivided Parcels shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

3. Upon Consolidation

If two or more Assessed Properties are consolidated, the Administrator shall allocate the Assessments against the Assessed Properties before the consolidation to the consolidated Assessed Property, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on **Exhibit E** for the applicable Lot Type, and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.B.**

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the Owner must partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the Developer to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the Owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the Owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the Owner causing the change in status shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the Assessments and the Reimbursement Obligation shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event that PID Bonds have been issued, the City shall direct the Trustee to apply amounts on deposit in the applicable account of the project fund, relating to the applicable series of PID Bonds, that are not expected to be used for purposes of the project fund, to redeem outstanding PID Bonds, or as otherwise directed, in accordance with the applicable Indenture.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The Owner of the Assessed Property may pay, at any time, all or any portion of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the Owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit I**.

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Annual Installments for Improvement Area #1 and **Exhibit G-2** shows the

estimated Annual Installments for Improvement Area #2. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the property not including any Non-Benefitted Property or non-assessed property, as shown by Harris Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the Owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. To the extent permitted by the PID Act or other applicable law, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of Improvement Area #2 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2025.

G. Prepayment as a result of Eminent Domain Proceeding or Taking

Subject to applicable law, If any portion of any Parcel of Assessed Property is taken from an Owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a “Taking”), the portion of the Assessed Property that was taken or transferred (the “Taken Property”) shall be reclassified as Non-Benefited Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the “Remaining Property”) following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The Owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this 2024 Amended and Restated Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the Owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

By way of illustration, if an Owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres constituting the Remaining Property shall be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by \$10, then the Owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to \$90.

Notwithstanding the previous paragraphs in this subsection if the Owner of the Remaining Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the Owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The Owner will remain liable to pay the Assessment on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update. Improvement Area #1 began collecting Annual Installments in 2022 (delinquent if not paid by January 31, 2023).

The Improvement Area #2 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel as part of each Annual Service Plan Update. Improvement Area #2 will begin collecting Annual Installments in 2024 (delinquent if not paid by January 31, 2025).

As Future Improvement Areas are developed, this 2024 Amended and Restated Service and Assessment Plan will be amended to determine the Assessment for each Lot located within such Future Improvement Areas.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the Owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the Owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the Owner shall be deemed to have unconditionally

approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the Owner not later than 30 days after receipt of such a written notice or error by the Administrator. The City Council shall consider the Owner’s notice of error and the Administrator’s response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2024 Amended and Restated Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the Owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to Owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the PID for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners adversely affected by the interpretation. Appeals shall be decided at a meeting of the City Council at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and their successors and assigns.

D. Form of Buyer Disclosure; Filing in Real Property Records

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed Ordinance of this Service and Assessment Plan, or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

- Exhibit A-1** Map of the District
- Exhibit A-2** Map of Improvement Area #1
- Exhibit A-3** Map of Improvement Area #2
- Exhibit A-4** Map of Future Improvement Area
- Exhibit B-1** Project Costs
- Exhibit B-2** Future Improvement Area Apportionment of Costs
- Exhibit C** Service Plan
- Exhibit D** Sources and Uses of Funds
- Exhibit E** Maximum Assessment and Tax Rate Equivalent
- Exhibit F-1** Improvement Area #1 Assessment Roll
- Exhibit F-2** Improvement Area #1 Annual Installments
- Exhibit G-1** Improvement Area #2 Assessment Roll
- Exhibit G-2** Improvement Area #2 Annual Installments
- Exhibit H-1** Maps of Improvement Area #1 Improvements
- Exhibit H-2** Maps of Major Improvements
- Exhibit H-3** Maps of Improvement Area #2 Improvements
- Exhibit I** Form of Notice of PID Assessment Termination
- Exhibit J-1** Debt Service Schedule for Improvement Area #1 Bonds
- Exhibit J-2** Debt Service Schedule for Improvement Area #2 Bonds
- Exhibit K-1** District Boundary Description
- Exhibit K-2** Improvement Area #1 Boundary Description
- Exhibit K-3** Improvement Area #2 Boundary Description
- Exhibit L** Improvement Area #2 Plat

APPENDICES

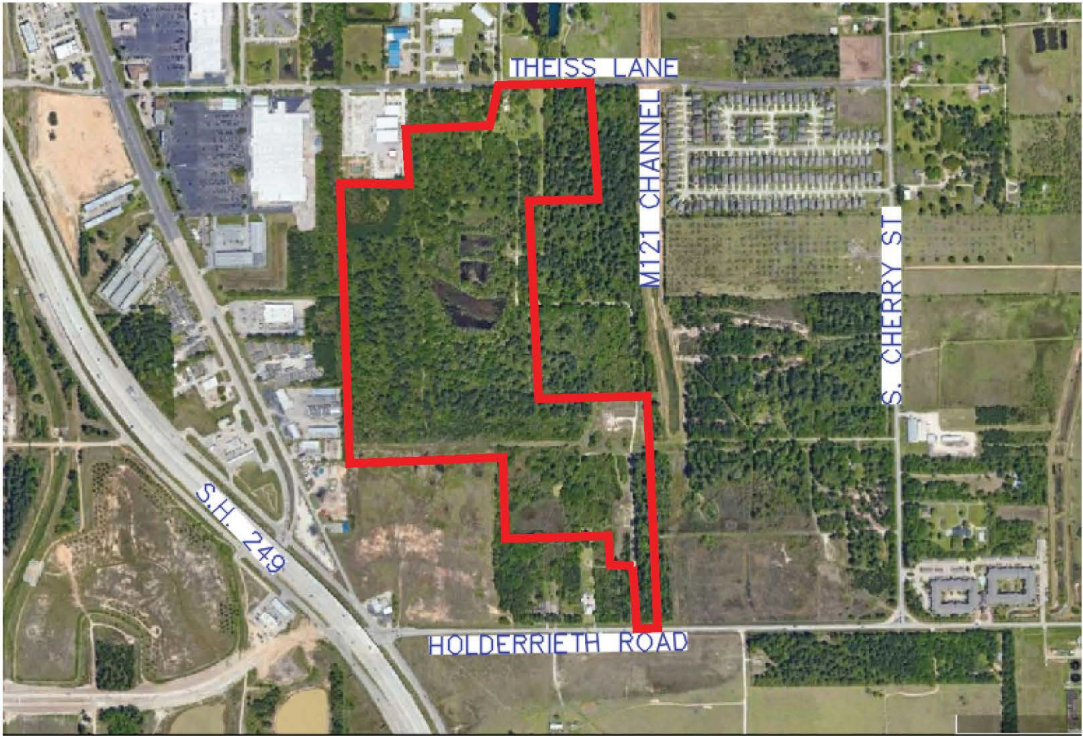
The following Appendices are attached to and made a part of this 2024 Amended and Restated Service and Assessment Plan for all purposes:

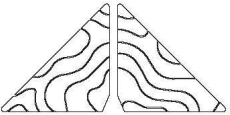
Appendix A Improvement Area #2 Engineer's Report

Appendix B Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

12/6/2024 1:12:52 PM E:\N121024_Casefile_Homes\001\Map\N121024\Exhibit_B\Map_Overall_LAYOUTS_20241203.dwg 8.5x11





ELEVATION
land solutions

TBPE REGISTRATION NUMBER F-18141
2449 TECHNOLOGY FOREST BLVD, SUITE 200
THE WOODLANDS, TX 77381 832-829-2200

DATE	REVISION	APP

SITE LOCATION
MAP

01 of 09

ELEVATION LAND SOLUTIONS - WOOD LEAF

EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1

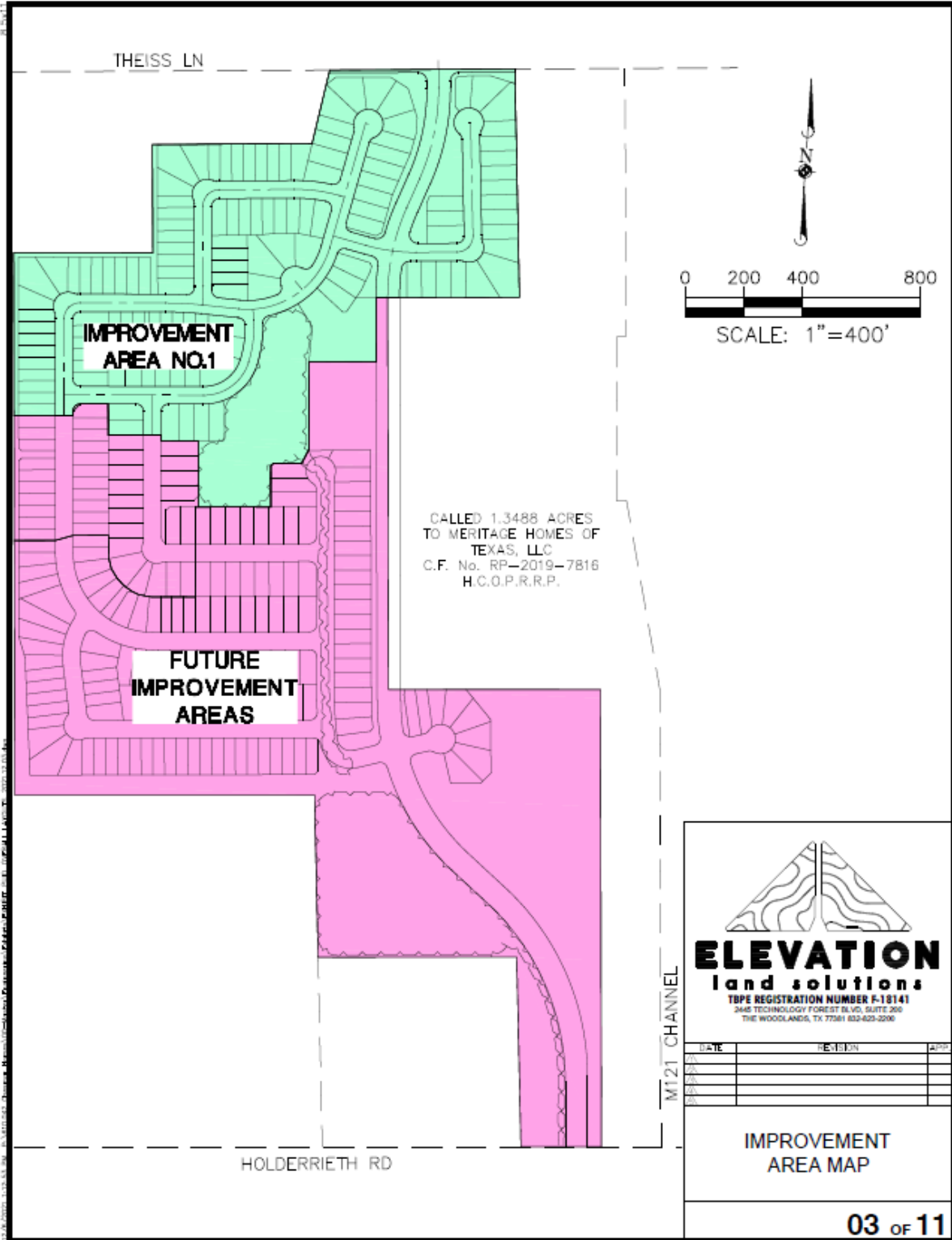
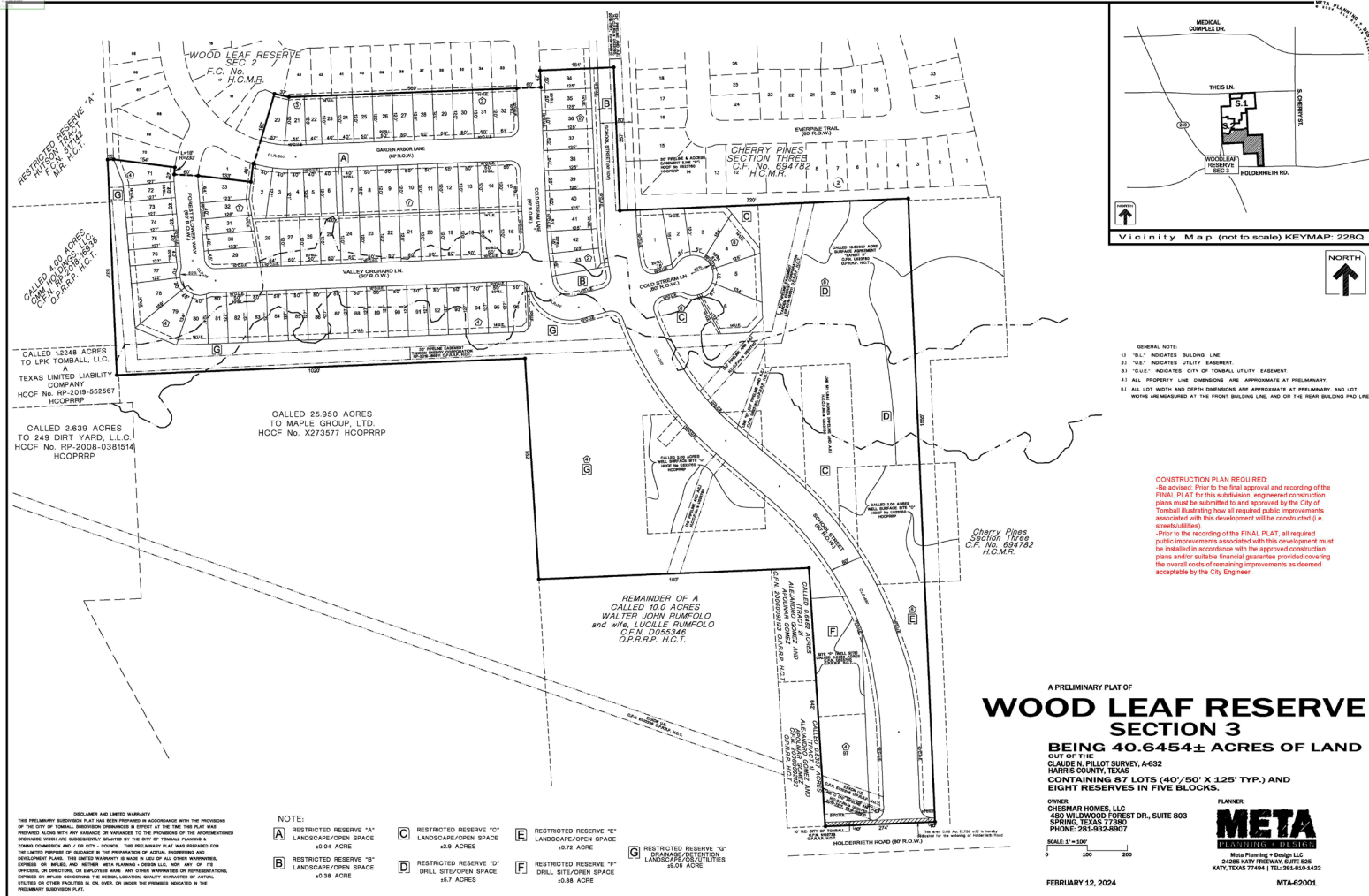


EXHIBIT A-4 – MAP OF FUTURE IMPROVEMENT AREA

CITY OF TOMBALL
APPROVED
[Signature]



WOOD LEAF RESERVE PUBLIC IMPROVEMENT DISTRICT
2024 PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT
PLAN

EXHIBIT B-1 – PROJECT COSTS

	Total Costs ^[a]	Improvement Area #1		Improvement Area #2		Future Improvement Area ^[c]	
		% ^[b]	Costs	% ^[b]	Cost	% ^[b]	Cost
<i>Improvement Area #1 Improvements</i>							
Streets	\$ 1,716,477	100.00%	\$1,716,477	0.00%	\$ -	0.00%	\$ -
Water	389,092	100.00%	389,092	0.00%	-	0.00%	-
Wastewater	439,062	100.00%	439,062	0.00%	-	0.00%	-
Drainage	651,950	100.00%	651,950	0.00%	-	0.00%	-
Natural Gas	259,329	100.00%	259,329	0.00%	-	0.00%	-
Soft Costs	1,090,359	100.00%	1,090,359	0.00%	-	0.00%	-
	<u>\$ 4,546,269</u>		<u>\$4,546,269</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Major Improvements</i>							
Wastewater	\$ 274,320	41.27%	\$ 113,219	27.43%	\$ 75,250	31.30%	\$ 85,851
Detention	1,674,296	41.27%	691,028	27.43%	459,281	31.30%	\$ 523,987
Soft Costs	568,255	41.27%	234,534	27.43%	155,880	31.30%	\$ 177,841
	<u>\$ 2,516,871</u>		<u>\$1,038,782</u>		<u>\$ 690,410</u>		<u>\$ 787,679</u>
<i>Improvement Area #2 Improvements</i>							
Streets	841,523	0.00%	-	100.00%	841,523	0.00%	-
Water	205,635	0.00%	-	100.00%	205,635	0.00%	-
Wastewater	306,289	0.00%	-	100.00%	306,289	0.00%	-
Drainage and Detention	1,319,977	0.00%	-	100.00%	1,319,977	0.00%	-
Natural Gas	123,377	0.00%	-	100.00%	123,377	0.00%	-
Excavating, Grading and Detention	400,468	0.00%	-	100.00%	400,468	0.00%	-
Soft Costs	911,221	0.00%	-	100.00%	911,221	0.00%	-
	<u>\$ 4,108,490</u>		<u>\$ -</u>		<u>\$4,108,490</u>		<u>\$ -</u>
<i>Series 2022 Bond Issuance Costs</i>							
Debt Service Reserve Fund	\$ 317,826		\$ 317,826		\$ -		\$ -
Underwriter Discount	138,120		138,120		-		-
Delinquency & Prepayment Reserve	22,030		22,030		-		-
Cost of Issuance	285,640		285,640		-		-
	<u>\$ 763,616</u>		<u>\$ 763,616</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Series 2024 Bond Issuance Costs</i>							
Debt Service Reserve Fund	\$ 217,698		\$ -		\$ 217,698		\$ -
Capitalized Interest	\$ 48,171		-		48,171		-
Underwriter Discount	\$ 108,700		-		108,700		-
Delinquency & Prepayment Reserve	\$ -		-		-		-
Cost of Issuance	\$ 210,619		-		210,619		-
	<u>\$ 585,187</u>		<u>\$ -</u>		<u>\$ 585,187</u>		<u>\$ -</u>
<i>Other Costs</i>							
Deposit to Administrative Fund	90,000		45,000		45,000		-
	<u>\$ 90,000</u>		<u>\$ 45,000</u>		<u>\$ 45,000</u>		<u>\$ -</u>
Total	\$ 12,610,433		\$6,393,667		\$5,429,087		\$ 787,679

Footnotes:

[a] Costs were determined by the Engineer's Opinion of Probable Cost prepared by Elevation Land Solutions and attached as **Appendix A**.

[b] Costs of the Major Improvements are allocated pro rata between Improvement Area #1 Assessed Property, Improvement Area #2 Assessed Property and the Future Improvement Area Assessed Property.

[c] Improvement Area #3 Costs (Future Improvement Area) will be updated based on Estimated Buildout Value in a future SAP Update.

EXHIBIT B-2 – FUTURE IMPROVEMENT AREA APPORTIONMENT OF COSTS

Improvement Area	Units ¹	Estimated Buildout Value	Major Improvements ²		Total Apportionment for Future Funding ¹
			%	Costs	
Improvement Area #1	123	\$ 42,870,000	41.27%	\$ 1,038,782	
Improvement Area #2	81	\$ 30,953,500	27.43%	\$ 690,410	
Future Improvement Area	95	\$ 35,314,400	31.30%	\$ 787,679	\$ 787,679
Total	299	\$ 109,137,900	100.00%	\$ 2,516,871	

Footnotes:

- 1) Reimbursable in part or in full from future Assessments levied in the Future Improvement Area.
- 2) The costs of the Major Improvements apportioned pro rata based on Estimated Buildout Value between Improvement Area #1, Improvement Area #2 and the Future Improvement Area.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ 73,000	\$ 76,000	\$ 79,000	\$ 82,000	\$ 86,000
Interest		243,454	239,986	236,376	232,624	228,421
	(1)	\$ 316,454	\$ 315,986	\$ 315,376	\$ 314,624	\$ 314,421
Annual Collection Costs	(2)	\$ 47,754	\$ 48,709	\$ 49,684	\$ 50,677	\$ 51,691
Additonal Interest	(3)	\$ 21,225	\$ 20,860	\$ 20,480	\$ 20,085	\$ 19,675
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 385,433	\$ 385,556	\$ 385,540	\$ 385,386	\$ 385,787

Improvement Area #2						
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ 46,000	\$ 48,000	\$ 50,000	\$ 52,000	\$ 55,000
Interest		\$ 171,698	\$ 169,007	\$ 166,199	\$ 163,274	\$ 160,232
Capitalized Interest		\$ -	\$ -	\$ -	\$ -	\$ -
	(1)	\$ 217,698	\$ 217,007	\$ 216,199	\$ 215,274	\$ 215,232
Annual Collection Costs	(2)	45,000.00	45,900.00	46,818.00	47,754.36	48,709.45
Additional Interest	(3)	14,675.00	14,445.00	14,205.00	13,955.00	13,695.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$277,372.50	\$277,351.50	\$277,221.50	\$276,982.86	\$277,635.95

EXHIBIT D – SOURCES AND USES OF FUNDS

	Improvement Area #1	Improvement Area #2	Future Improvement Area ^{[b],[c]}	Total
Sources of Funds				
Improvement Area #1 Bonds	\$ 4,406,000	\$ -	\$ -	\$ 4,406,000
Improvement Area #2 Bonds	\$ -	\$ 2,935,000	\$ -	\$ 2,935,000
Owner Contribution ^[a]	\$ 1,987,667	\$ 2,494,087	\$ 787,679	\$ 5,269,433
Total Sources	\$ 6,393,667	\$ 5,429,087	\$ 787,679	\$ 12,610,433
Uses of Funds				
Improvement Area #1 Improvements	\$ 4,546,269	\$ -	\$ -	\$ 4,546,269
Major Improvements	\$ 1,038,782	\$ 690,410	\$ 787,679	\$ 1,729,192
Improvement Area #2 Improvements	\$ -	\$ 4,108,490	\$ -	\$ 4,108,490.00
	\$ 5,585,051	\$ 4,798,900	787,679	\$ 11,171,630
<i>Series 2022 Bond Issuance Costs</i>				
Debt Service Reserve Fund	\$ 317,826	\$ -	\$ -	\$ 317,826
Underwriter Discount	138,120	-	-	138,120
Delinquency & Prepayment Reserve	22,030	-	-	22,030
Cost of Issuance	285,640	-	-	285,640
	\$ 763,616	\$ -	\$ -	\$ 763,616
<i>Series 2024 Bond Issuance Costs</i>				
Debt Service Reserve Fund	\$ -	\$ 217,698	\$ -	\$ 217,698
Capitalized Interest	-	48,171	-	48,171
Underwriter Discount	-	108,700	-	108,700
Delinquency & Prepayment Reserve	-	-	-	-
Cost of Issuance	-	210,619	-	210,619
	\$ -	\$ 585,187	\$ -	\$ 585,187
<i>Other Costs</i>				
Deposit to Administrative Fund	\$ 45,000	\$ 45,000	\$ -	\$ 90,000
	\$ 45,000	\$ 45,000	\$ -	\$ 90,000
Total Uses	\$ 6,393,667	\$ 5,429,087	\$ 787,679	\$ 12,610,433

Footnotes:

[a] Non-reimbursable to Owner through PID Bonds or PID Assessments.

[b] Costs of the Major Improvements are allocated pro rata between Improvement Area #1 Assessed Property, Improvement Area #2 Assessed Property and the Future Improvement Area Assessed Property.

[c] Additional costs of Future Improvement Area Projects will be determined as Future Improvement Areas are developed and this 2024 Amended and Restated Service and Assessment Plan will be amended.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units	Estimated Buildout Value		Improvement Area #1 Assessment		Improvement Area #2 Assessment		Total Maximum Assessment		Average Annual Installment		Value to Lien per Finished Lot Value	Gross PID TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total		
<i>Improvement Area #1</i>													
One	66	\$ 330,000	\$ 21,780,000	\$33,916	\$2,238,458	\$ -	\$ -	\$33,916	\$ 2,238,458	\$ 2,970	\$ 195,995	1.4742	\$ 0.8999
Two	57	\$ 370,000	\$ 21,090,000	\$38,027	\$2,167,542	\$ -	\$ -	\$38,027	\$ 2,167,542	\$ 3,330	\$ 189,785	1.6436	\$ 0.8999
Subtotal	123		\$ 42,870,000		\$ 4,406,000		\$ -		\$ 4,406,000		\$ 385,780	1.5589	
<i>Improvement Area #2</i>													
Three	35	\$ 361,300	\$ 12,645,500	\$ -	\$ -	\$ 34,258	\$ 1,199,042	\$34,258	\$ 1,199,042	\$ 3,231	\$ 113,092	1.8098	\$ 0.8943
Four	46	\$ 398,000	\$ 18,308,000	\$ -	\$ -	\$ 37,738	\$ 1,735,958	\$37,738	\$ 1,735,958	\$ 3,559	\$ 163,733	2.0536	\$ 0.8943
Subtotal	81		\$ 30,953,500		\$ -		\$ 2,935,000		\$ 2,935,000		\$ 276,825	1.9317	
Total/Weighted Average	204		\$ 73,823,500		\$ 4,406,000		\$ 2,935,000		\$ 7,341,000		\$ 662,605	1.7453	

EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Legal Description	Lot Type	Improvement Area #1 ^[c]				Annual Collection Costs ^[a]	Annual Installment Due 1/31/25 ^[d]
			Outstanding Assessment ^[b]	Principal	Interest	Additional Interest		
1443500010001	Block 1 Lot 1	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010002	Block 1 Lot 2	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010003	Block 1 Lot 3	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010004	Block 1 Lot 4	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010005	Block 1 Lot 5	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010006	Block 1 Lot 6	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010007	Block 1 Lot 7	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010008	Block 1 Lot 8	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010009	Block 1 Lot 9	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010010	Block 1 Lot 10	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010011	Block 1 Lot 11	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010012	Block 1 Lot 12	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010013	Block 1 Lot 13	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010014	Block 1 Lot 14	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010015	Block 1 Lot 15	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010016	Block 1 Lot 16	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010017	Block 1 Lot 17	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010018	Block 1 Lot 18	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010019	Block 1 Lot 19	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010020	Block 1 Lot 20	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500010021	Block 1 Lot 21	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500020001	Block 2 Lot 1	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500020002	Block 2 Lot 2	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500020003	Block 2 Lot 3	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500020004	Block 2 Lot 4	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500020005	Block 2 Lot 5	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500020006	Block 2 Lot 6	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500020007	Block 2 Lot 7	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500030001	Block 3 Lot 1	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500030002	Block 3 Lot 2	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040001	Block 4 Lot 1	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040002	Block 4 Lot 2	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040003	Block 4 Lot 3	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040004	Block 4 Lot 4	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040005	Block 4 Lot 5	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040006	Block 4 Lot 6	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040007	Block 4 Lot 7	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040008	Block 4 Lot 8	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040009	Block 4 Lot 9	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57
1443500040010	Block 4 Lot 10	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57

Footnotes:

- [a] The Annual Collection Costs include a \$60 per Lot Administrative Fee for the City of Tomball that equates to \$7,380 for Improvement Area #1.
- [b] Outstanding Assessment prior to 1/31/2025 Annual Installment.
- [c] Totals may not match the total Outstanding Assessment and Annual Installment due to rounding.
- [d] The Annual Installment covers the period September 15, 2024 to September 14, 2025, and is due by January 31, 2025.

			Improvement Area #1 ^[c]						
Property ID	Legal Description	Lot Type	Outstanding	Principal		Interest		Annual	Annual Installment
			Assessment ^[b]				Collection	Due 1/31/25 ^[d]	
							Costs ^[a]		
1443500040011	Block 4 Lot 11	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500040012	Block 4 Lot 12	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500040013	Block 4 Lot 13	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500040014	Block 4 Lot 14	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500040015	Block 4 Lot 15	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500040016	Block 4 Lot 16	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040017	Block 4 Lot 17	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040018	Block 4 Lot 18	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040019	Block 4 Lot 19	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040020	Block 4 Lot 20	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040021	Block 4 Lot 21	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040022	Block 4 Lot 22	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040023	Block 4 Lot 23	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040024	Block 4 Lot 24	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040025	Block 4 Lot 25	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040026	Block 4 Lot 26	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040027	Block 4 Lot 27	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040028	Block 4 Lot 28	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040029	Block 4 Lot 29	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040030	Block 4 Lot 30	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040031	Block 4 Lot 31	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040032	Block 4 Lot 32	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040033	Block 4 Lot 33	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040034	Block 4 Lot 34	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040035	Block 4 Lot 35	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040036	Block 4 Lot 36	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040037	Block 4 Lot 37	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040038	Block 4 Lot 38	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040039	Block 4 Lot 39	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040040	Block 4 Lot 40	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040041	Block 4 Lot 41	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040042	Block 4 Lot 42	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040043	Block 4 Lot 43	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040044	Block 4 Lot 44	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040045	Block 4 Lot 45	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040046	Block 4 Lot 46	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040047	Block 4 Lot 47	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040048	Block 4 Lot 48	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040049	Block 4 Lot 49	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040050	Block 4 Lot 50	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	

Footnotes:

- [a] The Annual Collection Costs include a \$60 per Lot Administrative Fee for the City of Tomball that equates to \$7,380 for Improvement Area #1.
- [b] Outstanding Assessment prior to 1/31/2025 Annual Installment.
- [c] Totals may not match the total Outstanding Assessment and Annual Installment due to rounding.
- [d] The Annual Installment covers the period September 15, 2024 to September 14, 2025, and is due by January 31, 2025.

Property ID	Legal Description	Lot Type	Improvement Area #1 ^[c]					Annual Collection Costs ^[a]	Annual Installment Due 1/31/25 ^[d]
			Outstanding Assessment ^[b]	Principal	Interest	Additional Interest			
1443500040051	Block 4 Lot 51	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040052	Block 4 Lot 52	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500040053	Block 4 Lot 53	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050001	Block 5 Lot 1	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500050002	Block 5 Lot 2	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500050003	Block 5 Lot 3	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500050004	Block 5 Lot 4	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500050005	Block 5 Lot 5	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050006	Block 5 Lot 6	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050007	Block 5 Lot 7	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050008	Block 5 Lot 8	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050009	Block 5 Lot 9	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050010	Block 5 Lot 10	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050011	Block 5 Lot 11	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050012	Block 5 Lot 12	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050013	Block 5 Lot 13	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050014	Block 5 Lot 14	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050015	Block 5 Lot 15	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050016	Block 5 Lot 16	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050017	Block 5 Lot 17	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500050018	Block 5 Lot 18	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060001	Block 6 Lot 1	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500060002	Block 6 Lot 2	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500060003	Block 6 Lot 3	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500060004	Block 6 Lot 4	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500060005	Block 6 Lot 5	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500060006	Block 6 Lot 6	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500060007	Block 6 Lot 7	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500060008	Block 6 Lot 8	Lot Type 2	\$ 36,637.51	\$ 630.04	\$ 2,101.19	\$ 183.19	\$ 412.16	\$ 3,326.57	
1443500060009	Block 6 Lot 9	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060010	Block 6 Lot 10	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060011	Block 6 Lot 11	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060012	Block 6 Lot 12	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060013	Block 6 Lot 13	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060014	Block 6 Lot 14	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060015	Block 6 Lot 15	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060016	Block 6 Lot 16	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060017	Block 6 Lot 17	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060018	Block 6 Lot 18	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	
1443500060019	Block 6 Lot 19	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94	

Footnotes:

- [a] The Annual Collection Costs include a \$60 per Lot Administrative Fee for the City of Tomball that equates to \$7,380 for Improvement Area #1.
- [b] Outstanding Assessment prior to 1/31/2025 Annual Installment.
- [c] Totals may not match the total Outstanding Assessment and Annual Installment due to rounding.
- [d] The Annual Installment covers the period September 15, 2024 to September 14, 2025, and is due by January 31, 2025.

			Improvement Area #1 ^[c]					
Property ID	Legal Description	Lot Type	Outstanding Assessment ^[b]	Principal	Interest	Additional Interest	Annual Collection Costs ^[a]	Annual Installment Due 1/31/25 ^[d]
1443500060020	Block 6 Lot 20	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94
1443500060021	Block 6 Lot 21	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94
1443500060022	Block 6 Lot 22	Lot Type 1	\$ 32,676.70	\$ 561.93	\$ 1,874.03	\$ 163.38	\$ 367.60	\$ 2,966.94
1443500010022	Landscape/Open Space and Utilities	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1443500010023	Landscape/Open Space and Utilities	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1443500020008	Landscape/Open Space and Utilities	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1443500020009	Park	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1443500020010	Lake/Detention	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1443500040054	Landscape/Open Space and Utilities	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1443500040055	Landscape/Open Space and Utilities	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1443500040056	Landscape/Open Space and Utilities	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1443500060023	Landscape/Open Space and Utilities	Non-Benefited	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ 4,245,000.00	\$ 73,000.00	\$ 243,453.76	\$ 21,225.00	\$ 47,754.36	\$ 385,433.12

Footnotes:

- [a] The Annual Collection Costs include a \$60 per Lot Administrative Fee for the City of Tomball that equates to \$7,380 for Improvement Area #1.
- [b] Outstanding Assessment prior to 1/31/2025 Annual Installment.
- [c] Totals may not match the total Outstanding Assessment and Annual Installment due to rounding.
- [d] The Annual Installment covers the period September 15, 2024 to September 14, 2025, and is due by January 31, 2025.

EXHIBIT F-2 – IMPROVEMENT AREA #1 TOTAL ANNUAL INSTALLMENTS

Improvement Area #1 2022 Bonds					
Annual Installments Due	Principal	Interest [a]	Additional Interest [b]	Annual Collection Costs [c]	Total Installment [d]
1/31/2025	73,000.00	243,453.76	21,225.00	47,754.36	385,433.12
1/31/2026	76,000.00	239,986.26	20,860.00	48,709.45	385,555.71
1/31/2027	79,000.00	236,376.26	20,480.00	49,683.64	385,539.90
1/31/2028	82,000.00	232,623.76	20,085.00	50,677.31	385,386.07
1/31/2029	86,000.00	228,421.26	19,675.00	51,690.86	385,787.12
1/31/2030	90,000.00	224,013.76	19,245.00	52,724.67	385,983.43
1/31/2031	94,000.00	219,401.26	18,795.00	53,779.17	385,975.43
1/31/2032	98,000.00	214,583.76	18,325.00	54,854.75	385,763.51
1/31/2033	102,000.00	209,561.26	17,835.00	55,951.84	385,348.10
1/31/2034	108,000.00	203,568.76	17,325.00	57,070.88	385,964.64
1/31/2035	114,000.00	197,223.76	16,785.00	58,212.30	386,221.06
1/31/2036	120,000.00	190,526.26	16,215.00	59,376.54	386,117.80
1/31/2037	126,000.00	183,476.26	15,615.00	60,564.08	385,655.34
1/31/2038	133,000.00	176,073.76	14,985.00	61,775.36	385,834.12
1/31/2039	140,000.00	168,260.00	14,320.00	63,010.86	385,590.86
1/31/2040	148,000.00	160,035.00	13,620.00	64,271.08	385,926.08
1/31/2041	156,000.00	151,340.00	12,880.00	65,556.50	385,776.50
1/31/2042	165,000.00	142,175.00	12,100.00	66,867.63	386,142.63
1/31/2043	174,000.00	132,481.26	11,275.00	68,204.99	385,961.25
1/31/2044	183,000.00	122,258.76	10,405.00	69,569.09	385,232.85
1/31/2045	194,000.00	111,507.50	9,490.00	70,960.47	385,957.97
1/31/2046	205,000.00	100,110.00	8,520.00	72,379.68	386,009.68
1/31/2047	216,000.00	88,066.26	7,495.00	73,827.27	385,388.53
1/31/2048	229,000.00	75,376.26	6,415.00	75,303.82	386,095.08
1/31/2049	242,000.00	61,922.50	5,270.00	76,809.89	386,002.39
1/31/2050	256,000.00	47,705.00	4,060.00	78,346.09	386,111.09
1/31/2051	270,000.00	32,665.00	2,780.00	79,913.01	385,358.01
1/31/2052	286,000.00	16,802.50	1,430.00	81,511.27	385,743.77
Total	\$ 4,245,000.00	\$ 4,409,995.18	\$ 377,510.00	\$ 1,769,356.84	\$10,801,862.02

Footnotes:

- [a] The Interest Rate equals the rate of the IA#1 2022 Bonds.
- [b] Additional Interest is calculated at a rate of .50%.
- [c] Includes a \$60 per lot (\$7,380 for Improvement Area #1) for costs incurred by City staff for administering the PID.
- [d] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

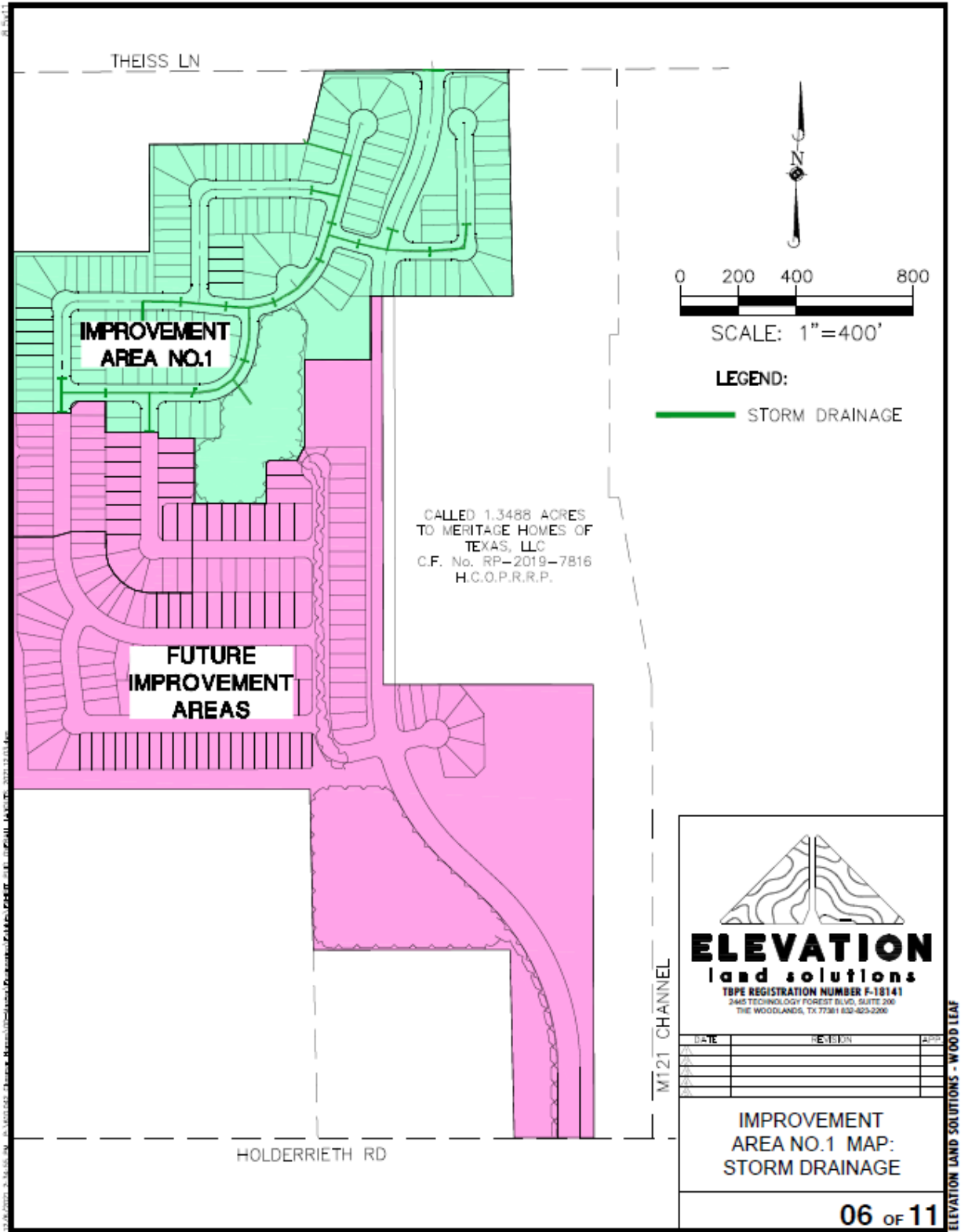
EXHIBIT G-2 – IMPROVEMENT AREA #2 TOTAL ANNUAL INSTALLMENTS

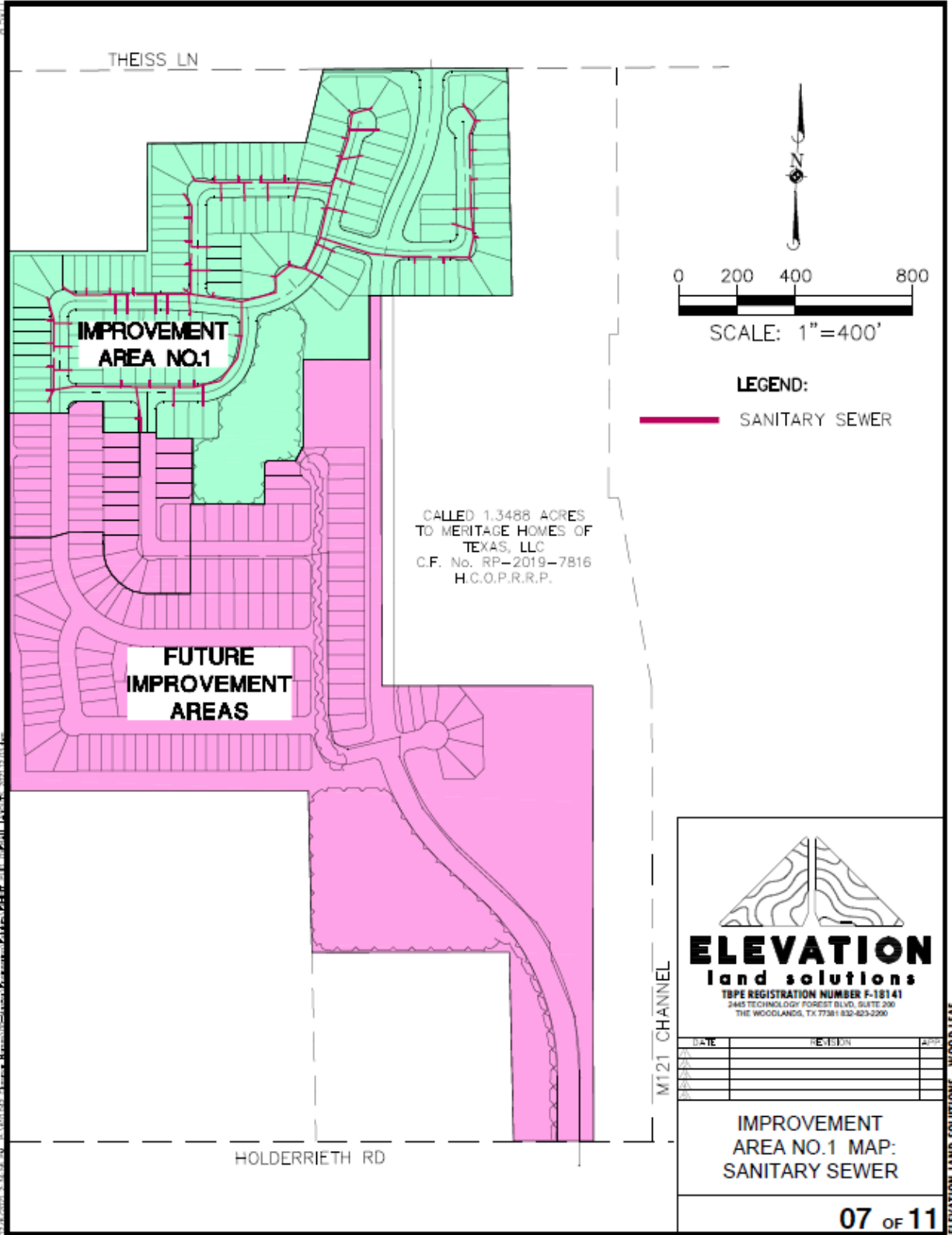
Installment Due 1/31	Improvement Area #2 2024 Bonds				Annual Collection Costs	Total Installment [c]
	Principal	Interest [a]	Capitalized Interest	Additional Interest [b]		
2024	-	48,170.69	(48,170.69)	-	-	-
2025	46,000.00	171,697.50	-	14,675.00	45,000.00	277,372.50
2026	48,000.00	169,006.50	-	14,445.00	45,900.00	277,351.50
2027	50,000.00	166,198.50	-	14,205.00	46,818.00	277,221.50
2028	52,000.00	163,273.50	-	13,955.00	47,754.36	276,982.86
2029	55,000.00	160,231.50	-	13,695.00	48,709.45	277,635.95
2030	57,000.00	157,014.00	-	13,420.00	49,683.64	277,117.64
2031	60,000.00	153,679.50	-	13,135.00	50,677.31	277,491.81
2032	62,000.00	150,169.50	-	12,835.00	51,690.86	276,695.36
2033	65,000.00	146,542.50	-	12,525.00	52,724.67	276,792.17
2034	68,000.00	142,740.00	-	12,200.00	53,779.17	276,719.17
2035	72,000.00	138,762.00	-	11,860.00	54,854.75	277,476.75
2036	75,000.00	134,550.00	-	11,500.00	55,951.84	277,001.84
2037	79,000.00	130,162.50	-	11,125.00	57,070.88	277,358.38
2038	82,000.00	125,541.00	-	10,730.00	58,212.30	276,483.30
2039	86,000.00	120,744.00	-	10,320.00	59,376.54	276,440.54
2040	91,000.00	115,713.00	-	9,890.00	60,564.08	277,167.08
2041	95,000.00	110,389.50	-	9,435.00	61,775.36	276,599.86
2042	100,000.00	104,832.00	-	8,960.00	63,010.86	276,802.86
2043	105,000.00	98,982.00	-	8,460.00	64,271.08	276,713.08
2044	110,000.00	92,839.50	-	7,935.00	65,556.50	276,331.00
2045	116,000.00	86,404.50	-	7,385.00	66,867.63	276,657.13
2046	122,000.00	79,618.50	-	6,805.00	68,204.99	276,628.49
2047	128,000.00	72,481.50	-	6,195.00	69,569.09	276,245.59
2048	135,000.00	64,993.50	-	5,555.00	70,960.47	276,508.97
2049	142,000.00	57,096.00	-	4,880.00	72,379.68	276,355.68
2050	150,000.00	48,789.00	-	4,170.00	73,827.27	276,786.27
2051	158,000.00	40,014.00	-	3,420.00	75,303.82	276,737.82
2052	166,000.00	30,771.00	-	2,630.00	76,809.89	276,210.89
2053	175,000.00	21,060.00	-	1,800.00	78,346.09	276,206.09
2054	185,000.00	10,822.50	-	925.00	79,913.01	276,660.51
Total	\$ 2,935,000.00	\$ 3,313,289.69	\$ (48,170.69)	\$ 279,070.00	\$ 1,825,563.56	\$ 8,304,752.56

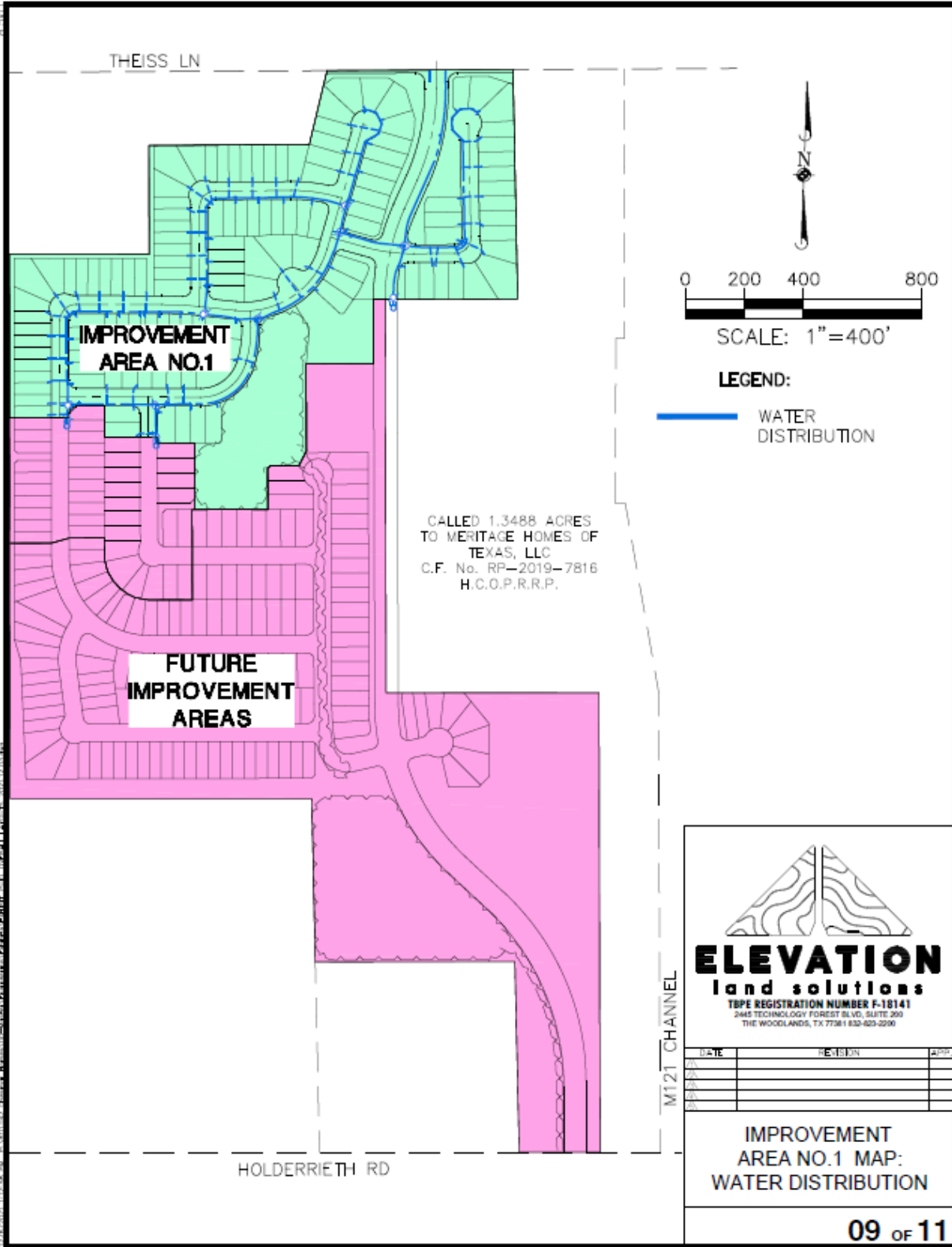
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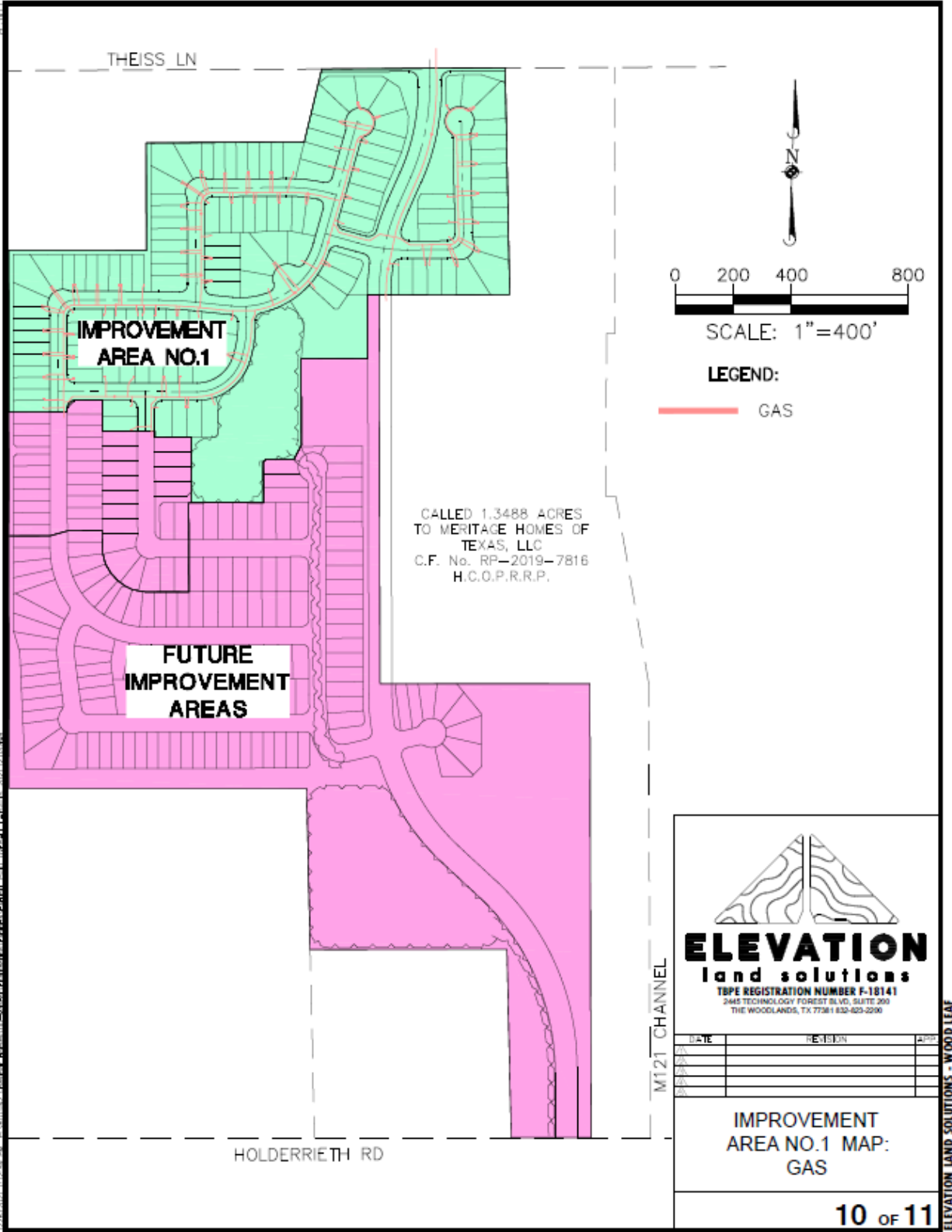
- [a] Interest is calculated at a 5.85% rate.
- [b] Additional Interest is calculated at a \$0.50 rate.
- [c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

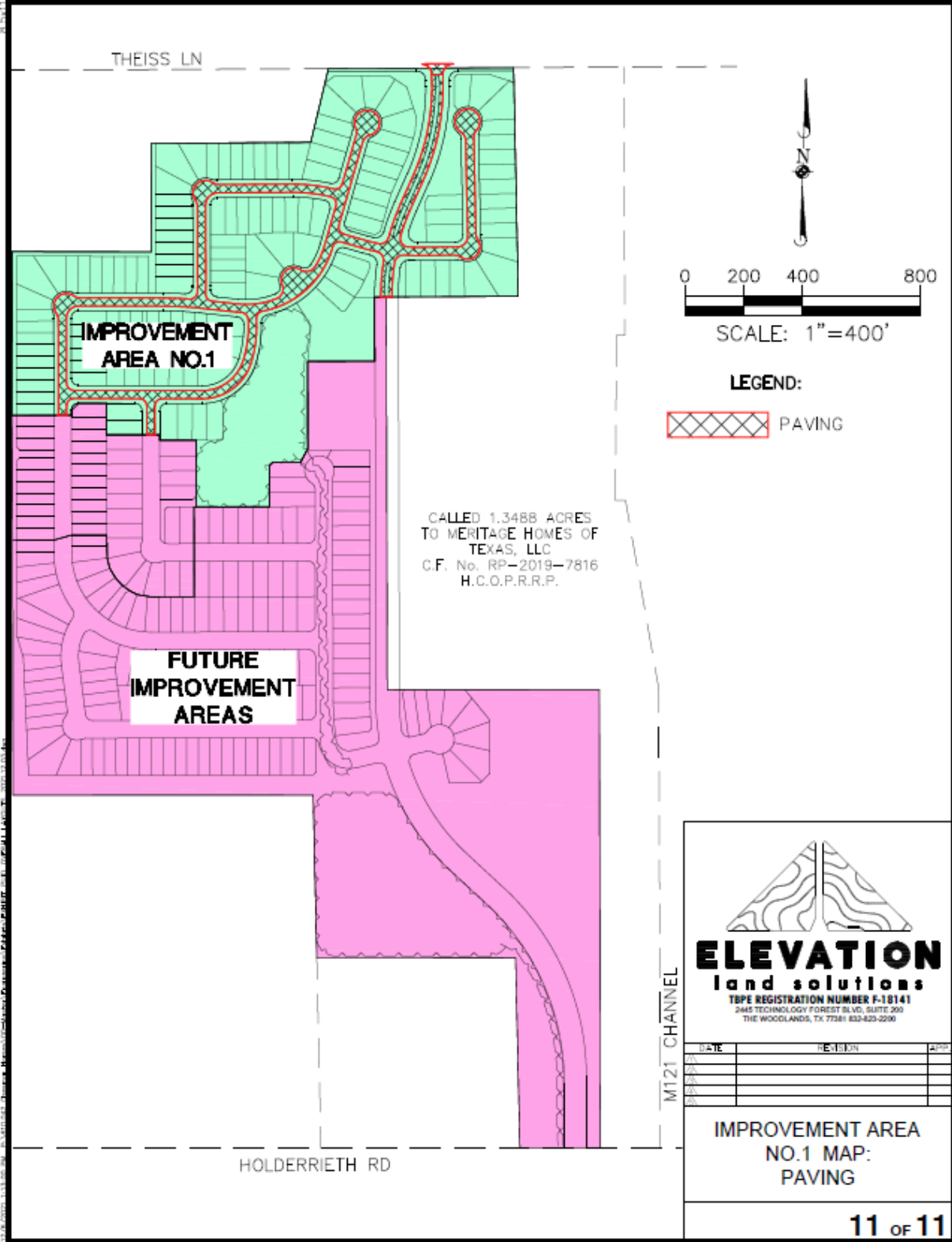
EXHIBIT H-1 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS












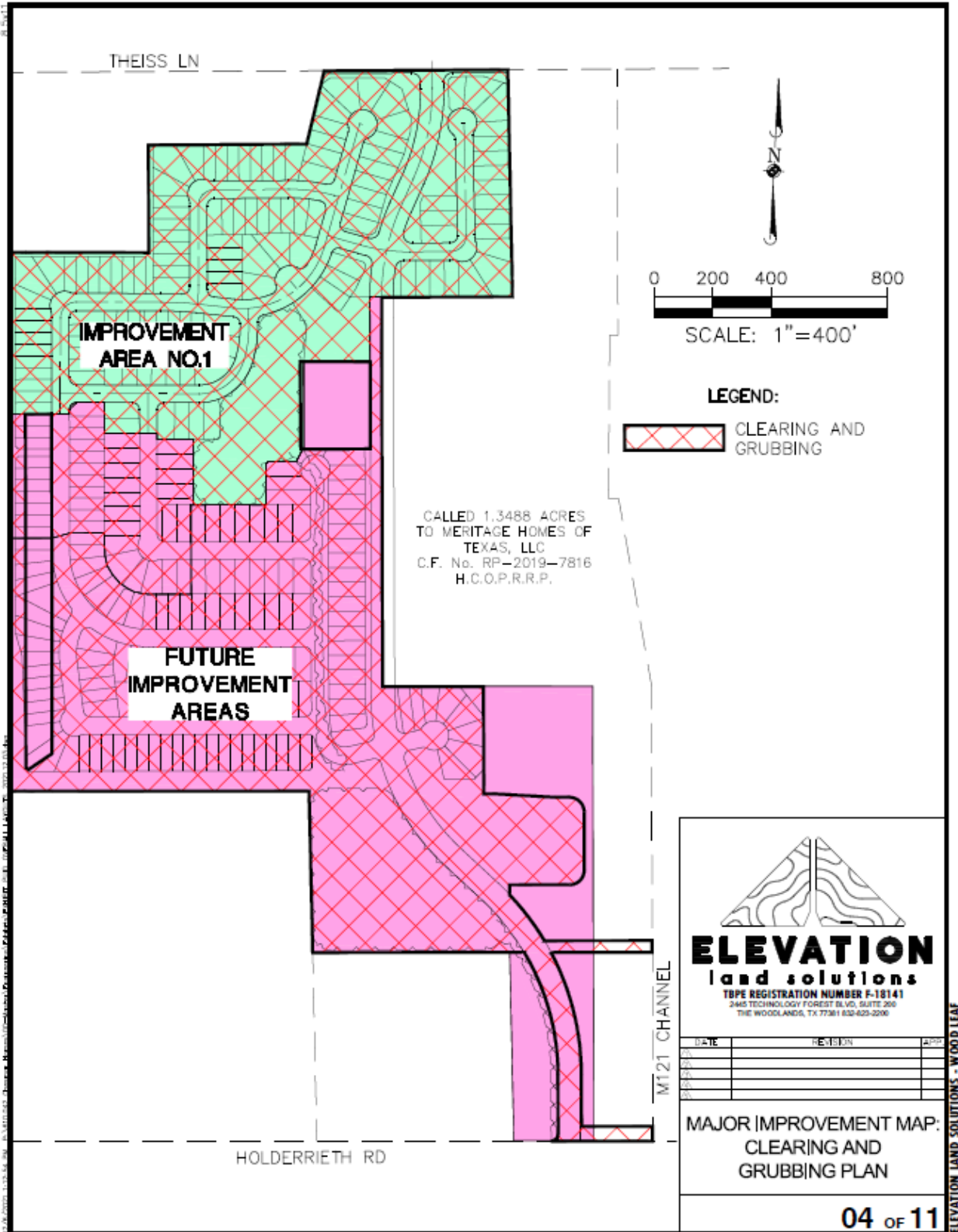

ELEVATION
 land solutions
TBPE REGISTRATION NUMBER F-18141
 2445 TECHNOLOGY FOREST BLVD, SUITE 200
 THE WOODLANDS, TX 77381 832-825-2200

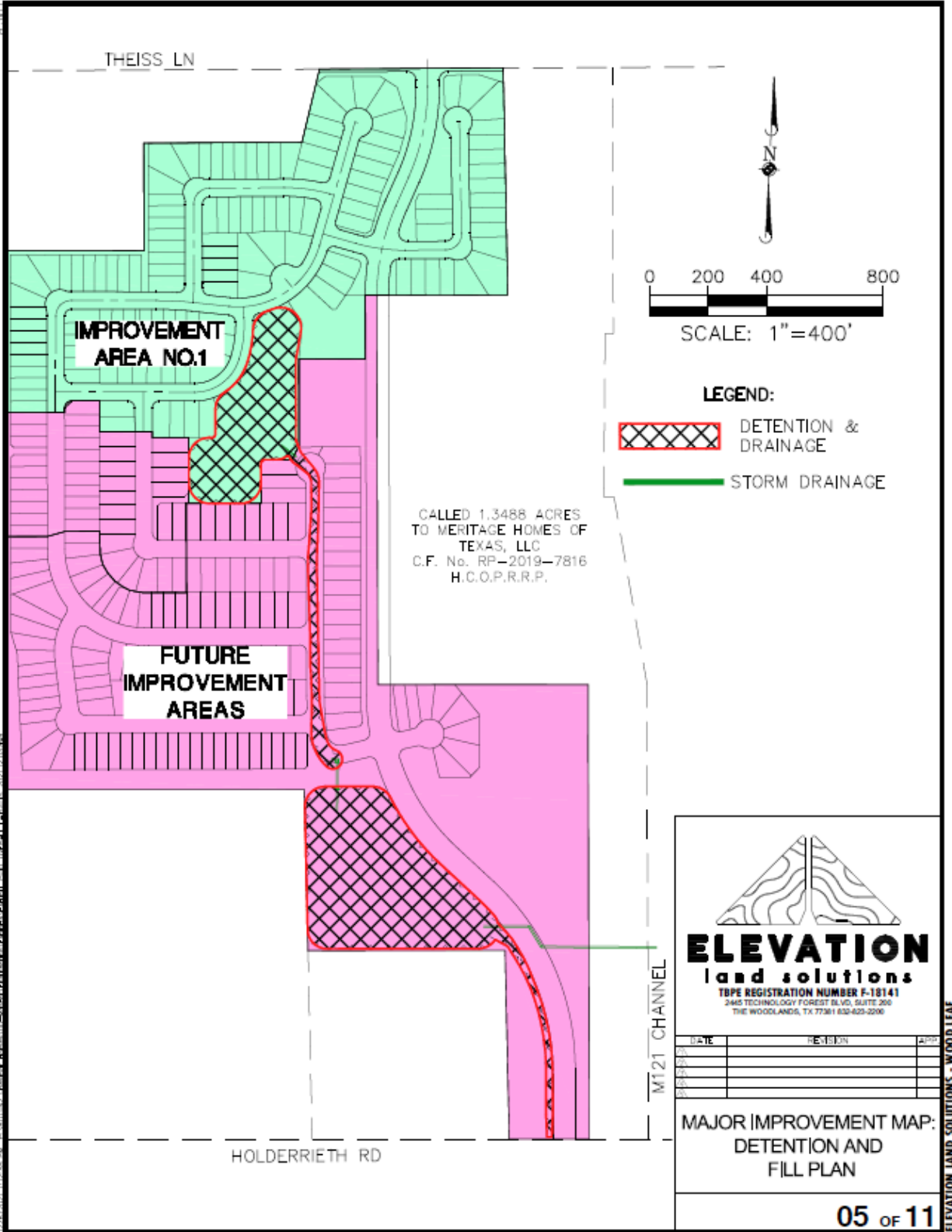
DATE	REVISION	APP'D

IMPROVEMENT AREA NO.1 MAP:
PAVING

11 OF 11

EXHIBIT H-2 – MAPS OF MAJOR IMPROVEMENTS





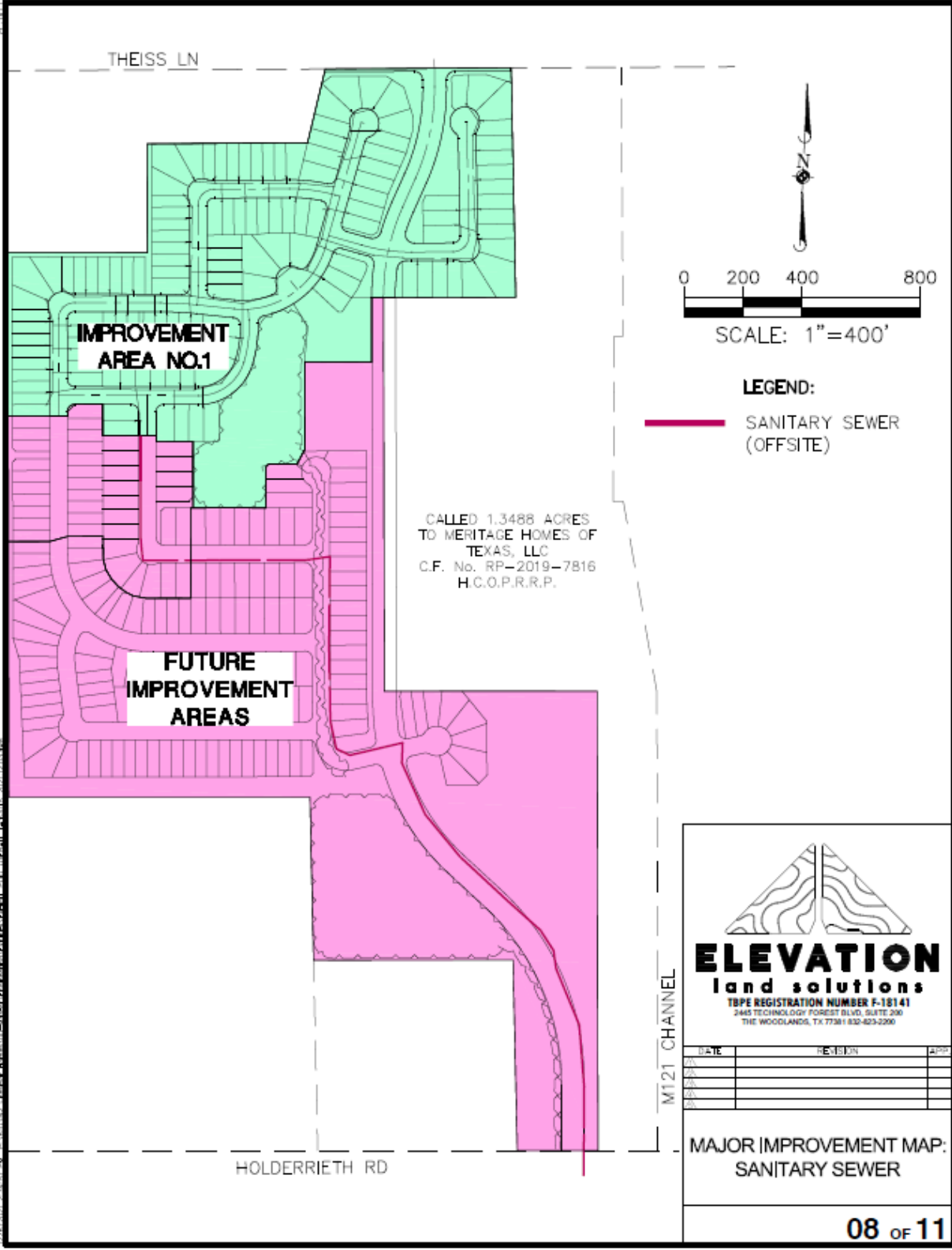
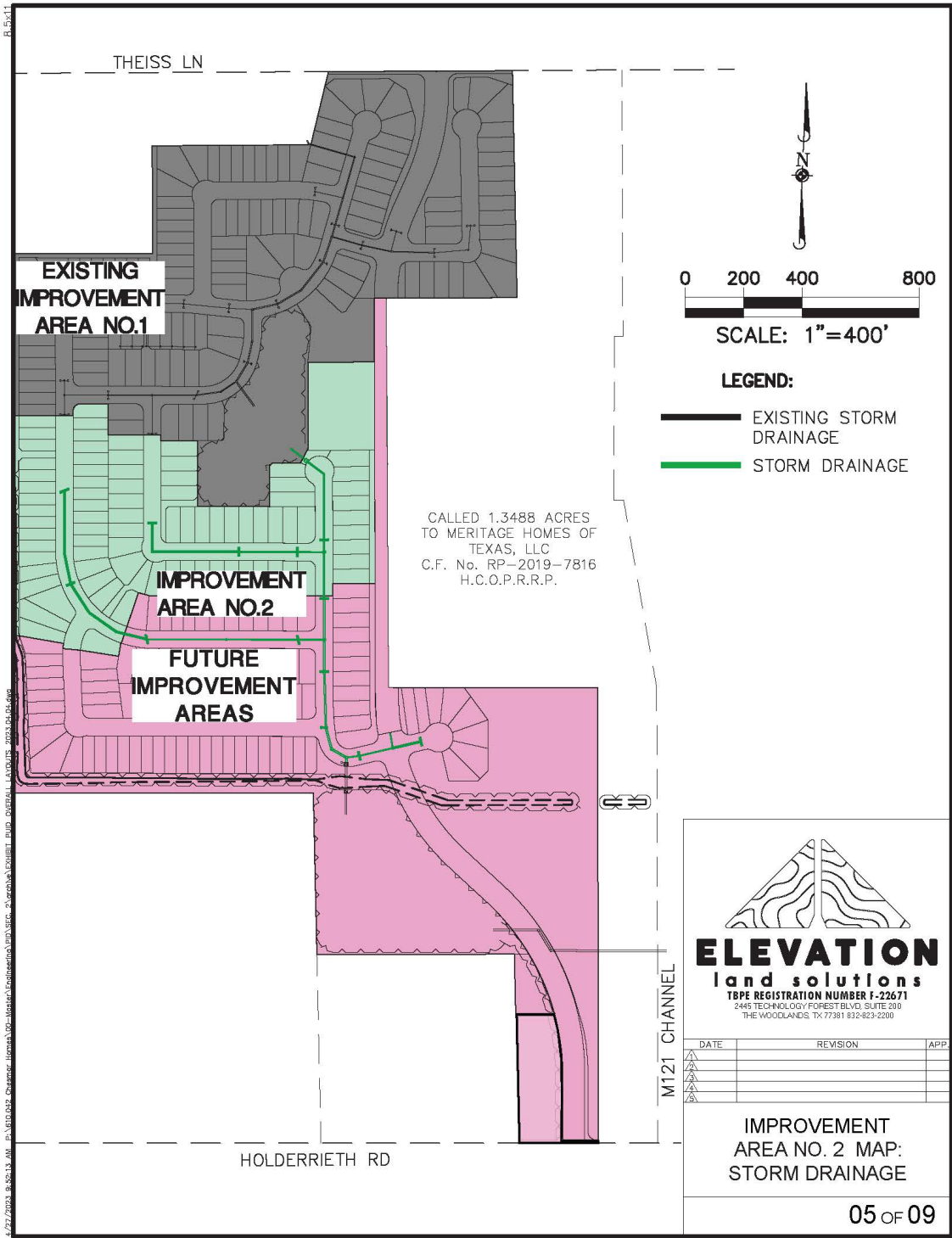
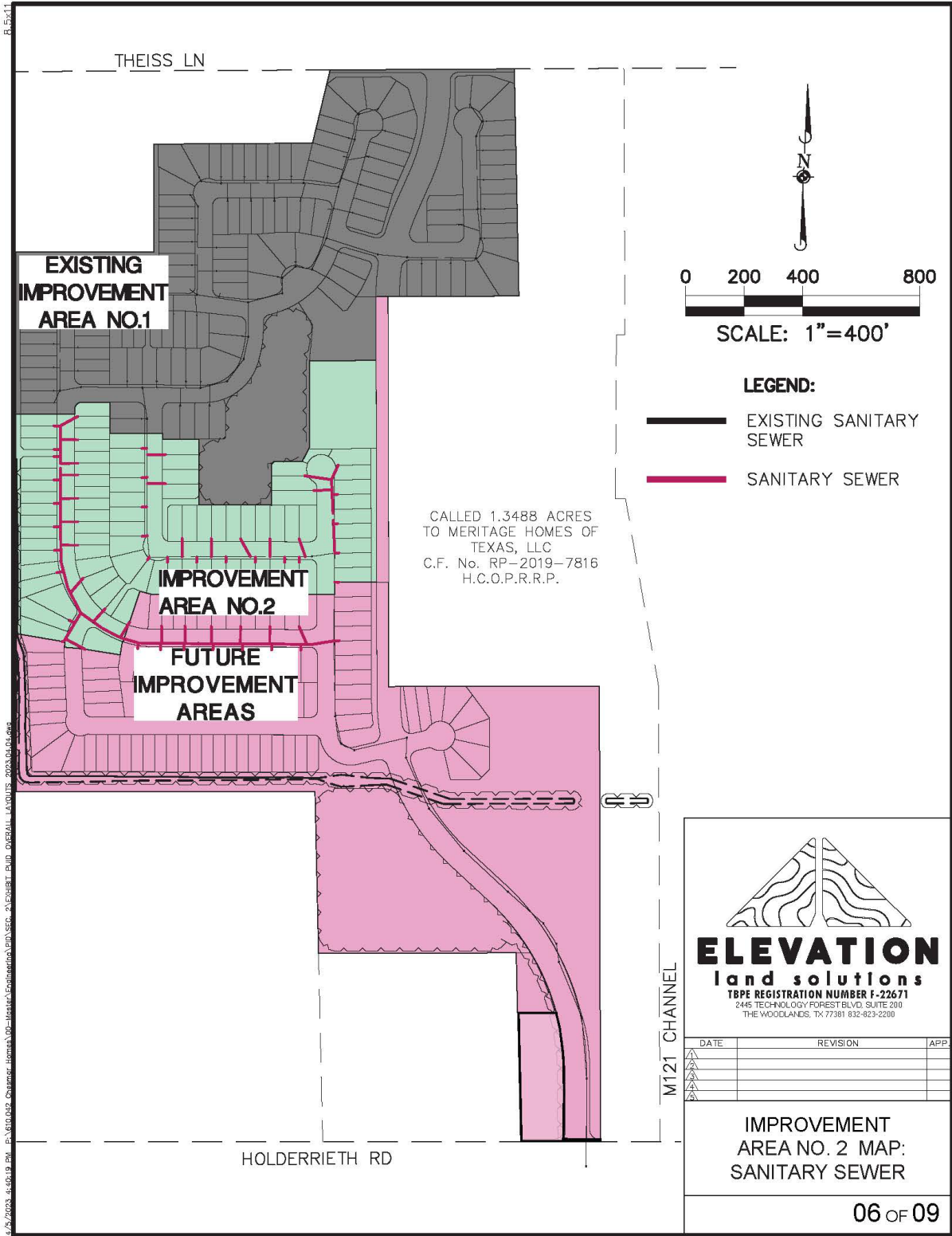
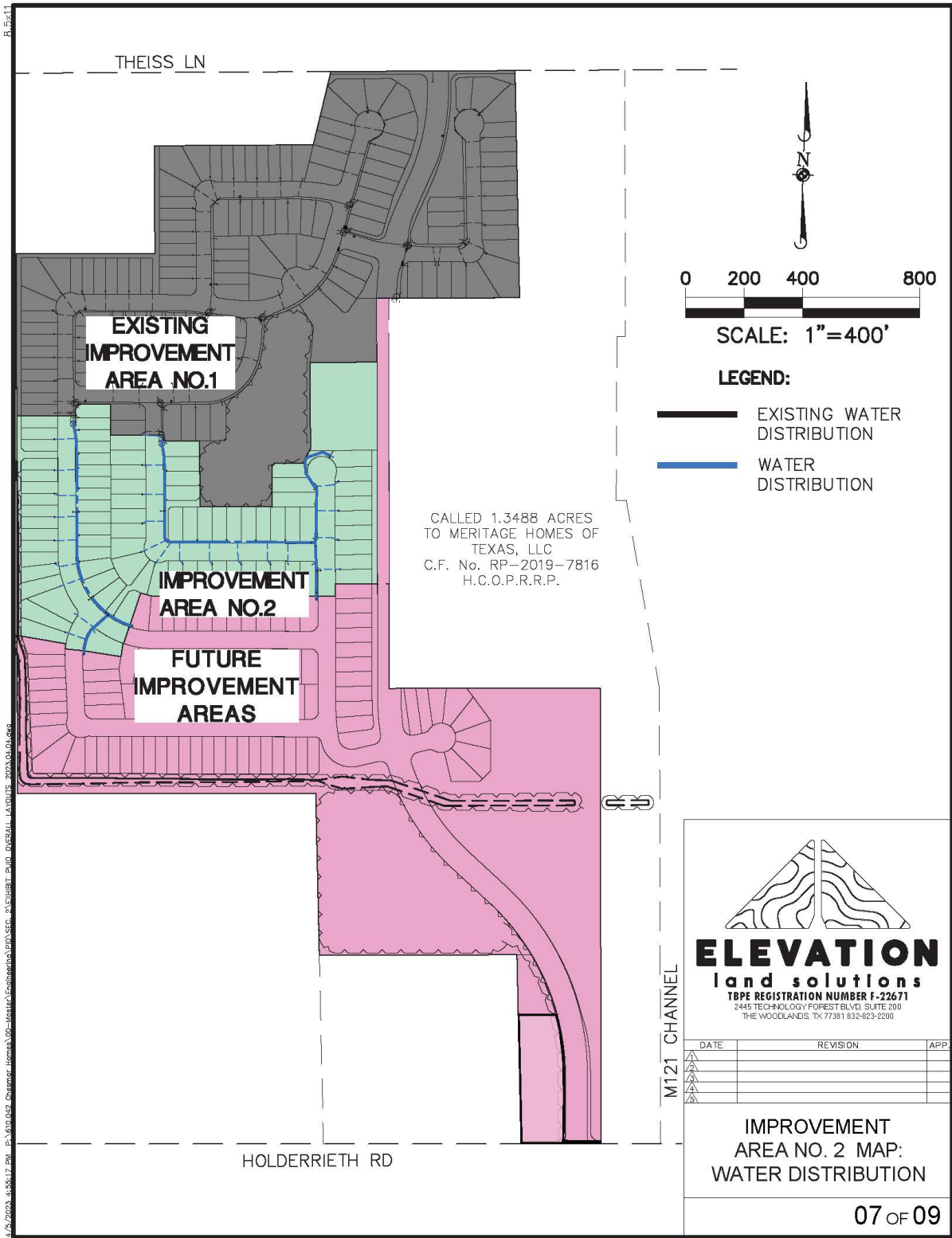
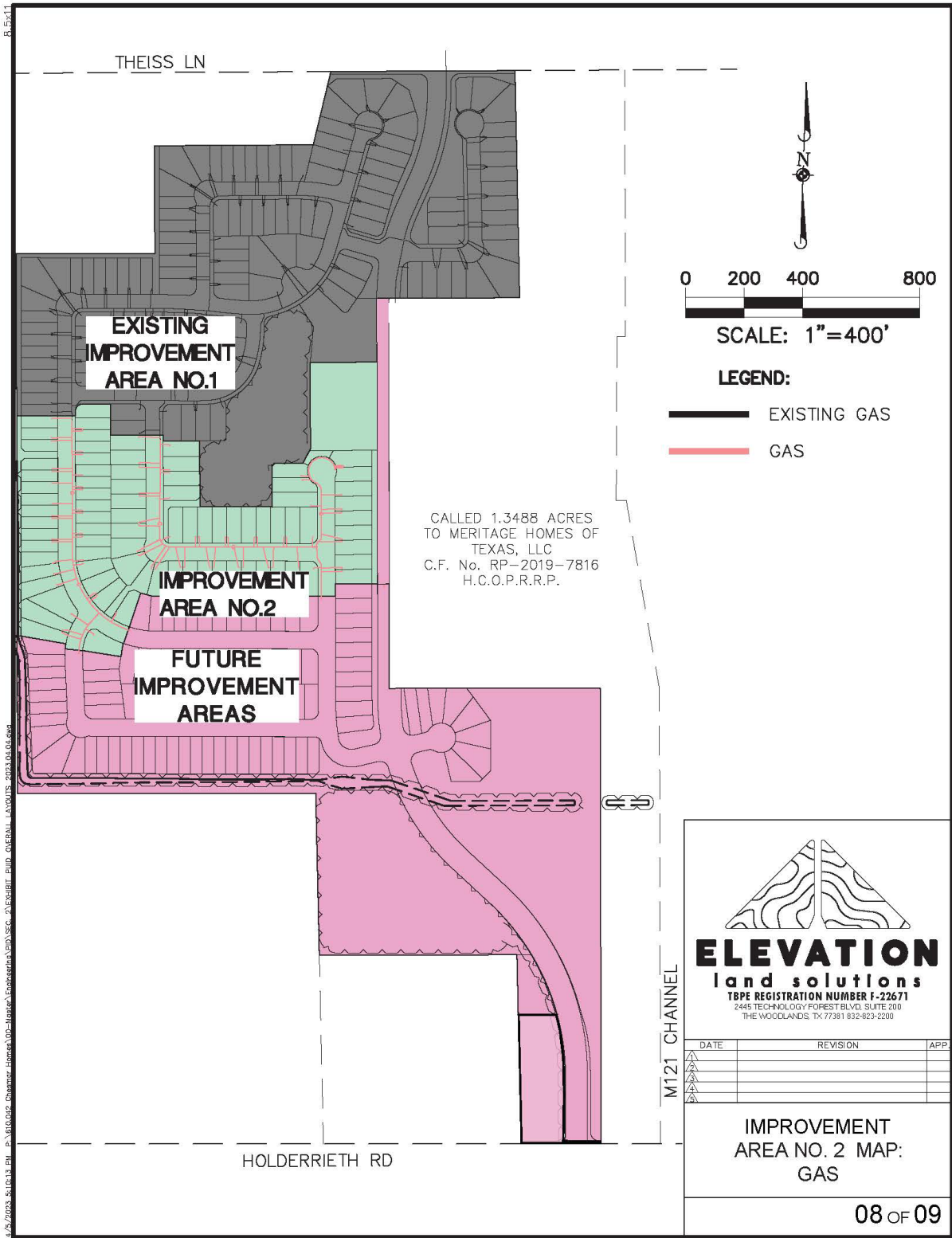


EXHIBIT H-3 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS

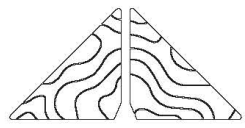








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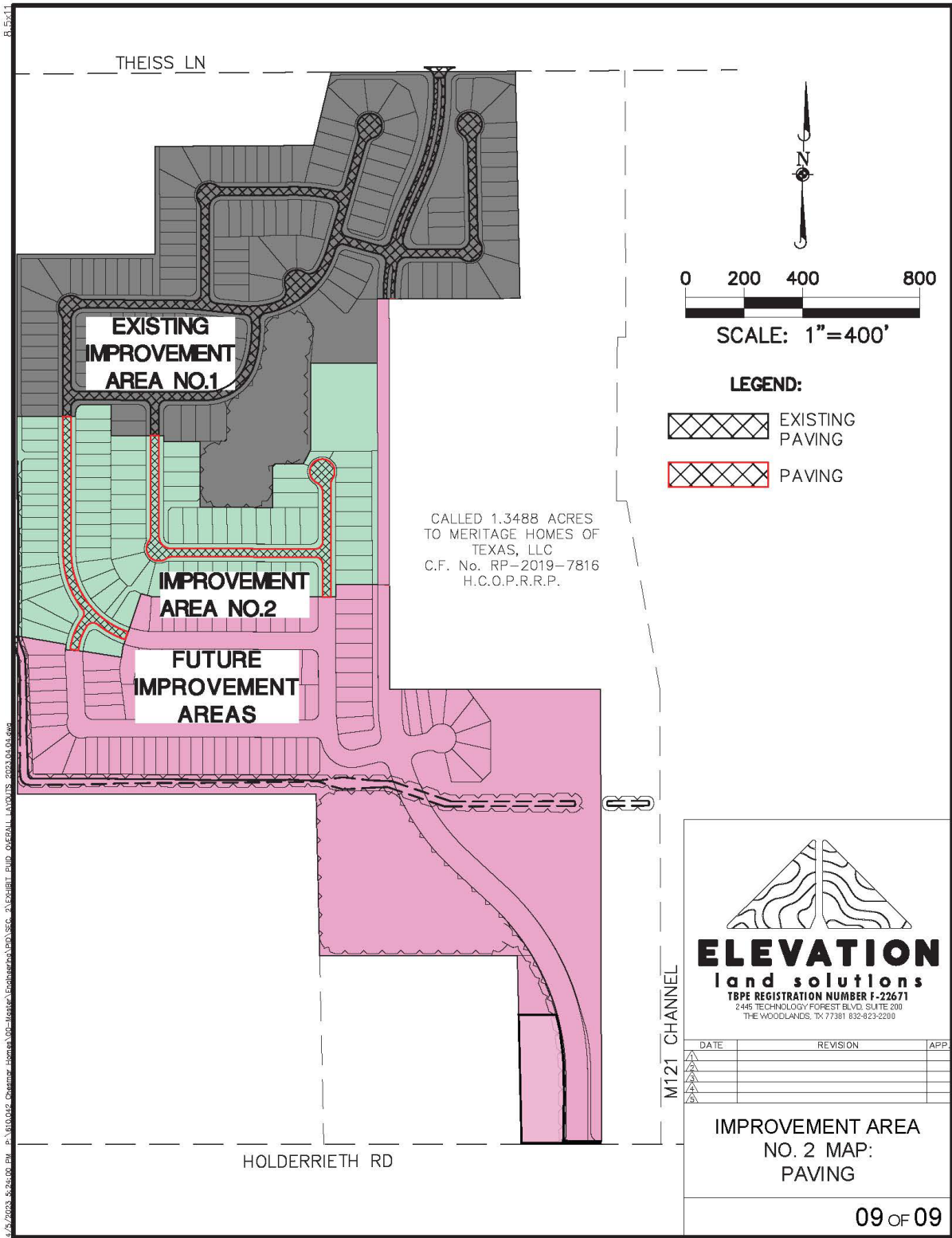
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2445 TECHNOLOGY FOREST BLVD, SUITE 200
THE WOODLANDS, TX 77381 832-623-2200

DATE	REVISION	APP



**IMPROVEMENT
AREA NO. 2 MAP:
GAS**

08 OF 09

ELEVATION LAND SOLUTIONS - WOOD LEAF



CALLED 1.3488 ACRES
 TO MERITAGE HOMES OF
 TEXAS, LLC
 C.F. No. RP-2019-7816
 H.C.O.P.R.R.P.

- LEGEND:**
-  EXISTING PAVING
 -  PAVING



ELEVATION
 land solutions
 TYPE REGISTRATION NUMBER F-22671
 2445 TECHNOLOGY FOREST BLVD, SUITE 200
 THE WOODLANDS, TX 77381 832-923-2200

DATE	REVISION	APP

IMPROVEMENT AREA
 NO. 2 MAP:
 PAVING

09 OF 09

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ELEVATION LAND SOLUTIONS - WOOD LEAF

EXHIBIT I – NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Harris County Civil Courthouse
Honorable [County Clerk Name]
201 Caroline, Suite 310
Houston, Texas 77002

Re: City of Tomball Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Tomball is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

City of Tomball
Attn: [City Secretary]
401 Market Street
Tomball, Texas 77375

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
P: (817)393-0353
admin@p3-works.com

EXHIBIT J-1 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Bonds:

Year Ending (September 30)	Principal	Interest	Total
2023	\$ 90,000.00	\$ 227,386.14	\$ 317,386.14
2024	71,000.00	246,826.26	317,826.26
2025	73,000.00	243,453.76	316,453.76
2026	76,000.00	239,986.26	315,986.26
2027	79,000.00	236,376.26	315,376.26
2028	82,000.00	232,623.76	314,623.76
2029	86,000.00	228,421.26	314,421.26
2030	90,000.00	224,013.76	314,013.76
2031	94,000.00	219,401.26	313,401.26
2032	98,000.00	214,583.76	312,583.76
2033	102,000.00	209,561.26	311,561.26
2034	108,000.00	203,568.76	311,568.76
2035	114,000.00	197,223.76	311,223.76
2036	120,000.00	190,526.26	310,526.26
2037	126,000.00	183,476.26	309,476.26
2038	133,000.00	176,073.76	309,073.76
2039	140,000.00	168,260.00	308,260.00
2040	148,000.00	160,035.00	308,035.00
2041	156,000.00	151,340.00	307,340.00
2042	165,000.00	142,175.00	307,175.00
2043	174,000.00	132,481.26	306,481.26
2044	183,000.00	122,258.76	305,258.76
2045	194,000.00	111,507.50	305,507.50
2046	205,000.00	100,110.00	305,110.00
2047	216,000.00	88,066.26	304,066.26
2048	229,000.00	75,376.26	304,376.26
2049	242,000.00	61,922.50	303,922.50
2050	256,000.00	47,705.00	303,705.00
2051	270,000.00	32,665.00	302,665.00
2052	286,000.00	16,802.50	302,802.50
Total	<u>\$4,406,000.00</u>	<u>\$4,884,207.58</u>	<u>\$9,290,207.58</u>

EXHIBIT J-2 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #2 BONDS

Installment Due 1/31	Improvement Area #2 2024 Bonds				Annual Collection Costs	Total Installment [c]
	Principal	Interest [a]	Capitalized Interest	Additional Interest [b]		
2024	-	48,170.69	(48,170.69)	-	-	-
2025	46,000.00	171,697.50	-	14,675.00	45,000.00	277,372.50
2026	48,000.00	169,006.50	-	14,445.00	45,900.00	277,351.50
2027	50,000.00	166,198.50	-	14,205.00	46,818.00	277,221.50
2028	52,000.00	163,273.50	-	13,955.00	47,754.36	276,982.86
2029	55,000.00	160,231.50	-	13,695.00	48,709.45	277,635.95
2030	57,000.00	157,014.00	-	13,420.00	49,683.64	277,117.64
2031	60,000.00	153,679.50	-	13,135.00	50,677.31	277,491.81
2032	62,000.00	150,169.50	-	12,835.00	51,690.86	276,695.36
2033	65,000.00	146,542.50	-	12,525.00	52,724.67	276,792.17
2034	68,000.00	142,740.00	-	12,200.00	53,779.17	276,719.17
2035	72,000.00	138,762.00	-	11,860.00	54,854.75	277,476.75
2036	75,000.00	134,550.00	-	11,500.00	55,951.84	277,001.84
2037	79,000.00	130,162.50	-	11,125.00	57,070.88	277,358.38
2038	82,000.00	125,541.00	-	10,730.00	58,212.30	276,483.30
2039	86,000.00	120,744.00	-	10,320.00	59,376.54	276,440.54
2040	91,000.00	115,713.00	-	9,890.00	60,564.08	277,167.08
2041	95,000.00	110,389.50	-	9,435.00	61,775.36	276,599.86
2042	100,000.00	104,832.00	-	8,960.00	63,010.86	276,802.86
2043	105,000.00	98,982.00	-	8,460.00	64,271.08	276,713.08
2044	110,000.00	92,839.50	-	7,935.00	65,556.50	276,331.00
2045	116,000.00	86,404.50	-	7,385.00	66,867.63	276,657.13
2046	122,000.00	79,618.50	-	6,805.00	68,204.99	276,628.49
2047	128,000.00	72,481.50	-	6,195.00	69,569.09	276,245.59
2048	135,000.00	64,993.50	-	5,555.00	70,960.47	276,508.97
2049	142,000.00	57,096.00	-	4,880.00	72,379.68	276,355.68
2050	150,000.00	48,789.00	-	4,170.00	73,827.27	276,786.27
2051	158,000.00	40,014.00	-	3,420.00	75,303.82	276,737.82
2052	166,000.00	30,771.00	-	2,630.00	76,809.89	276,210.89
2053	175,000.00	21,060.00	-	1,800.00	78,346.09	276,206.09
2054	185,000.00	10,822.50	-	925.00	79,913.01	276,660.51
Total	\$ 2,935,000.00	\$ 3,313,289.69	\$ (48,170.69)	\$ 279,070.00	\$ 1,825,563.56	\$ 8,304,752.56

Footnotes:

[a] Interest is calculated at a 5.85% rate.

[b] Additional Interest is calculated at a \$0.50 rate.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT K-1 – DISTRICT BOUNDARY DESCRIPTION

A **METES & BOUNDS** description of a certain 90.54 acre (3,943,901 square feet) tract of land situated in the Claude N. Pillot Survey, Abstract No. 632 in Harris County, Texas, being all of the remainder of a called 2.84 acre tract (Tract I) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP- 2020-405995, Harris County Official Public Records of Real Property, also being all of the remainder of a called 5.00 acre tract (Tract II) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, also being all of a called 1.13 acre tract (Tract III) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, also being all of a called 18.334 acre tract (Tract IV) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, also being all of a called 4.990 acre tract (Tract V) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, also being a portion of a called 61.013 acre tract conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-407771, Harris County Official Public Records of Real Property; said 90.54 acre (3,943,901 square feet) tract of land being more particularly described as follows with all bearings being based on the Texas Coordinate System, South Central Zone, NAD 83, 2001 Adjustment:

BEGINNING at a 2-inch iron pipe found, being the most westerly northwest corner of the herein described tract, being the most westerly northwest corner of said called 61.013 acre tract, also being the southwest corner of a called 6.7133 acre tract conveyed to Worldwide Rock Enterprises, L.P., by deed recorded in Clerk's File No. 20150562448, Harris County Official Public Records of Real Property, also being on the east line of Restricted Reserve "A", Replat of Wal-Mart Tomball, by plat recorded in Clerk's File No. W008922, Harris County Map Records;

THENCE, North 87°45'25" East, 472.90 feet along the south line of said called 6.7133 acre tract to a 1-inch iron pipe found, being the southeast corner of said called 6.7133 acre tract;

THENCE, North 02°26'51" West, 368.19 feet along the east line of said called 6.7133 acre tract to a 5/8-inch iron rod (with cap) found, being the most northerly northwest corner of said called 61.013 acre tract;

THENCE, North 87°17'42" East, 542.42 feet to a 5/8-inch iron rod (with cap) found, being the southeast corner of a called 1.167 acre tract (Tract 2) conveyed to Alejandro and Apolinar Gomez by deed recorded in Clerk's File No. RP-2020-410875, Harris County Official Public Records of Real Property;

THENCE, North 11°11'31" East, 257.21 feet to a point for corner, being the northeast corner of said called 1.167 acre tract (Tract 2), from which a 5/8-inch iron rod (with cap) found bears North 11°11'31" East, 0.41 feet;

THENCE, North 87°21'24" East, 629.28 feet to a point for the northeast corner of the herein described tract, being the northeast corner of said Tract V, also being the northwest corner of a called 39.03 acre tract conveyed to Meritage Homes of Texas, LLC, by deed recorded in Clerk's File No. RP-2019-7816, Harris County Official Public Records of Real Property, from which a 5/8-inch iron rod (with cap) found bears North 03°29'29" West, 0.92 feet;

THENCE, along the west line of said called 39.03 acre tract, the following five (5) courses and distances:

1. South 03°29'29" East, 776.09 feet to a 1/2-inch iron rod found;
2. South 87°21'07" West, 448.18 feet to a 5/8-inch iron rod found;
3. South 02°27'59" East, 1,331.96 feet to a 1/2-inch iron rod found;
4. North 87°39'22" East, 720.29 feet to a 1/2-inch iron rod found;

5. South 02°27'41" East, 1,545.47 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set for the southeast corner of the herein described tract, being 10 feet north of and parallel to the north right-of-way line of Holderrieth Road (width varies per Volume 816, Page 359, and Volume 1036, Page 256, Harris County Deed Records);

THENCE, South 87°39'37" West, 10 feet north of and parallel to said north right-of-way line of Holderrieth Road, 129.42 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set, being the beginning of a curve to the left;

THENCE, along said curve to the left in a northerly direction, with a radius of 30.00 feet, a central angle of 40°10'02", an arc length of 21.03 feet, and a chord bearing of North 17°44'38" East, 20.60 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set;

THENCE, North 02°20'23" West, 198.70 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set, being the beginning of a curve to the left;

THENCE, along said curve to the left in a northerly direction, with a radius of 810.05 feet, a central angle of 15°17'16", an arc length of 216.14 feet, and a chord bearing of North 09°59'01" West, 215.50 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set;

THENCE, South 87°39'37" West, 132.30 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set, being on the east line of a called 0.6462 acre tract (Tract 2) conveyed to Alejandro Gomez and

Apolinar Gomez by deed recorded in Clerk's File No. 20060092123, Harris County Official Public Records of Real Property;

THENCE, North 03°36'41" West, 204.00 feet along said east line of said called 0.6462 acre tract to the northeast corner of said called 0.6462 acre tract, from which a 1-inch iron pipe found bears North 22°52'28" West, 1.14 feet;

THENCE, South 87°37'15" West, along the north line of said called 0.6462 acre tract, at a distance of 100.11 feet passing a 1/2-inch iron rod found, being the northwest corner of said called 0.6462 acre tract, also being the northeast corner of the remainder of a called 10.0 acre tract conveyed to Walter John Rumfolo and wife, Lucille Rumfolo, by deed recorded in Clerk's File No. D055346, Harris County Official Public Records, continuing along the north line of said called 10.0 acre tract for a total distance of 675.32 feet to a 3/8-inch iron rod found, being the northwest corner of said remainder of said called 10.0 acre tract, also being on the east line of a called 25.950 acre tract conveyed to Maple Group, Ltd., by deed recorded in Clerk's File No. X273577, Harris County Official Public Records of Real Property;

THENCE, North 03°35'52" West, 551.72 feet along said east line of said called 25.950 acre tract to a 5/8-inch iron rod (with cap) found, being the northeast corner of said called 25.950 acre tract;

THENCE, South 87°39'58" West, 1,019.61 feet along the north line of said called 25.950 acre tract to a point for corner, being the northwest corner of said called 25.950 acre tract, also being on the east line of a called 1.3488 acre tract conveyed to Gordon Bruce Glanville by deed recorded in Clerk's File No. P064837, Harris County Official Public Records of Real Property, from which a 5/8-inch iron rod (with cap) found bears South 87°39'58" West, 1.07 feet;

THENCE, North 02°26'12" West, at a distance of 766.87 feet passing a 1/2-inch iron rod found, being the northeast corner of a called 5.0074 acre tract conveyed to Alvin W. Theis and wife, Thelma Theis, by deed recorded in Clerk's File No. J142169, Harris County Official Public Records of Real Property, also being the southeast corner of a called 4.9837 acre tract conveyed to Tractor Supply Co. of Texas, LP, by deed recorded in Clerk's File No. 20140022360, Harris County Official Public Records of Real Property, at a distance of 1,726.03 feet passing a 1/2-inch iron rod inside of a 2" iron pipe found on said east line of Restricted Reserve "A", Replat of Wal-Mart Tomball, in all a distance of 1,844.67 feet to the **POINT OF BEGINNING, CONTAINING** 90.54 acres (3,943,901 square feet) of land in Montgomery County, Texas, filed in the office of Manhard Consulting, Ltd. In The Woodlands, Texas.

EXHIBIT K-2 – IMPROVEMENT AREA #1 BOUNDARY DESCRIPTION

Chesmar Homes, LLC
33.4418 acres

Claude N. Pillot Survey
Abstract No. 632

STATE OF TEXAS §

COUNTY OF HARRIS §

A **METES & BOUNDS** description of a certain 33.4418 acre (1,456,725 square feet) tract of land situated in the Claude N. Pillot Survey, Abstract No. 632, in Harris County, Texas, being all of Wood Leaf Reserve Section 1 according to the plat thereof recorded in Clerk's File No. RP-2021-200807, Harris County Official Public Records of Real Property, being a portion of the remainder of a called 2.84 acre tract (Tract I) conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, being a portion of the remainder of a called 5.00 acre tract (Tract II) conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, being a portion of a called 18.334 acre tract (Tract IV) conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, being all of a called 4.990 acre tract (Tract V) conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, and being a portion of a called 61.013 acre tract conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-407771, Harris County Official Public Records of Real Property; said 33.4418 acre (1,456,725 square feet) tract of land being more particularly described as follows with all bearings being based on the Texas Coordinate System, South Central Zone, NAD 83, 2001 Adjustment:

BEGINNING at a 5/8-inch iron rod (with cap) found, being the northwest corner of said called 61.013 acre tract and being on the east line of a called 6.7133 acre tract conveyed to Worldwide Rock Enterprises, L.P. by deed recorded in Clerk's File No. 20150562448, Harris County Official Public Records;

THENCE, North 87°17'42" East, 542.42 feet to a 5/8-inch iron rod (with cap) found, being the southeast corner of a called 1.167 acre tract (Tract 2) conveyed to Maritia LP, an Arizona Limited Partnership, by deed recorded in Clerk's File No. RP-2020-410875, Harris County Official Public Records of Real Property;

THENCE, North 11°11'31" East, 257.21 feet to a 5/8-inch iron rod (with cap) found, being the northeast corner of said called 1.167 acre tract and being on the south right-of-way line of Theis Lane (60 foot right-of way per based on a width of 60 feet) recorded in Clerk's File No. J558545 and Clerk's File No. 5551096, Harris County Official Public Records of Real Property;

THENCE, along the south right-of-way line of said Theis Lane, North 87°21'24" East, 629.28 feet to a 5/8-inch iron rod (with cap) found, being the northeast corner of said called 4.990 acre tract (Tract V), being the northwest corner of a called 39.03 acre tract conveyed to Meritage Homes of Texas, LLC by deed recorded in Clerk's File No. RP-2019-7816, Harris County Official Public Records of Real Property, and being the northeast corner of the herein described tract;

THENCE, South 03°29'29" East, 776.09 feet to a 1/2-inch iron rod found, being the southeast corner of said called 4.990 acre tract (Tract V);

THENCE, South 87°21'07" West, 408.18 feet to a 5/8-inch iron rod (with cap) found, being on an interior line of said called 18.334 acre tract (Tract IV);

P:\610.042 Chesmar Homes\00-Surveying Services\Legal Descriptions\042-00 33.4418 acres Section 1 plat m&b.doc

THENCE, South 87°32'01" West, at 40.00 feet passing a 5/8-inch iron rod found, being an exterior corner of said called 39.0554 acre tract and being an interior corner of said called 18.334 acre tract (Tract IV), and continuing for a total distance of 80.00 feet to a 5/8-inch iron rod (with cap) found, being on the north line of the remainder of said called 18.334 acre tract (Tract IV);

THENCE, along the north line of the remainder of said called 18.334 acre tract (Tract IV), the following nine (9) courses and distances:

1. South 02°27'59" East, 217.82 feet to a 5/8-inch iron rod (with cap) found;
2. South 87°31'54" West, 227.76 feet to a 5/8-inch iron rod (with cap) found;
3. South 02°28'06" East, 295.16 feet to a 5/8-inch iron rod (with cap) found;
4. South 25°22'36" West, 54.93 feet to a 5/8-inch iron rod (with cap) found;
5. South 87°48'00" West, 95.46 feet to a 5/8-inch iron rod (with cap) found;
6. South 42°40'08" West, 14.11 feet to a 5/8-inch iron rod (with cap) found;
7. South 02°27'43" East, 140.00 feet to a 5/8-inch iron rod (with cap) found;
8. South 87°48'00" West, 247.32 feet to a 5/8-inch iron rod (with cap) found;
9. North 02°24'47" West, 225.00 feet to a 5/8-inch iron rod (with cap) found, being on the north line of the remainder of said called 61.013 acre tract;

THENCE, along the north line of the remainder of said called 61.013 acre tract, the following eight (8) courses and distances:

1. South 87°48'00" West, 125.00 feet to a 5/8-inch iron rod (with cap) found;
2. North 02°24'47" West, 19.46 feet to a 5/8-inch iron rod (with cap) found;
3. South 87°35'13" West, 180.00 feet to a 5/8-inch iron rod (with cap) found;
4. North 02°24'47" West, 106.21 feet to a 5/8-inch iron rod (with cap) found;
5. South 87°48'00" West, 94.91 feet to a 5/8-inch iron rod (with cap) found, being the beginning of a curve to the left;
6. Along said curve to the left in a southwesterly direction, with a radius of 25.00 feet, a central angle of 90°12'47", an arc length of 39.36 feet, and a chord bearing South 42°41'37" West, 35.42 feet to a 5/8-inch iron rod (with cap) found;
7. South 02°24'47" East, 15.69 feet to a 5/8-inch iron rod (with cap) found;

Chesmar Homes, LLC
33.4418 acres

Claude N. Pilot Survey
Abstract No. 632

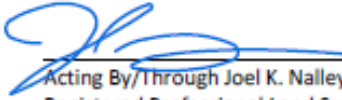
8. South 87°35'13" West, 200.54 feet to a 5/8-inch iron rod (with cap) found, being on the west line of said called 61.013 acre tract, being on the east line of Restricted Reserve "A" of Replat Wal-Mart Tomball recorded in Film Code No. 519114, Harris County Map Records, and being the southwest corner of the herein described tract;

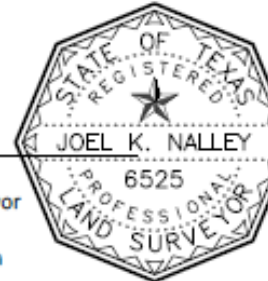
THENCE, North 02°26'12" West, 555.32 feet to a 2-inch iron pipe found, being on the east line of said Restricted Reserve "A", being an exterior corner of said called 61.013 acre tract, and being the southwest corner of said called 6.7133 acre tract;

THENCE, North 87°45'25" East, 472.90 feet to a 1-inch iron pipe found, being the southeast corner of said called 6.7133 acre tract, being an interior corner of said called 61.013 acre tract;

THENCE, North 02°26'51" West, 368.19 feet to the **POINT OF BEGINNING, CONTAINING 33.4418 acres** (1,456,725 square feet) of land in Harris County, Texas, filed in the offices of Elevation Land Solutions in The Woodlands, Texas.

Elevation Land Solutions
2445 Technology Forest Blvd, Suite #200
The Woodlands, Texas 77381
(832) 823-2200
*Texas Board of Professional Engineers &
Land Surveyors Firm Reg. No. 10194692*


Acting By/Through Joel K. Nalley
Registered Professional Land Surveyor
No. 6525
jnalley@elevationlandsolutions.com



12/17/2021

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EXHIBIT K-3 – IMPROVEMENT AREA #2 BOUNDARY DESCRIPTION

Chesmar Homes, LLC
18.02 acres Wood Leaf Reserve Section 2

Claude N. Pillot Survey
Abstract No. 632

STATE OF TEXAS §

COUNTY OF HARRIS §

A **METES & BOUNDS** description of a certain 18.02 acre (784,734 square feet) tract of land situated in the Claude N. Pillot Survey, Abstract No. 632, in Harris County, Texas, being a portion of a called 1.13 acre tract (Tract III) conveyed to Chesmar Homes, LLC, a Texas limited liability company, by deed recorded in Clerk's File No. RP-2020405995, Harris County Official Public Records of Real Property, being a portion of the remainder of a called 61.013 acre tract conveyed to Chesmar Homes, LLC, a Texas limited liability company, by deed recorded in Clerk's File No. RP-2020-407771, Harris County Official Public Records of Real Property, and being a portion of the remainder of a called 18.334 acre tract (Tract IV) conveyed to Chesmar Homes, LLC, a Texas limited liability company, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property; said 18.02 acre (784,734 square feet) tract of land being more particularly described as follows with all bearings being based on the Texas Coordinate System, South Central Zone, NAD 83, 2001 Adjustment:

BEGINNING at a 5/8-inch iron rod (with cap) found, being the southwest corner of Restricted Reserve F of Wood Leaf Reserve Section 1 according to the plat thereof recorded in Film Code No. 694636, Harris County Map Records, being on the west line of said called 61.013 acre tract, being on the east line of Restricted Reserve "A" of Wal-Mart Tomball according to the plat thereof recorded in Film Code No. 519114, Harris County Map Records, and being the northwest corner of the herein described tract;

THENCE, along the south line of said Wood Leaf Reserve Section 1, the following eighteen (18) courses and distances:

1. North 87°35'13" East, 200.54 feet to a 5/8-inch iron rod (with cap) found;
2. North 02°24'47" West, 15.69 feet to a 5/8-inch iron rod (with cap) found, being the beginning of a curve to the right;
3. Along said curve to the right in a northeasterly direction, with a radius of 25.00 feet, a central angle of 90°12'47", an arc length of 39.36 feet, and a chord bearing North 42°41'37" East, 35.42 feet to a 5/8-inch iron rod (with cap) found;
4. North 87°48'00" East, 94.91 feet to a 5/8-inch iron rod (with cap) found;
5. South 02°24'47" East, 106.21 feet to a 5/8-inch iron rod (with cap) found;
6. North 87°35'13" East, 180.00 feet to a 5/8-inch iron rod (with cap) found;
7. South 02°24'47" East, 19.46 feet to a 5/8-inch iron rod (with cap) found;
8. North 87°48'00" East, 125.00 feet to a 5/8-inch iron rod (with cap) found;
9. South 02°24'47" East, 225.00 feet to a 5/8-inch iron rod (with cap) found;

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18.02 acres Wood Leaf Reserve Section 2 m&b.doc

10. North 87°48'00" East, 247.32 feet to a 5/8-inch iron rod (with cap) found;
11. North 02°27'43" West, 140.00 feet to a 5/8-inch iron rod (with cap) found;
12. North 42°40'08" East, 14.11 feet to a 5/8-inch iron rod (with cap) found;
13. North 87°48'00" East, 95.46 feet to a 5/8-inch iron rod (with cap) found;
14. North 25°22'36" East, 54.93 feet to a 5/8-inch iron rod (with cap) found;
15. North 02°28'06" West, 295.16 feet to a 5/8-inch iron rod (with cap) found;
16. North 87°31'54" East, 227.76 feet to a 5/8-inch iron rod (with cap) found;
17. North 02°27'59" West, 217.82 feet to a 5/8-inch iron rod (with cap) found;
18. North 87°32'01" East, 40.00 feet to a 5/8-inch iron rod (with cap) found, being on the east line of said called 18.334 acre tract (Tract IV), being in the centerline of School Street (based on a width of 80-feet) recorded in Film Code No. 694636, Harris County Map Records, being on the west right-of-way line of School Road (based on a width of 40-feet) recorded in Film Code No. 694782, Harris County Map Records, and being the northeast corner of the herein described tract;

THENCE, South 02°27'59" East, along the east line of said called 18.334 acre tract (Tract IV) and along the west right-of-way line of said School Road, 974.84 feet to a 5/8-inch iron rod (with cap stamped "ELS") set, and being the southeast corner of the herein described tract;

THENCE, South 87°32'17" West, 183.90 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, South 02°27'43" East, 41.98 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, South 87°32'17" West, 60.00 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, South 87°48'00" West, 569.09 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, North 77°12'01" West, 37.28 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, South 16°17'58" West, 182.00 feet to a 5/8-inch iron rod (with cap stamped "ELS") set, being the beginning of a curve to the right;

THENCE, along said curve to the right in a westerly direction, with a radius of 330.00 feet, a central angle of 00°21'33", an arc length of 2.07 feet, and a chord bearing North 73°31'15" West, 2.07 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, South 06°49'15" West, 46.06 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

Chesmar Homes, LLC
18.02 acres Wood Leaf Reserve Section 2

Claude N. Pillot Survey
Abstract No. 632

THENCE, North 83°20'05" West, 132.59 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, North 87°04'13" West, 60.00 feet to a 5/8-inch iron rod (with cap stamped "ELS") set, being the beginning of a curve to the right;

THENCE, along said curve to the right in a northerly direction, with a radius of 230.00 feet, a central angle of 04°28'05", an arc length of 17.94 feet, and a chord bearing North 05°09'50" East, 17.93 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, North 82°36'08" West, 153.73 feet to a 5/8-inch iron rod (with cap stamped "ELS") set;

THENCE, South 87°33'48" West, 15.22 feet to a 5/8-inch iron rod (with cap stamped "ELS") set, being the southwest corner of the herein described tract;

THENCE, North 02°26'12" West, along west line of said called 61.013 acre tract, 752.10 feet to the **POINT OF BEGINNING, CONTAINING 18.02 acres (784,734 square feet)** of land in Harris County, Texas, filed in the offices of Elevation Land Solutions in The Woodlands, Texas.

Elevation Land Solutions
2445 Technology Forest Blvd, Suite #200
The Woodlands, Texas 77381
(832) 823-2200
*Texas Board of Professional Engineers &
Land Surveyors Firm Reg. No. 10194692*

James Augustine Ladwig
Acting By/Through J. Augustine Ladwig
Registered Professional Land Surveyor
No. 6835
gladwig@elevationlandsolutions.com
03/06/2023



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18.02 acres Wood Leaf Reserve Section 2 m&b.doc

STATE OF TEXAS §
COUNTY OF HARRIS §

WE, CHESMAR HOMES, LLC, A TEXAS LIMITED LIABILITY COMPANY ACTING BY AND THROUGH DONALD P. KLEN, ITS CHIEF EXECUTIVE OFFICER, OWNER IN THIS SECTION AFTER RETURNED TO AS OWNERS (WHETHER ONE OR MORE) OF THE 18.02 ACRE TRACT DESCRIBED IN THE ABOVE AND FOREGOING PLAT OF WOOD LEAF RESERVE SEC 2, DO HEREBY MAKE AND ESTABLISH SAID SUBDIVISION OF SAID PROPERTY ACCORDING TO ALL LEGAL DEDICATIONS, RESTRICTIONS AND NOTATIONS ON SAID PLAT AND HEREBY DEDICATE TO THE USE OF THE PUBLIC FOREVER, ALL STREETS, ALLEYS, WATERCOURSES, DRAINS, EASEMENTS, AND PUBLIC PLACES SHOWN THEREON FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED; AND DO HEREBY BIND OURSELVES, OUR HEIRS, SUCCESSORS AND ASSIGNS TO WARRANT AND FOREVER DEFEND THE TITLE TO THE LAND SO DEDICATED.

FURTHER, OWNERS HAVE DEDICATED AND BY THESE PRESENTS DO DEDICATE TO THE USE OF THE PUBLIC FOR PUBLIC UTILITY PURPOSES FOREVER AN UNOBSTRUCTED AERIAL EASEMENT, FIVE (5) FEET IN WIDTH FROM A PLANE TWENTY (20) FEET ABOVE GROUND LEVEL UPWARD, LOCATED ADJACENT TO ALL PUBLIC UTILITY EASEMENTS THAT ARE DESIGNATED WITH AERIAL EASEMENTS (I.E. & A.E.) AS INDICATED AND DEPICED HEREON.

FURTHER, OWNERS DO HEREBY DEDICATE TO THE PUBLIC A STRIP OF LAND 15 FEET WIDE ON EACH SIDE OF THE CENTERLINE OF ANY AND ALL BAYOUS, CREEKS, GULLIES, RAINVES, DRAINS, BLOUGHS OR OTHER NATURAL DRAINAGE COURSES LOCATED AND DEPICED UPON IN SAID PLAT, AS EASEMENTS FOR DRAINAGE PURPOSES, OWING THE CITY OF TOMBALL, HARRIS COUNTY, OR ANY OTHER GOVERNMENTAL AGENCY, THE RIGHT TO ENTER UPON SAID EASEMENT AT ANY AND ALL TIMES FOR THE PURPOSE OF CONSTRUCTION AND MAINTENANCE OF DRAINAGE FACILITIES AND STRUCTURES.

FURTHER, OWNERS DO HEREBY COVENANT AND AGREE THAT ALL OF THE PROPERTY WITHIN THE BOUNDARIES OF THIS PLAT AND ADJACENT TO ANY DRAINAGE EASEMENT, DITCH, GULLY, CREEK, OR NATURAL DRAINAGEWAY SHALL HEREBY BE RESTRICTED TO KEEP SUCH DRAINAGEWAYS AND EASEMENTS CLEAR OF FENCES, BUILDINGS, PLANTING, AND OTHER OBSTRUCTIONS TO THE OPERATION AND MAINTENANCE OF THE DRAINAGE FACILITY AND THAT SUCH ADJUTING PROPERTY SHALL NOT BE PERMITTED TO DRAIN DIRECTLY INTO THIS EASEMENT, EXCEPT BY MEANS OF AN APPROVED DRAINAGE STRUCTURE.

IN TESTIMONY WHEREOF, CHESMAR HOMES, LLC, A TEXAS LIMITED LIABILITY COMPANY HAS CAUSED THESE PRESENTS TO BE SIGNED BY DONALD P. KLEN, ITS CHIEF EXECUTIVE OFFICER THEREUNTO AUTHORIZED, AND ITS COMMON SEAL, HEREUNTO AFFIXED
THIS ____ DAY OF _____, 2023.

CHESMAR HOMES, LLC, A TEXAS LIMITED LIABILITY COMPANY

BY:
DONALD P. KLEN
CHIEF EXECUTIVE OFFICER

STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, THE UNDERSIGNED AUTHORITY ON THIS DAY PERSONALLY APPEARED DONALD P. KLEN, CHIEF EXECUTIVE OFFICER, CHESMAR HOMES, LLC, A TEXAS LIMITED LIABILITY COMPANY, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED AND IN THE CAPACITY THEREIN AND HEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ Day of _____, 2023.

SIGNED: _____

PRINTED: _____

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

MY COMMISSION EXPIRES: _____

I, PAUL R. BRETHERTON, AM AUTHORIZED FOR (REGISTERED) UNDER THE LAWS OF THE STATE OF TEXAS TO PRACTICE THE PROFESSION OF SURVEYING AND HEREBY CERTIFY THAT THE ABOVE SUBDIVISION IS TRUE AND ACCURATE; WAS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY MADE UNDER MY SUPERVISION ON THE GROUND; THAT, EXCEPT AS SHOWN ALL BOUNDARY CORNERS, ANGLE POINTS, POINTS OF CURVATURE AND OTHER POINTS OF REFERENCE HAVE BEEN MARKED WITH IRON (OR OTHER OBJECTS OF A PERMANENT NATURE) PIPES OR RODS HAVING AN OUTSIDE DIAMETER OF NOT LESS THAN THREE QUARTERS (3/4) OF AN INCH AND A LENGTH OF NOT LESS THAN THREE (3) FEET; AND THAT THE PLAT BOUNDARY CORNERS HAVE BEEN TIED TO THE TEXAS COORDINATE SYSTEM OF 1983, SOUTH CENTRAL ZONE.

PAUL R. BRETHERTON
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5977

I, TENESHA HUDSPETH, COUNTY CLERK OF HARRIS COUNTY, DO HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR REGISTRATION IN MY OFFICE ON _____ 2023 AT ____ O'CLOCK ____ M., AND DULY RECORDED ON _____ 2023 AT ____ O'CLOCK ____ M., AND AT FILM CODE NUMBER _____ OF THE MAP RECORDS OF HARRIS COUNTY FOR SAID COUNTY.

WITNESS MY HAND AND SEAL OF OFFICE, AT HOUSTON, THE DAY AND DATE LAST ABOVE WRITTEN

TENESHA HUDSPETH
COUNTY CLERK
HARRIS COUNTY, TEXAS

BY: _____
DEPUTY

THIS IS TO CERTIFY THAT THE PLANNING & ZONING COMMISSION OF THE CITY OF TOMBALL, TEXAS, HAS APPROVED THIS PLAT AND SUBDIVISION OF WOOD LEAF RESERVE, SEC 2, IN CONFORMANCE WITH THE LAWS OF THE STATE OF TEXAS AND THE ORDINANCE OF THE CITY OF TOMBALL, AS SHOWN HEREON AND AUTHORIZED THE RECORDING OF THIS PLAT THIS ____ DAY OF _____, 2023.

BARBARA TAQUE
CHAIRMAN

SIGNATURE OF THE
VICE CHAIRMAN

PRINTED NAME

WOOD LEAF RESERVE SEC 2

A SUBDIVISION OF 18.02 ACRES OF LAND
OUT OF THE CLAUDE N. PILLOT SURVEY, A-632
CITY OF TOMBALL, HARRIS COUNTY, TEXAS

81 LOTS 6 RESERVES 4 BLOCKS

MARCH 2023

OWNER/
DEVELOPER: CHESMAR HOMES, LLC,
A TEXAS LIMITED LIABILITY COMPANY
480 HILMWOOD FOREST DR., SUITE 803
SPRING, TEXAS 77380
281-932-8907

ENGINEER/
SURVEYOR:



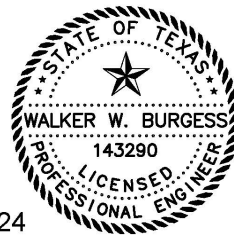
SHEET 2 OF 2

APPENDIX A – IMPROVEMENT AREA #2 ENGINEER’S REPORT



**ENGINEERING REPORT
FOR
WOOD LEAF RESERVE PUBLIC IMPROVEMENT DISTRICT
FOR
CITY OF TOMBALL
HARRIS COUNTY, TEXAS**

Walker W. Burgess
4/8/2024



Texas Board of Professional Engineers Registration No. F-22671 | Texas Board of Professional Land Surveying Registration No. 10194692
2445 Technology Forest Blvd., Suite 200, The Woodlands, TX 77381 | 832.823.2200 | elevationlandsolutions.com



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Construction Stage	2

List of Appendices

- Appendix 1 – Site Location Map
- Appendix 2 – Engineers’ Opinion of Probable Cost
- Appendix 3 – Improvement Area Map
- Appendix 4 – Major Improvements Map: Clearing and Grubbing, Channel and Detention Drainage, and Road Improvement’s Plan
- Appendix 5 – Improvement Area No. 2 Map: Storm Drainage
- Appendix 6 – Improvement Area No. 2 Map: Sanitary Sewer
- Appendix 7 – Improvement Area No. 2 Map: Water Distribution
- Appendix 8 – Improvement Area No. 2 Map: Gas
- Appendix 9 – Improvement Area No. 2 Map: Paving



Introduction

The Wood Leaf Reserve development is a proposed single-family residential development tract located in the City of Tomball, Texas located approximately 1,750 feet east of State Highway 249 , north of Holderrieth Road and south of Theiss Lane. The development encompasses approximately 95-acre tract of land that allows for construction of up to 299 single-family residential homes. A site location map has been included in **Appendix 1**.

This report includes supporting documentation for the formation of the PID and the issuance of bonds by the City. The bonds are anticipated to be used to finance public infrastructure projects vital for the development within the PID.

Development Costs

The Wood Leaf Sec. 2 Water, Sanitary, Drainage, Gas, & Paving project was bid 03/09/2023 and the project cost have been provided as **Appendix 2**.

Development Improvements

Development improvements have been defined as Improvement Areas #1 - #3. Improvement Area #1 consists of Wood Leaf Reserve Section 1. Improvement Area #2 consists of Wood Leaf Reserve Section 2. Improvement Area #3 consists of Wood Leaf Reserve Section 3.

Development Improvements will be designed and constructed in accordance with City of Tomball standards and specifications and will be owned and operated by the City unless otherwise indicated. Development improvements include:

- **Streets**

Major Improvements include median modifications from existing Improvement Area #1 and refresh topcoat of existing gravel road east of Wood Leaf Reserve and west M121 Drainage Channel. Improvement Areas #2 include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, handicapped ramps, and streetlights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- **Drainage**

Major Improvements include clearing and grubbing, a bypass channel, and detention reinforced concrete piping into existing M121 channel. Improvement Areas # 2 include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, and inlets. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.



- **Water**

Improvements include trench excavation and embedment, trench safety, PVC piping, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- **Wastewater**

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- **Gas**

Improvements include trench excavation and embedment, trench safety, PVC piping, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Development areas and improvements are depicted within **Appendix 3** through **Appendix 9**.

Development Schedule

Design Stage

Detention and the Fill Plans for Wood Leaf Reserve (Improvement Area #1) construction plans have been approved by the City of Tomball as of July 9, 2021. Wood Leaf Reserve, Section 1, underground utilities and paving (of Improvement Area #1) construction plans have been approved by the City of Tomball as of August 23, 2020.

Improvement Area #2, Wood Leaf Reserve, Section 2 construction plans are estimated to be approved by the City of Tomball May 2023.

Improvement Area #3, Wood Leaf Reserve, Section 3 construction plans are estimated to be submitted to the City of Tomball for review in August 2023.



Construction Stage

Detention and Mass Grading for Wood Leaf Reserve Improvement Area #1 is completed. Wood Leaf Reserve Section 1 of Improvement Area #1 has been completed and home construction has started.

Improvement Area #2, Wood Leaf Reserve, Section 2 is estimated to begin construction in May 2023 with final acceptance estimated in October 2023.

Improvement Area #3, Wood Leaf Reserve, Section 3 is estimated to begin construction in October 2023 with final acceptance estimated March 2024.

APPENDIX



APPENDIX 1 SITE LOCATION MAP



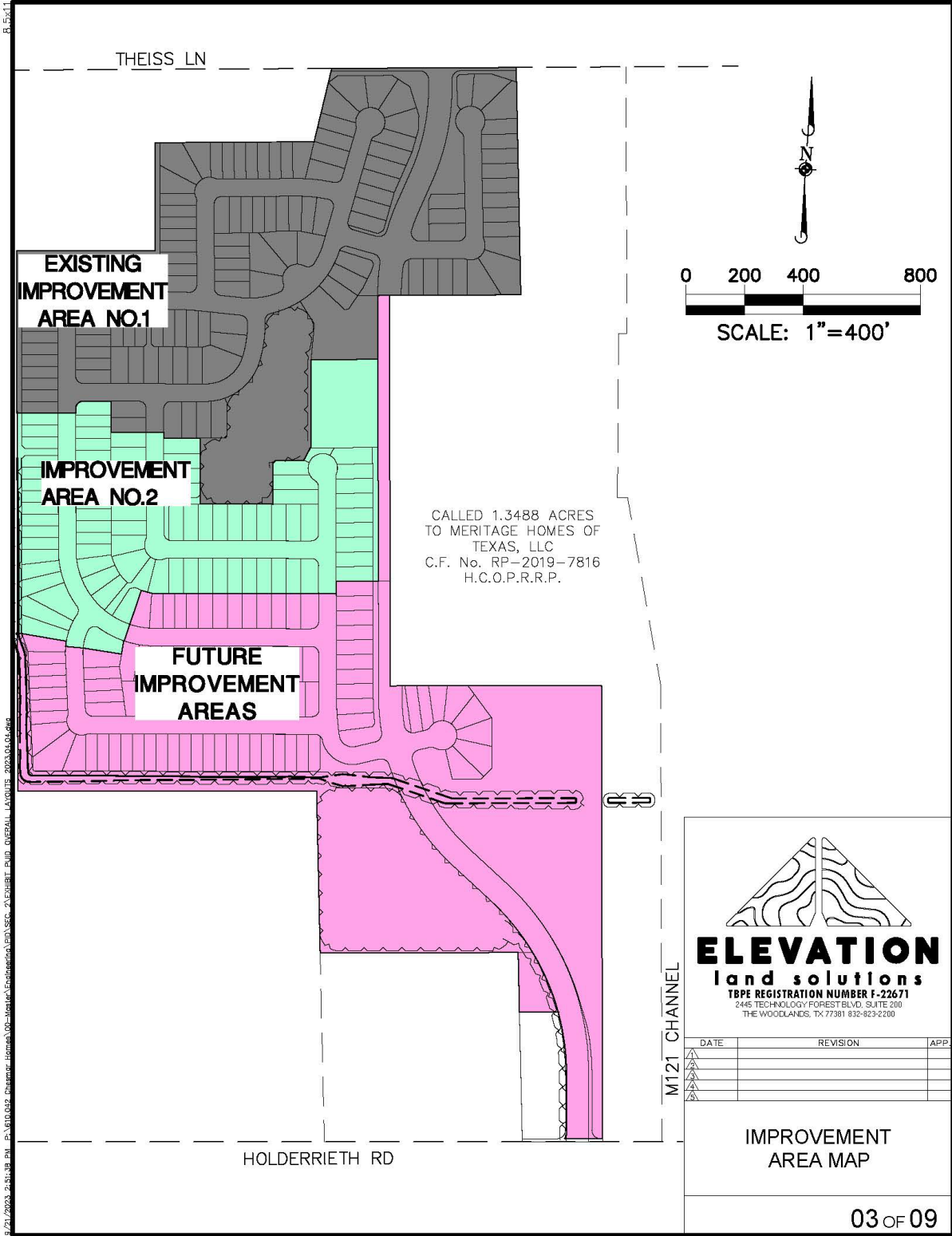
APPENDIX 2
ENGINEER'S OPINION OF PROBABLE COST

**Wood Leaf Reserve
Project Costs
Improvement Area 2**

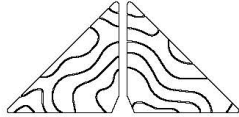
Item	
Improvement Area 2	SA-2
Hard Cost	
Clearing and Grubbing and Site Preparation	\$ 73,591
Streets	\$ 841,523
Water	\$ 205,635
Wastewater	\$ 306,289
Drainage	\$ 1,246,386
Excavating Grading and Detention	\$ 400,468
Gas Improvements	\$ 123,377
Additional Items (per contract)	\$ -
Construction - IA2	\$ 3,197,269
Soft Cost	
Detention Impact Fees	\$ -
Preliminary Engineering	\$ -
Construction Staking	\$ -
SWPPP	\$ 47,959
Geotech & CMT Services	\$ 63,945
Engineering	\$ 479,590
Contingencies	\$ 319,727
Construction Permit	\$ -
Drainage Study	\$ -
Traffic Impact Analysis	\$ -
Project Management Fee	\$ -
Developer District Formation Expenses	\$ -
Soft Cost - IA2	\$ 911,221
Total - Improvement Area 2	\$ 4,108,490
Major Improvements:	
Wastewater Collection System (Off-Site)	\$ 75,250
Clearing and Grubbing and Site Preparation	
Offsite Drainage	\$ 459,281
Excavation, Grading and Detention	
Construction Cost - Major Improvements	\$ 534,531
SWPPP	\$ 6,905
Geotech & CMT Services	\$ 4,912
Engineering	\$ 41,797
Contingencies	\$ 53,453
Project Management Fee	\$ 21,381
Developer District Formation Expenses	\$ 27,431
Soft Cost - Major Improvements	\$ 155,880
Total - Major Improvements	\$ 690,411
GRAND TOTAL - IA2 and Major Improvements	\$ 4,798,901



APPENDIX 3 IMRPOVEMENT AREA MAP



B:\5411
 2/24/2024 2:19:58 PM F:\5101022 - Meritage Homes\100-Interior\Engineering\A\GIS\Map_Series_A\SUBMIT_BLDG_ONLY\CDL\LA01015_20240404.dwg



ELEVATION
land solutions

TBPE REGISTRATION NUMBER F-22671
2445 TECHNOLOGY FOREST BLVD, SUITE 200
THE WOODLANDS, TX 77381 832-823-2200

DATE	REVISION	APP.

IMPROVEMENT AREA MAP

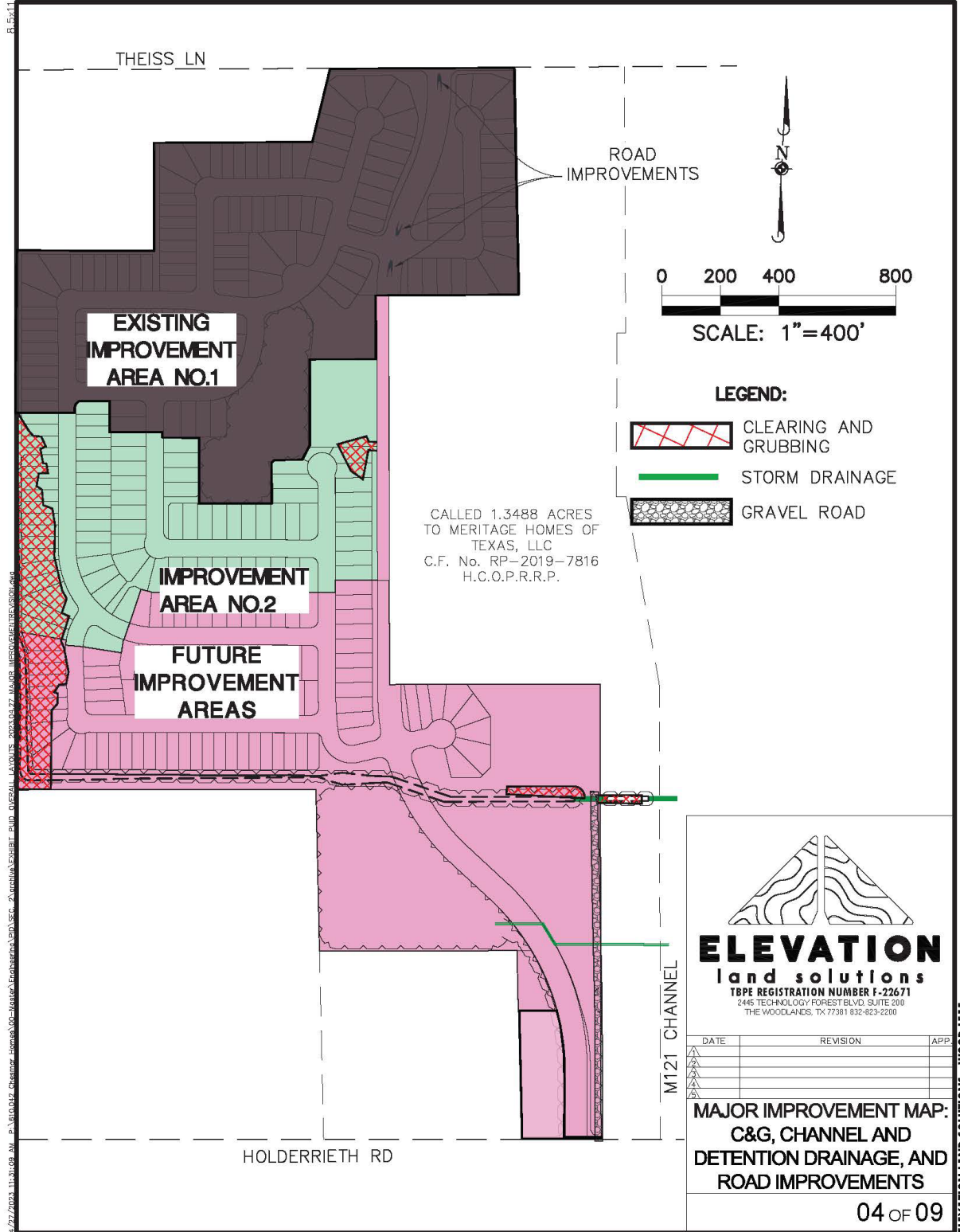
03 OF 09

M121 CHANNEL

ELEVATION LAND SOLUTIONS - WOOD LEAF

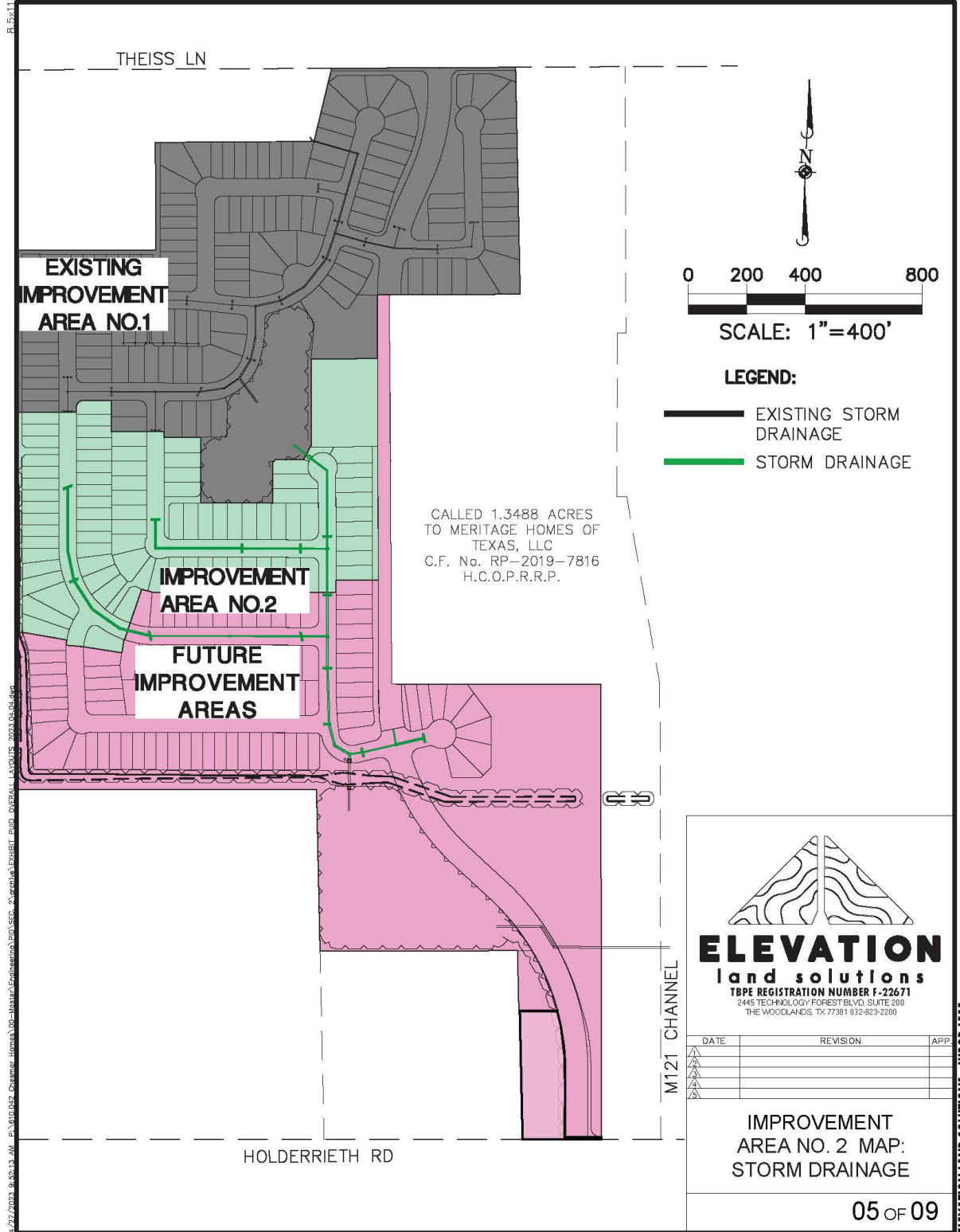


APPENDIX 4
MAJOR IMPROVEMENT AREA MAP: CLEARING AND GRUBBING, CHANNEL
AND DETENTION DRAINAGE, AND ROAD IMPROVEMENTS PLAN



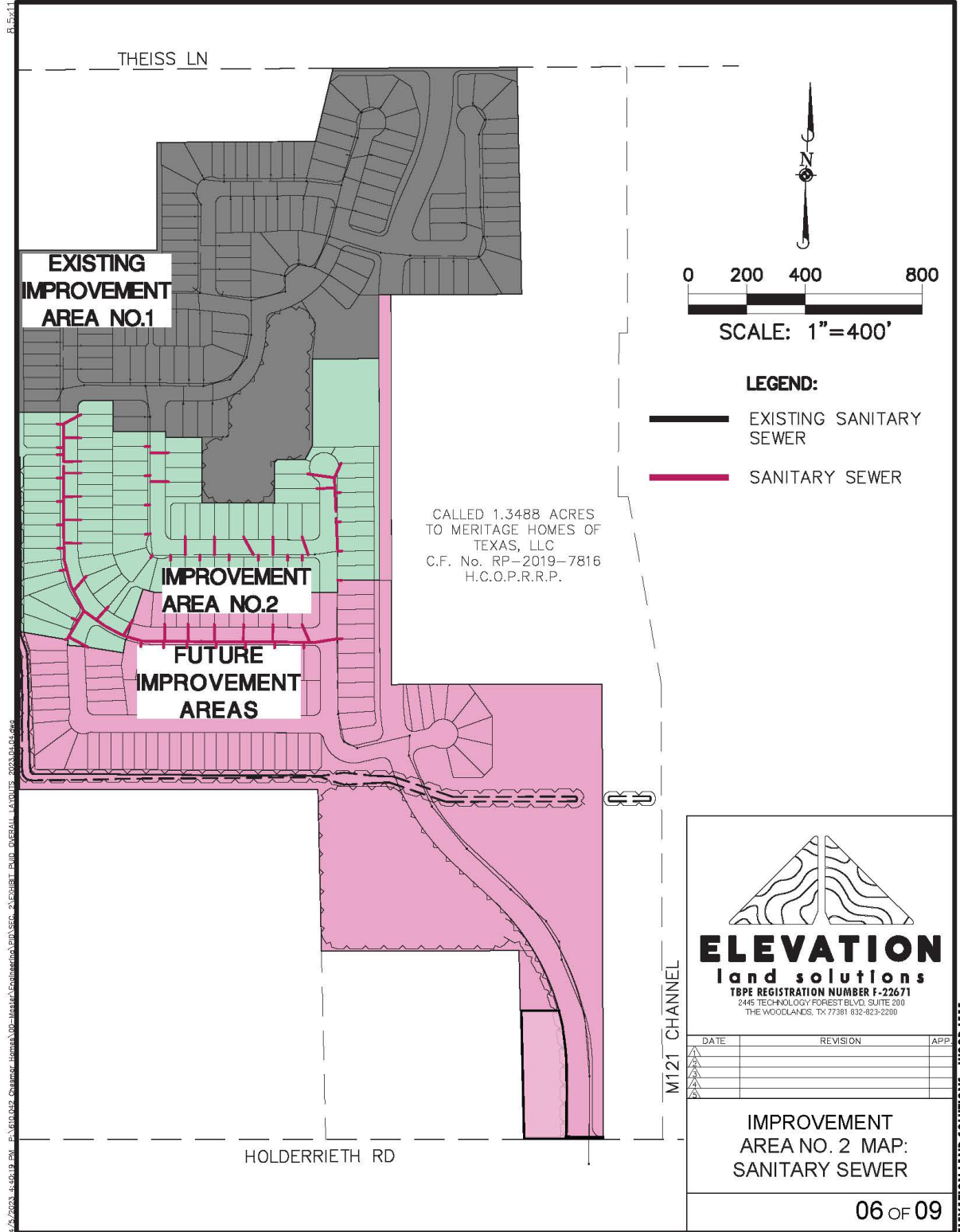


APPENDIX 5
IMPROVEMENT AREA NO. 2 MAP: STORM DRAINAGE



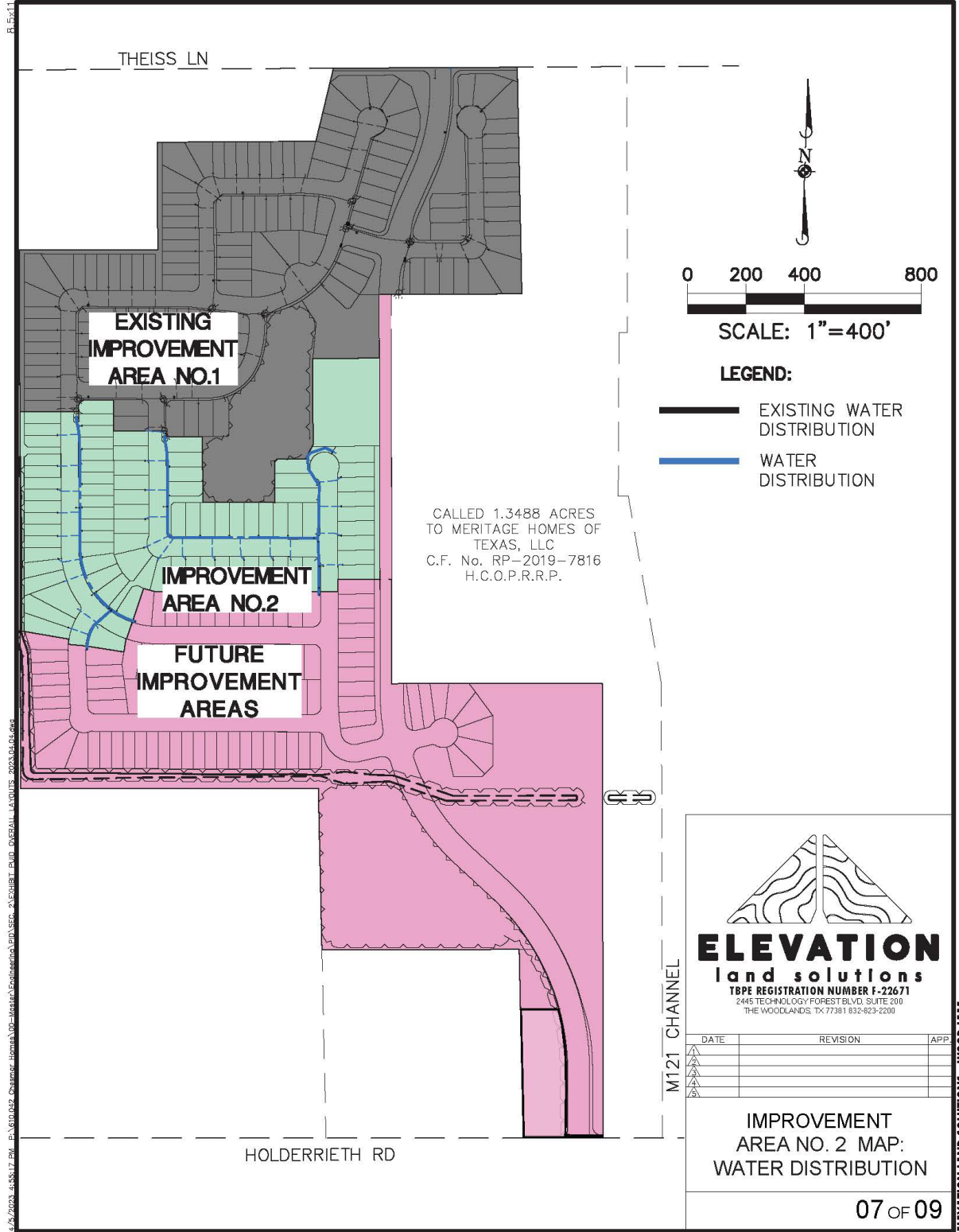


APPENDIX 6
IMPROVEMENT AREA NO. 2 MAP: SANITARY SEWER



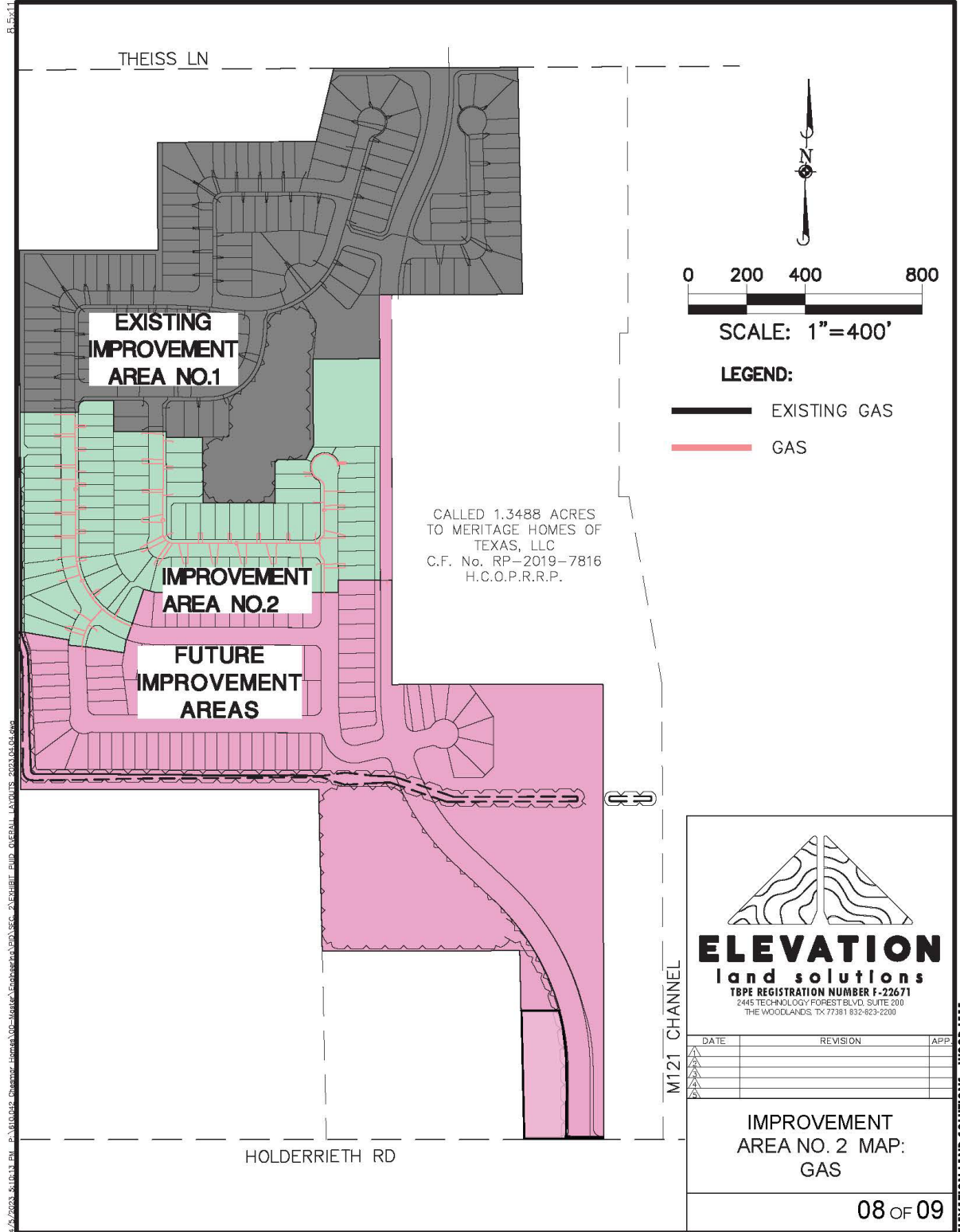


APPENDIX 7
IMPROVEMENT AREA NO. 2: WATER DISTRIBUTION



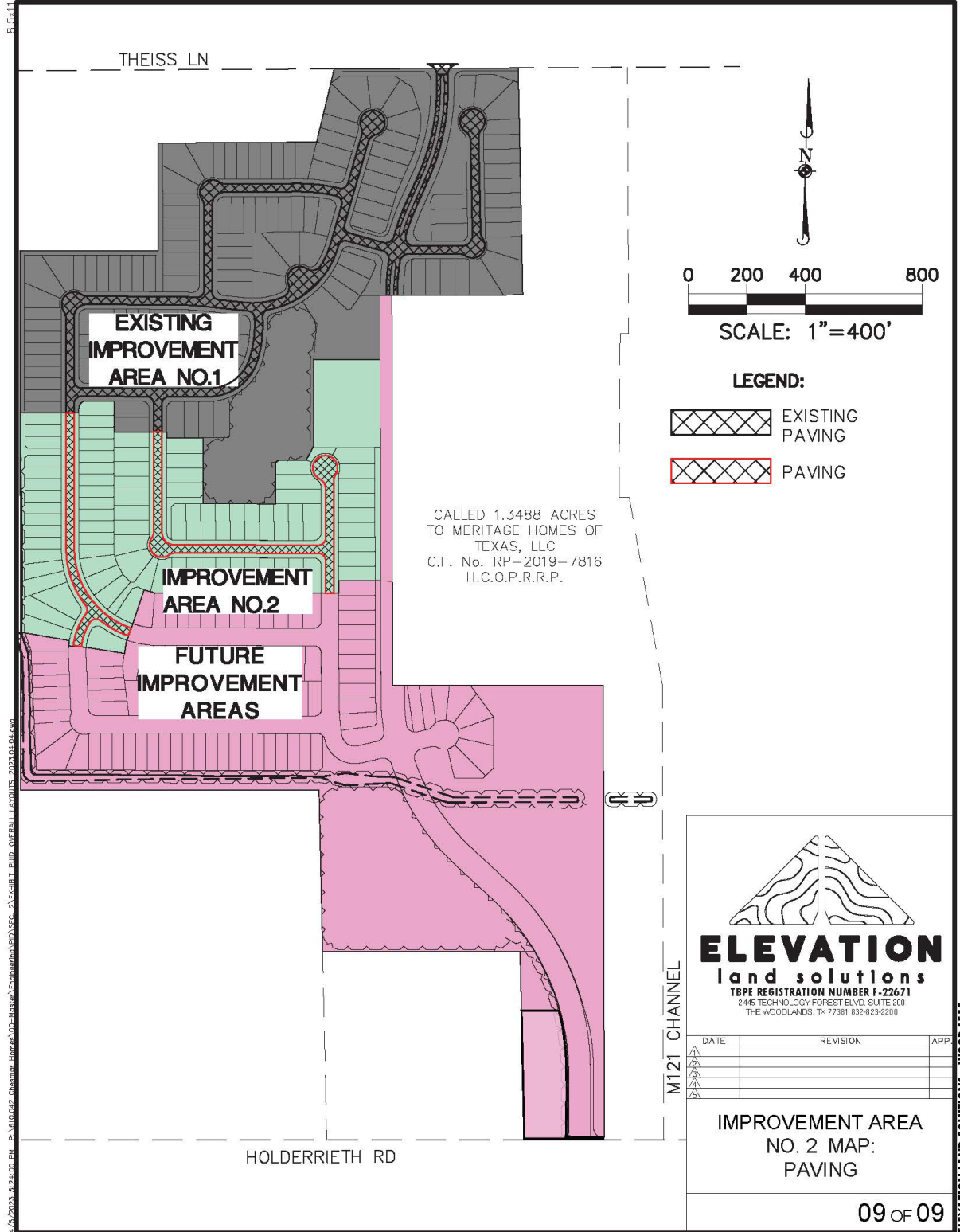


**APPENDIX 8
IMPROVEMENT AREA NO. 2 MAP: GAS**





APPENDIX 9
IMPROVEMENT AREA NO. 2 MAP: PAVING



APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this Appendix:

- Improvement Area #1
 - Lot Type 1
 - Lot Type 2
- Improvement Area #2
 - Improvement Area #2 Initial Parcel
 - Lot Type 3
 - Lot Type 4

**WOOD LEAF RESERVE PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE LOT
TYPE 1**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOMBALL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$32,676.70

As the purchaser of the real property described above, you are obligated to pay assessments to Tomball, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Wood Leaf Reserve Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Tomball. The exact amount of each annual installment will be approved each year by the Tomball City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Tomball.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

COUNTY OF HARRIS

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Lot Type 1 - Improvement Area #1 2022 Bonds					
Installments Due	Principal	Interest [a]	Additional Interest [b]	Annual Collection Costs [c]	Total Installment [d]
1/31/2025	561.93	1,874.03	163.38	367.60	2,966.94
1/31/2026	585.02	1,847.34	160.57	374.95	2,967.89
1/31/2027	608.12	1,819.55	157.65	382.45	2,967.77
1/31/2028	631.21	1,790.67	154.61	390.10	2,966.58
1/31/2029	662.00	1,758.32	151.45	397.90	2,969.67
1/31/2030	692.79	1,724.39	148.14	405.86	2,971.18
1/31/2031	723.58	1,688.88	144.68	413.98	2,971.12
1/31/2032	754.37	1,651.80	141.06	422.25	2,969.49
1/31/2033	785.16	1,613.14	137.29	430.70	2,966.29
1/31/2034	831.35	1,567.01	133.36	439.31	2,971.04
1/31/2035	877.54	1,518.17	129.21	448.10	2,973.01
1/31/2036	923.72	1,466.61	124.82	457.06	2,972.22
1/31/2037	969.91	1,412.34	120.20	466.20	2,968.66
1/31/2038	1,023.79	1,355.36	115.35	475.53	2,970.03
1/31/2039	1,077.68	1,295.21	110.23	485.04	2,968.16
1/31/2040	1,139.26	1,231.90	104.84	494.74	2,970.74
1/31/2041	1,200.84	1,164.97	99.15	504.63	2,969.59
1/31/2042	1,270.12	1,094.42	93.14	514.73	2,972.41
1/31/2043	1,339.40	1,019.80	86.79	525.02	2,971.01
1/31/2044	1,408.68	941.11	80.09	535.52	2,965.40
1/31/2045	1,493.35	858.35	73.05	546.23	2,970.99
1/31/2046	1,578.03	770.62	65.58	557.16	2,971.38
1/31/2047	1,662.70	677.91	57.69	568.30	2,966.60
1/31/2048	1,762.77	580.22	49.38	579.67	2,972.04
1/31/2049	1,862.84	476.66	40.57	591.26	2,971.33
1/31/2050	1,970.61	367.22	31.25	603.08	2,972.16
1/31/2051	2,078.38	251.45	21.40	615.15	2,966.37
1/31/2052	2,201.54	129.34	11.01	627.45	2,969.34
Total	\$ 32,676.70	\$ 33,946.78	\$ 2,905.96	\$ 13,619.96	\$ 83,149.39

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at the actual rate of the PID Bonds.

[b] Additional Interest is calculated at a rate of .50%.

[c] Includes a \$60 per lot (\$7,380 for Improvement Area #1) is budgeted for costs incurred by City staff for administering the PID.

[d] The figures shown are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**WOOD LEAF RESERVE PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE LOT
TYPE 2**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOMBALL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$36,637.51

As the purchaser of the real property described above, you are obligated to pay assessments to Tomball, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Wood Leaf Reserve Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Tomball. The exact amount of each annual installment will be approved each year by the Tomball City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Tomball.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

COUNTY OF HARRIS

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF HARRIS

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The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Lot Type 2 - Improvement Area #1 2022 Bonds					
Installments Due	Principal	Interest [a]	Additional Interest [b]	Annual Collection Costs [c]	Total Installment [d]
1/31/2025	630.04	2,101.19	183.19	412.16	3,326.57
1/31/2026	655.94	2,071.26	180.04	420.40	3,327.63
1/31/2027	681.83	2,040.10	176.76	428.81	3,327.50
1/31/2028	707.72	2,007.72	173.35	437.38	3,326.17
1/31/2029	742.24	1,971.45	169.81	446.13	3,329.63
1/31/2030	776.77	1,933.41	166.10	455.05	3,331.32
1/31/2031	811.29	1,893.60	162.21	464.15	3,331.26
1/31/2032	845.81	1,852.02	158.16	473.44	3,329.43
1/31/2033	880.34	1,808.67	153.93	482.91	3,325.84
1/31/2034	932.12	1,756.95	149.53	492.56	3,331.16
1/31/2035	983.90	1,702.19	144.87	502.42	3,333.38
1/31/2036	1,035.69	1,644.38	139.95	512.46	3,332.48
1/31/2037	1,087.47	1,583.54	134.77	522.71	3,328.49
1/31/2038	1,147.89	1,519.65	129.33	533.17	3,330.04
1/31/2039	1,208.30	1,452.21	123.59	543.83	3,327.94
1/31/2040	1,277.35	1,381.22	117.55	554.71	3,330.83
1/31/2041	1,346.40	1,306.18	111.16	565.80	3,329.54
1/31/2042	1,424.07	1,227.08	104.43	577.12	3,332.70
1/31/2043	1,501.75	1,143.41	97.31	588.66	3,331.13
1/31/2044	1,579.43	1,055.18	89.80	600.43	3,324.85
1/31/2045	1,674.36	962.39	81.91	612.44	3,331.10
1/31/2046	1,769.30	864.02	73.53	624.69	3,331.55
1/31/2047	1,864.24	760.08	64.69	637.18	3,326.19
1/31/2048	1,976.44	650.55	55.37	649.93	3,332.29
1/31/2049	2,088.64	534.44	45.48	662.93	3,331.49
1/31/2050	2,209.47	411.73	35.04	676.19	3,332.43
1/31/2051	2,330.30	281.92	23.99	689.71	3,325.93
1/31/2052	2,468.39	145.02	12.34	703.50	3,329.26
Total	\$ 36,637.51	\$ 38,061.54	\$ 3,258.19	\$ 15,270.87	\$ 93,228.11

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at the actual rate of the PID Bonds.

[b] Additional Interest is calculated at a rate of .50%.

[c] Includes a \$60 per lot (\$7,380 for Improvement Area #1) is budgeted for costs incurred by City staff for administering the PID.

[d] The figures shown are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**WOOD LEAF RESERVE PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE LOT
TYPE 3**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOMBALL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$34,258.34

As the purchaser of the real property described above, you are obligated to pay assessments to Tomball, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Wood Leaf Reserve Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Tomball. The exact amount of each annual installment will be approved each year by the Tomball City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Tomball.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF HARRIS

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Lot Type 3 - Improvement Area #2 2024 Bonds						
Installments Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest ^[b]	Annual Collection Costs	Total Installment ^[c]
2024	-	562.27	(562.27)	-	-	-
2025	536.93	2,004.11	-	171.29	525.26	3,237.59
2026	560.27	1,972.70	-	168.61	535.76	3,237.34
2027	583.62	1,939.93	-	165.81	546.48	3,235.83
2028	606.96	1,905.78	-	162.89	557.41	3,233.04
2029	641.98	1,870.28	-	159.85	568.55	3,240.66
2030	665.32	1,832.72	-	156.64	579.92	3,234.61
2031	700.34	1,793.80	-	153.32	591.52	3,238.98
2032	723.69	1,752.83	-	149.81	603.35	3,229.68
2033	758.70	1,710.49	-	146.20	615.42	3,230.81
2034	793.72	1,666.11	-	142.40	627.73	3,229.96
2035	840.41	1,619.68	-	138.43	640.28	3,238.80
2036	875.43	1,570.51	-	134.23	653.09	3,233.26
2037	922.12	1,519.30	-	129.85	666.15	3,237.42
2038	957.13	1,465.36	-	125.24	679.47	3,227.21
2039	1,003.82	1,409.37	-	120.46	693.06	3,226.71
2040	1,062.18	1,350.64	-	115.44	706.92	3,235.19
2041	1,108.87	1,288.50	-	110.13	721.06	3,228.57
2042	1,167.23	1,223.64	-	104.58	735.48	3,230.94
2043	1,225.60	1,155.35	-	98.75	750.19	3,229.89
2044	1,283.96	1,083.65	-	92.62	765.20	3,225.43
2045	1,353.99	1,008.54	-	86.20	780.50	3,229.24
2046	1,424.03	929.33	-	79.43	796.11	3,228.90
2047	1,494.06	846.03	-	72.31	812.03	3,224.43
2048	1,575.77	758.63	-	64.84	828.28	3,227.51
2049	1,657.47	666.44	-	56.96	844.84	3,225.72
2050	1,750.85	569.48	-	48.67	861.74	3,230.75
2051	1,844.23	467.06	-	39.92	878.97	3,230.18
2052	1,937.61	359.17	-	30.70	896.55	3,224.03
2053	2,042.66	245.82	-	21.01	914.48	3,223.97
2054	2,159.38	126.32	-	10.80	932.77	3,229.28
Total	\$ 34,258.34	\$ 38,673.87	\$ (562.27)	\$ 3,257.40	\$ 21,308.61	\$ 96,935.96

Footnotes:

[a] Interest is calculated at a 5.85% rate.

[b] Additional Interest is calculated at a \$0.50 rate.

[c] The figures shown above are estimates only and subject to change in Annual Service PUIan pdates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**WOOD LEAF RESERVE PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE LOT
TYPE 4**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOMBALL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 4 PRINCIPAL ASSESSMENT: \$37,738.22

As the purchaser of the real property described above, you are obligated to pay assessments to Tomball, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Wood Leaf Reserve Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Tomball. The exact amount of each annual installment will be approved each year by the Tomball City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Tomball.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

COUNTY OF HARRIS

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

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SIGNATURE OF SELLER

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STATE OF TEXAS

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COUNTY OF HARRIS

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Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

ANNUAL INSTALLMENTS - LOT TYPE 4

Lot Type 4 - Improvement Area #2 2024 Bonds						
Installments Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest ^[b]	Annual Collection Costs	Total Installment ^[c]
2024	-	619.38	(619.38)	-	-	-
2025	591.47	2,207.69	-	188.69	578.61	3,566.45
2026	617.18	2,173.09	-	185.73	590.18	3,566.18
2027	642.90	2,136.98	-	182.65	601.99	3,564.51
2028	668.62	2,099.37	-	179.43	614.03	3,561.44
2029	707.19	2,060.26	-	176.09	626.31	3,569.84
2030	732.91	2,018.89	-	172.55	638.83	3,563.18
2031	771.48	1,976.01	-	168.89	651.61	3,567.99
2032	797.20	1,930.88	-	165.03	664.64	3,557.75
2033	835.77	1,884.24	-	161.05	677.93	3,558.99
2034	874.34	1,835.35	-	156.87	691.49	3,558.05
2035	925.78	1,784.20	-	152.50	705.32	3,567.80
2036	964.35	1,730.04	-	147.87	719.43	3,561.69
2037	1,015.78	1,673.63	-	143.05	733.82	3,566.27
2038	1,054.36	1,614.21	-	137.97	748.49	3,555.02
2039	1,105.79	1,552.53	-	132.69	763.46	3,554.47
2040	1,170.08	1,487.84	-	127.17	778.73	3,563.81
2041	1,221.51	1,419.39	-	121.32	794.31	3,556.52
2042	1,285.80	1,347.93	-	115.21	810.19	3,559.13
2043	1,350.09	1,272.71	-	108.78	826.40	3,557.98
2044	1,414.38	1,193.73	-	102.03	842.93	3,553.06
2045	1,491.53	1,110.99	-	94.96	859.78	3,557.26
2046	1,568.68	1,023.73	-	87.50	876.98	3,556.89
2047	1,645.82	931.97	-	79.66	894.52	3,551.96
2048	1,735.83	835.69	-	71.43	912.41	3,555.35
2049	1,825.84	734.14	-	62.75	930.66	3,553.38
2050	1,928.70	627.33	-	53.62	949.27	3,558.92
2051	2,031.56	514.50	-	43.97	968.26	3,558.29
2052	2,134.43	395.65	-	33.82	987.62	3,551.52
2053	2,250.15	270.79	-	23.14	1,007.37	3,551.46
2054	2,378.73	139.16	-	11.89	1,027.52	3,557.30
Total	\$ 37,738.22	\$ 42,602.27	\$ (619.38)	\$ 3,588.28	\$ 23,473.09	\$ 106,782.48

Footnotes:

[a] Interest is calculated at a 5.85% rate.

[b] Additional Interest is calculated at a \$0.50 rate.

[c] The figures shown above are estimates only and subject to change in Annual Service PULan pdates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Pierce Manufacturing Inc.
2600 American Drive
Appleton, Wisconsin 54912-2017
920-832-3000



December 14, 2022

Dear Valued Customer,

Since 1917, Pierce Manufacturing has provided the finest fire apparatus in the industry. The quality of our products and services are our number one priority.

To provide you with the personalized level of service you deserve, Pierce Manufacturing has established a widespread network of authorized dealers throughout the country. Siddons-Martin Emergency Equipment Group, LLC is the Pierce sole source for Aftermarket parts sales in Nevada (excluding Clark County), New Mexico, Utah, Texas, and Louisiana supporting the Pierce fire apparatus product lines. They are the sole source for parts and warranty service in this area accordingly and are extremely qualified to provide you with the service you have come to expect.

Please contact them directly for any requests concerning the product line. Siddons-Martin Emergency Equipment Group, LLC can provide you parts and labor for any of these apparatus at the quality you deserve.

Regards,



Dylan Reitzner, Pierce Aftermarket Support Team
Pierce Manufacturing Inc.
An Oshkosh Corporation Company

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Approve an increase to purchase order number 24-0055 with Siddons-Martin Emergency Group, LLC for preventative maintenance and repairs to Pierce Fire Apparatus, within the fleet of the Fire Department, increasing the not to exceed amount to \$160,000, approve the expenditure of funds therefor, and authorize the City Manager to execute any and all documents relating to the purchase. Funds for vehicle repairs are included in the FY 2023-2024 budget.

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Background:

Unforeseen repairs to three (3) of the Fire Department's Pierce Fleet Apparatus has created the need to increase the initial not to exceed amount of \$80,000 approved at the October 16, 2023 City Council meeting. Siddons-Martin Emergency Group, LLC is the local authorized service center for Pierce Manufacturing, the manufacturer of the current Fire Department fleet. Siddons-Martin Emergency Group, LLC is the only provider of Pierce aftermarket parts sales in Texas supporting the Pierce fire apparatus product lines, making this expenditure a sole source purchase and exempt from competitive bidding under Chapter 252 of the Local Government Code. At this time, the City intends to have Siddons-Martin Emergency Group, LLC perform preventative maintenance and repairs to all Pierce apparatus within the fleet.

Per the City's adopted Purchasing and Bidding Policy, expenditures in excess of \$50,000 to one vendor require approval of the City Council.

Origination: Fire Department

Recommendation:

Staff recommends authorizing the increase of purchase order number 24-0055, with Siddons-Martin Emergency Group, LLC for preventative maintenance and repairs, in an amount not to exceed \$160,000, and approving the associated expenditure of funds.

Party(ies) responsible for placing this item on agenda: Joe Sykora, Fire Chief

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: _____ If yes, specify Account Number: # 100-142 & 145-6205

If no, funds will be transferred from account # _____ To account # _____

Signed Joe Sykora 04/29/2024 Approved by _____
Staff Member Date City Manager Date

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: May 6, 2024

Topic:

Approve request from Tomball Museum Center for City Support and In-Kind Services for the 3rd Annual Antique Car Social in downtown Tomball, on Saturday, October 5, 2024, from 10:00 a.m. to 1:00 p.m.

Background:

Tomball Museum Center is excited to announce the 3rd Annual Antique Car Social in downtown Tomball. The event showcases various antique time period specific vehicles that are similar to the time periods of several of their buildings on site on Saturday, October 5. They will use the Tomball First Baptist parking lot to showcase vehicles and for event parking. They will have a car parade from Walmart on Business 249 to the Museum grounds. Funds raised from the event will benefit Tomball Museum Center. The estimated In-Kind Services is \$900.

In-Kind Request for Services:

Service/Support	Cost
Public Works	\$350
Police	\$550
Total	\$900

Origination: Car parade will start at Walmart at 9:30 a.m. and finishes at the Museum at 10 a.m. Setup will begin at 9 a.m. Event will run from 10 a.m. to 1 p.m. and breakdown between 1-2 p.m. There will be an estimated 200-300 people at the event location.

Recommendation:

To help with the efficiency of the events, they are requesting the City for the following in-kind services: Police, Fire, Public Works, and coordination.

Party(ies) responsible for placing this item on agenda: Chrislord Templonuevo

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____



SPECIAL EVENT APPLICATION

CITY OF TOMBALL, TEXAS | 401 Market Street | Tomball, TX 77375 | 281-351-5484

An application to stage an event within the city of Tomball shall be filed with the Marketing & Tourism Team at least 180 days prior to the event. This application is not to be construed as authorizing or agreeing to any event until formally approved by the Tomball City Council.

Date: 3/29/24 Is this event Co-City sponsored? Yes No

Request for permission to use a public venue for the following type of event (please check one):

Festival Community Event Arts & Crafts Event Music Event Other (specify) _____

1. Event title: Tomball Museum Center Car Social

2. Sponsoring entity: Tomball Museum Center

3. Is this organization based in Tomball: Yes No

4. Is this organization non-profit or for-profit *Attach 501 (c) (3) tax exemption if applicable

5. Contact: Tesa Harding Phone: 5129344241

6. Contact address: Tomball Museum , 510 Pine St. Tomball, Tx. 77375

7. Contact email: Tesah0303@gmail.com

8. Event date: ~~3/31/24~~ 10/5/2024

9. Event times: Start 10 AM Finish 1 PM Set-up 9 AM Breakdown 2 PM

10. Is this event for charity? Yes No

11. If yes, what charity? Museum Membership Only \$\$ Tax ID _____

12. If yes, what percentage of net proceeds will be donated to the charity? 100%

13. On-site contact: Tesa Harding Mobile #: 5129344241

14. Estimated number of attendees: 200-300

15. Detailed site map in attached: Yes No

16. Is this event open to the public: Yes No

17. Admission fee: \$ _____ Free

18. Time at which event staff will begin to arrive: 8:30 AM Day of _____

19. The applicant will defend and hold harmless the city of Tomball from all claims, demands, actions or causes of action, of whatsoever nature or character, arising out of or by reason of the conduct of the activity authorized by such application including attorney fees and expenses. Initial TH

20. The applicant will provide proof of general liability insurance for the event naming the City of Tomball as additional insured. Initial TH

21. Name of insurance carrier: Union Standard Lloyd's Policy # CNA 4577650-22

22. Are fireworks included in your event? No Yes (Must submit Fireworks Event Application)

Signature: Tesa Harding

FOR OFFICIAL USE - Fee required: Yes No Amount Due: \$ _____

Tomball Museum Center 3rd Annual Antique Car Social Proposal

October 5, 2024, 10:00 am – 1:00 pm

510 Pine St., Tomball, TX 77375

I am formally submitting this application on behalf of the Tomball Museum in order to comply with the Special Event Application required from the city for our event.

This event is our 3rd Annual Classic Car Social that showcases various antique time period specific vehicles that are similar to the time periods of several of our buildings on site. We hope that by having this car social we can draw attendance (200-300) and thereby increase membership and visitation to the museum and our grounds.

I am already in contact with Tomball First Baptist, and hope that they will allow us to use their parking lots for the 3rd year in a row for the antique vehicles and for event parking.

Planned activities: Participating car parade from WalMart on Business 249 to museum & car social on the museum grounds.

Food/beverages: Food truck & Dessert/sweet food truck

Planned activities (children): Inflatables & face painting

Entertainment: Tomball ISD children's vocal group & a DJ

In order to ensure the success of this event, we respectfully request the following In-Kind support from the City of Tomball:

Police officer to serve as escort for the parade + onsite during the car social (1)

Facilitate hard/soft street closures as per map – parade & social event

City maintenance employees to stand by during the event in case needed (2)

Tomball antique fire truck "Howie" to lead the parade and to be onsite during the car social + (2) fire fighters to drive, etc.

Use of trailer with tables/chairs/pop-up tents for food truck area

Thank you for taking the time to consider our application. If you have any concerns or questions, please don't hesitate to contact the event coordinator, Tesa Harding.

Respectfully Submitted,

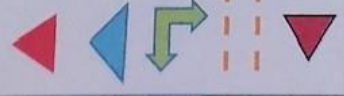
Tesa Harding, Community Relations

Kyle Stallones, Board Member/Car Social Committee Member

Henry Reid, Board President



- hard closure
- soft closure
- traffic flow
- car parade
- *repeated proposal*
- hard closure, vehicle



Food Truck Zone

Car Show

Music

Garage

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Discussion and possible action regarding the budgeted position of Director of Special Projects.

Background:

The Director of Special Projects position was included and approved in the 2023-2024 budget, however the position remained vacant for later consideration until the sales tax reports at mid-year were available. Sales tax receipts have exceeded budget projections, and the recommendation is to move forward with this position at this time. This position will support and implement city management initiatives by assisting executive employees and city management with some of the following examples of responsibilities:

1. Leading and overseeing projects aligned with the city's goals.
2. Providing recommendations to improve teamwork and efficiency across departments.
3. Coordinating with various stakeholders for efficient project delivery.
4. Establishing and maintaining reports to measure efficiency and goal achievement.
5. Providing tactical support to implement ideas and mitigate risks.
6. Managing the city's strategic planning process.
7. Coordinating with the City Manager's Office on projects and meetings.
8. Responding to inquiries on behalf of the City Manager.
9. Assisting in preparing reports, presentations, and other executive-level documents.

This role is crucial in ensuring effective communication, project management, implementation, and strategic planning within the city management framework.

Origination:

Recommendation:

n/a

Party(ies) responsible for placing this item on agenda: David Esquivel, City Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: x No: _____ If yes, specify Account Number: #100-111-6002

If no, funds will be transferred from account # _____ To account # _____

Signed _____ Approved by _____
Staff Member Date City Manager Date

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Accept the Annual Comprehensive Financial Report and Compliance Report for fiscal year ending September 30, 2023.

Background:

Weaver and Tidwell, LLP was engaged to audit the financial statements for fiscal year ending September 30, 2023. Due to expending over \$750,000 in federal grant funding during the fiscal year, a Single Audit was also completed to ensure compliance with grant requirements.

Origination: Finance

Recommendation:

Acceptance of the Annual Comprehensive Financial Report and Compliance Report for fiscal year ending September 30, 2023.

Party(ies) responsible for placing this item on agenda: Katherine Tapscott, Finance Director

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

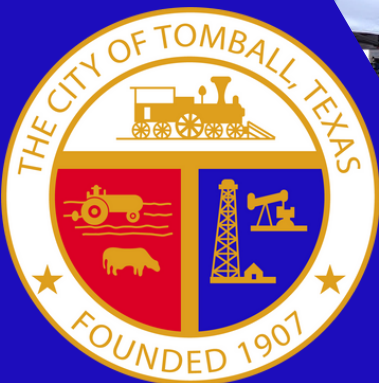
Yes: X No: _____ If yes, specify Account Number: # 100-116-6301

If no, funds will be transferred from account: # _____ To Account: # _____

Signed: Katherine Tapscott 05/01/2024 **Approved by:** _____
Staff Member Date City Manager Date

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING SEPTEMBER 30, 2023



City of Tomball, Texas

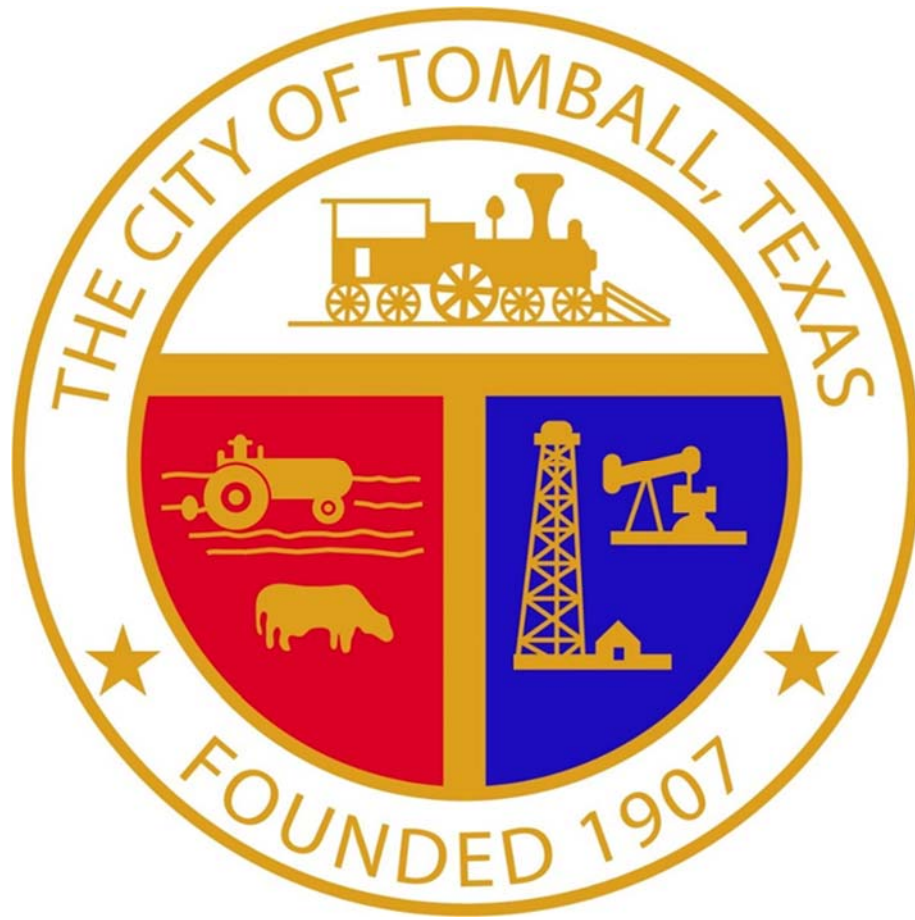
Annual Comprehensive Financial Report For the Fiscal Year Ended September 30, 2023

Issued by:
Finance Department

David Esquivel
City Manager

Jessica Rogers
Assistant City Manager

Katherine Tapscott, CPA
Finance Director



City of Tomball, Texas
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended September 30, 2023
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City of Tomball, Texas
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended September 30, 2023
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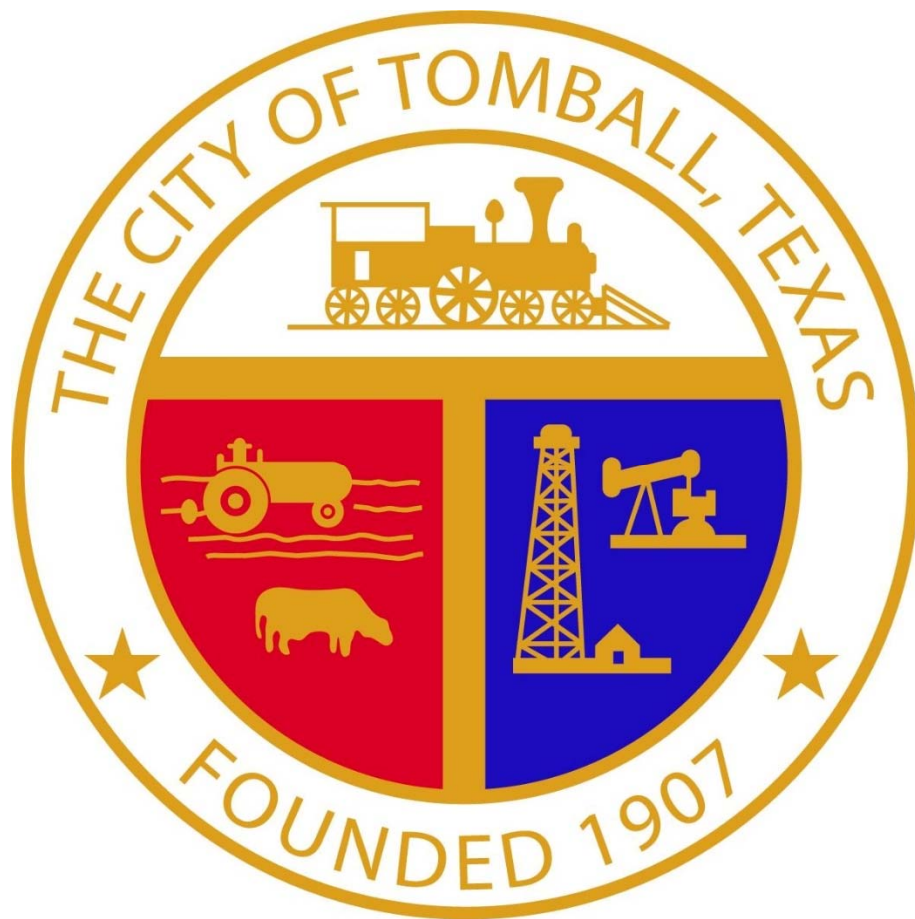
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Introductory Section





City of Tomball

*Lori Klein Quinn
Mayor*

*David Esquivel, PE
City Manager*

May 1, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Tomball, Texas:

It is with great pleasure that we present to you a copy of the Annual Comprehensive Financial Report (ACFR) of the City of Tomball, Texas (the City) for the fiscal year ended September 30, 2023. The responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation of the data, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the results of operations of the various funds of the City, as well as the fund balances. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The ACFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials, elected and appointed. The Financial Section includes Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information, Combining and Individual Fund Financial Statements and Schedules, as well as the independent auditors' report. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter and should be read in conjunction with it.

Profile of the Government

The City, incorporated on July 18, 1933, is located northwest of Houston, Texas, in a rapidly growing area of Harris County. The City currently occupies a land area of 13.4 square miles and serves an estimated population of 13,585. The City of Tomball is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the governing council.

The City has operated under the Council-manager form of government since 1987. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and five Council members. The Council is elected on a non-partisan basis. Council members serve three-year terms, with two Council members elected every year. The mayor is elected to serve a three-year term. The Mayor and Council are elected at large. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational activities and cultural events. Solid waste services are provided through a contract with GFL Environmental, formally Waste Corporation of America.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Finance Director. These requests serve as a starting point for developing a proposed budget. The Finance Director provides the information to the City Manager who then presents this proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function, and department. Department heads may make requests to the City Manager for transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on Page 80 as part of required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report, which starts on Page 96.

Factors Affecting Financial Condition

The information presented in the financial statements is better understood when it is considered from the broader perspective of the specific environment within which the City of Tomball operates.

Local Economy

The City is located approximately 32 miles northwest of Houston and is primarily surrounded by various taxing districts, making it one of the only incorporated areas in this portion of Harris County. As a result, the City has evolved into the area's principal commercial center. Assessed values for fiscal year 2023 reflect an increase of 15.08% percent to \$2.66 billion. This property value increase is the result of continued development within the City including both residential and commercial. The City is experiencing major residential growth with over 1,000 homes currently in development.

For fiscal year 2023, sales tax revenues increased by 3.52% compared to prior year. The City had anticipated this revenue source remaining level when the budget was adopted.

The region (which covers an area within a five-mile radius from the center of the City) has an employed labor force of approximately 11,600. The largest groups of employers are in service and retail trade.

Long-term Financial Planning

The City issued Certificates of Obligation totaling \$19,570,000 in October 2022 for water and sewer system improvements, street and sidewalk construction, and land acquisition.

Additionally, infrastructure projects for water, sewer, drainage, and natural gas distribution continue to be funded through the budget process. All capital projects and major infrastructure needs are reviewed continuously to assess both the progress of construction and the actual versus projected costs. The City has developed a five year Capital Improvement Plan to outline future projects.

Major Initiatives

The largest revenue source in the General Fund is sales tax. The City has experienced significant commercial and retail growth over the last several years. The City continued a conservative approach in budgeting sales tax revenues. For fiscal year 2023, sales tax revenues were projected at \$14,805,000.

The City applied to the Harris Galveston Area Council in 2015 for a grant to fund major improvements along FM 2920 (Main Street) from the downtown area to State Highway 249. At that time, the City Council approved local funding in the amount of \$3,000,000 to assist in expediting the project. At this time, construction is expected to begin summer 2027.

Due to residential and commercial growth, the south wastewater treatment plant flows are projected to increase. Currently, flows are approaching the Texas Commission on Environmental Quality trigger mark of 75% of the treatment capacity of the plant. Once this trigger is met, design must be underway to expand the treatment capacity. To meet this requirement, the City has executed contracts and secured funding to complete the design and move forward with bidding the construction phase of the expansion project.

The development of additional water supply is a major initiative for the City. Currently, the renovation of an existing water well site is underway. The City is also in the preliminary stages of developing a new water well site.

Other projects include major expansion and renovation of our existing parks, additional parking for our thriving downtown, and construction of pedestrian friendly alleys. The alley project will not only enhance the alleys to bolster walkability, but provide aesthetic appeal for downtown activities and businesses.

Financial Information

The City's management team is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the controls should not exceed the benefits likely to be derived and (2) the valuation of cost and benefits requires estimates and judgments to be made by management.

Budgeting Controls

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Debt Service Fund, Special Revenue Funds, Utility Fund, and Internal Service Funds are included in the annual operating budget. The Tomball Economic Development Corporation (TEDC), a component unit of the City, is budgeted separately. A multi-year capital improvement plan is approved each year by the City Council and funded through a separate capital projects fund. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the Department level within an individual fund. The City maintains an encumbrance accounting system as a means of accomplishing budgetary controls and a technique of budgetary "lock out" which will prevent a transaction from exceeding legally appropriated budgetary amounts. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Debt Administration

The City may issue General Obligation bonds that are approved by voters in a capital improvements plan. Certificates of Obligation can be used for major construction projects and for the financing of vehicles and equipment. When available, sales tax revenue in excess of budgeted projections can be dedicated to one-time capital purchases.

Independent Audit

The City Charter requires an independent audit of the accounts of the City by an independent auditor. The firm of Weaver and Tidwell, LLP, Certified Public Accountants, has issued unmodified (clean) opinions on the City of Tomball's financial statements for the year ended September 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Awards

The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended September 30, 2022. This was the 33rd consecutive year that the City has received this award. In order to be awarded the Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfies both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is held for a period of one year only. Our current ACFR continues to meet the Certificate of Achievement requirements, and will be submitted to GFOA to determine its eligibility for another certificate.

The City also received the Distinguished Budget Presentation Award for the fiscal year beginning October 1, 2023. This is the 15th consecutive year that the City has received this award from the GFOA. The award is granted to those cities whose budget presentations meet very stringent presentation guidelines. The budget document must be of the very highest quality that reflects both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the administrative staff of the City and the members of the Finance Department. We also would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Tomball's finances.

Respectfully submitted,



David Esquivel
City Manager

**City of Tomball, Texas
Principal Officials**

City Officials

Elected Position

Term Expires

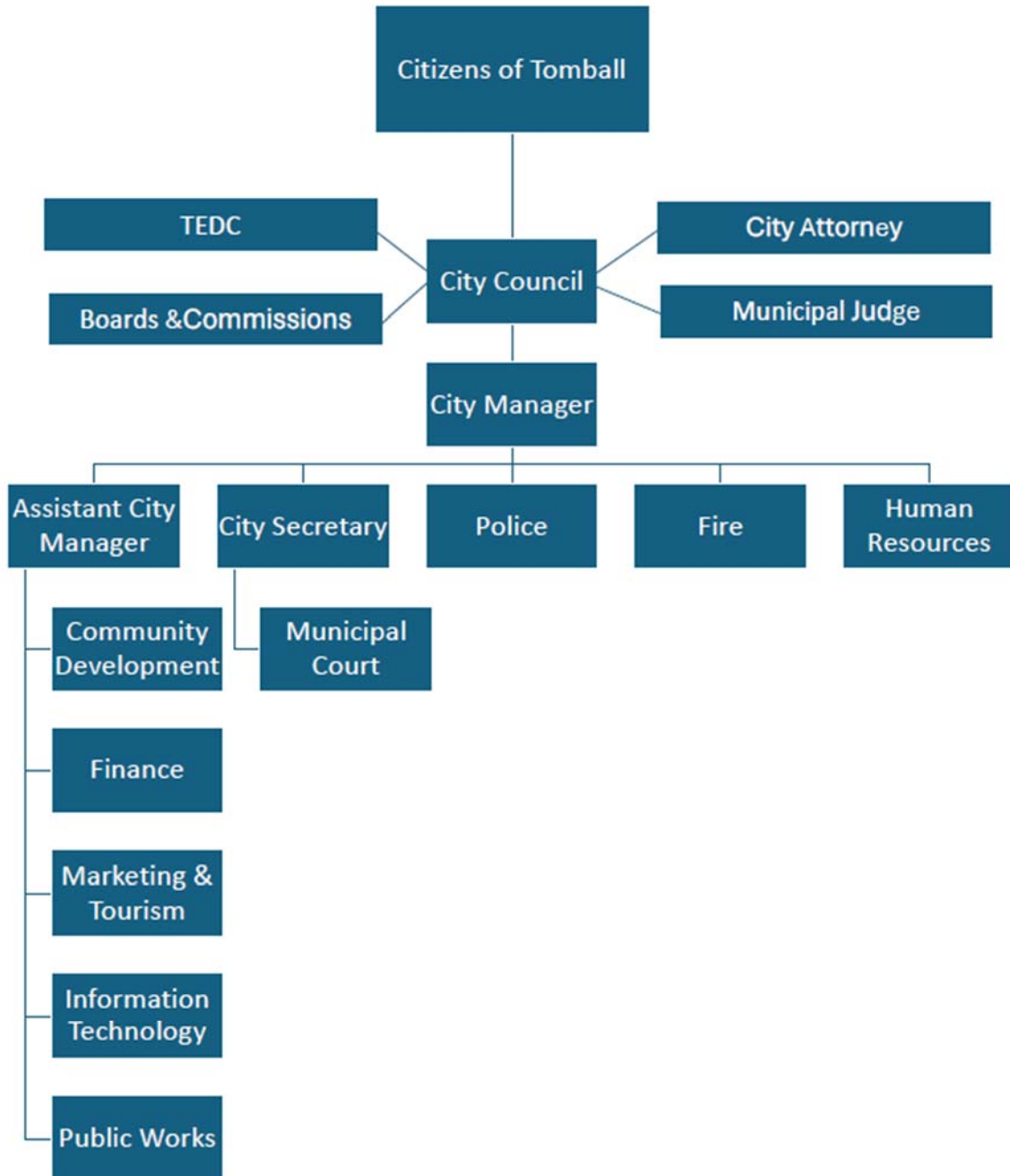
Lori Klein Quinn	Mayor	2025
John F. Ford	Council Member Position 1	2026
Mark Stoll	Council Member Position 2	2024
Dane Dunagin	Council Member Position 3	2025
Derek Townsend	Council Member Position 4	2024
Randy Parr	Council Member Position 5	2026

Administrative Officials

Position

David Esquivel	City Manager
Jessica Rogers	Assistant City Manager
Tracylynn Garcia	City Secretary
Jeff Bert	Chief of Police
Joe Sykora	Fire Chief
Katherine Tapscott	Director of Finance
Drew Huffman	Director of Public Works
Craig Meyers	Director of Community Development
Kristie Lewis	Director of Human Resources
Tom Wilson	Director of Information Technology
Kelly Violette	Director of Tomball Economic Development Corporation
Loren Smith	City Attorney

City of Tomball, Texas
Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

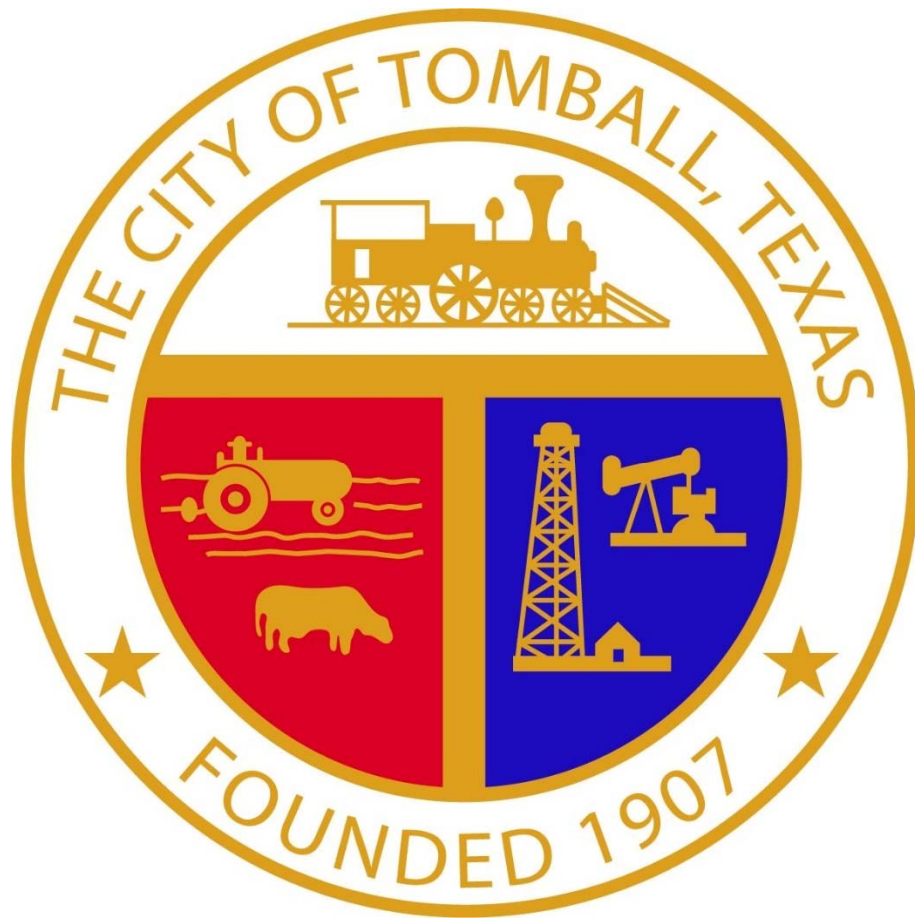
**City of Tomball
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

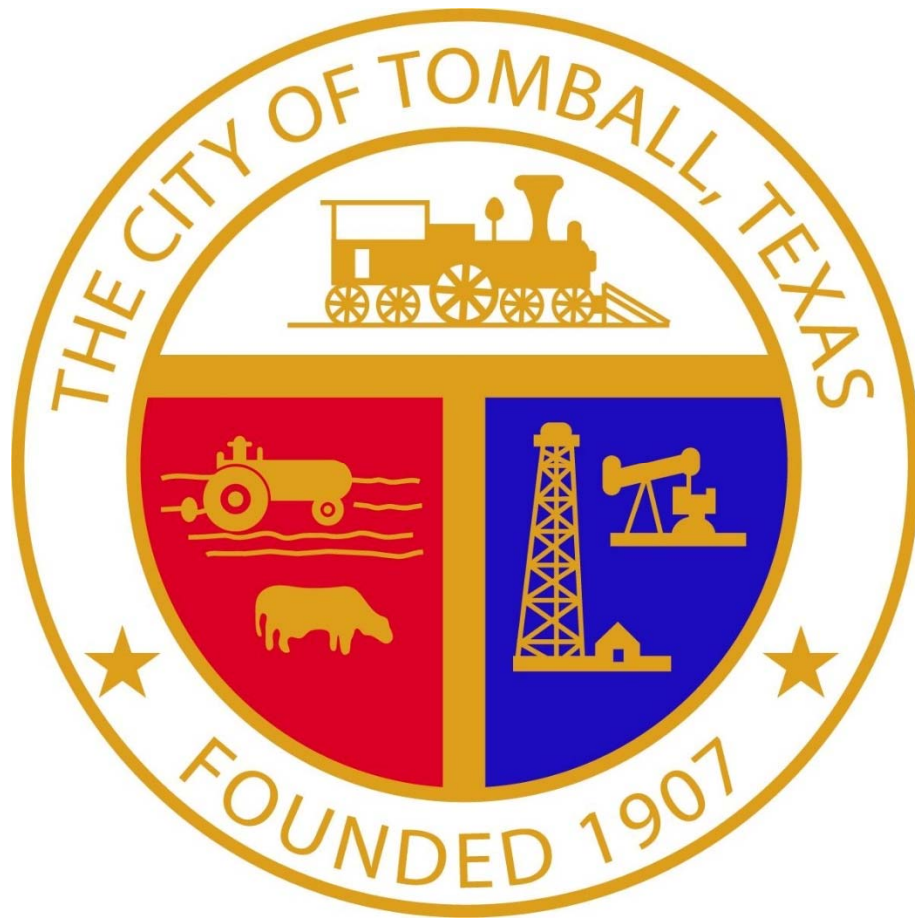
September 30, 2022

Christopher P. Morill

Executive Director/CEO



Financial Section





Independent Auditor's Report

The Honorable Mayor
and Members of the City Council
City of Tomball, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tomball, Texas (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Honorable Mayor
and Members of the City Council
City of Tomball, Texas

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor
and Members of the City Council
City of Tomball, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the Introductory Section and Statistical Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

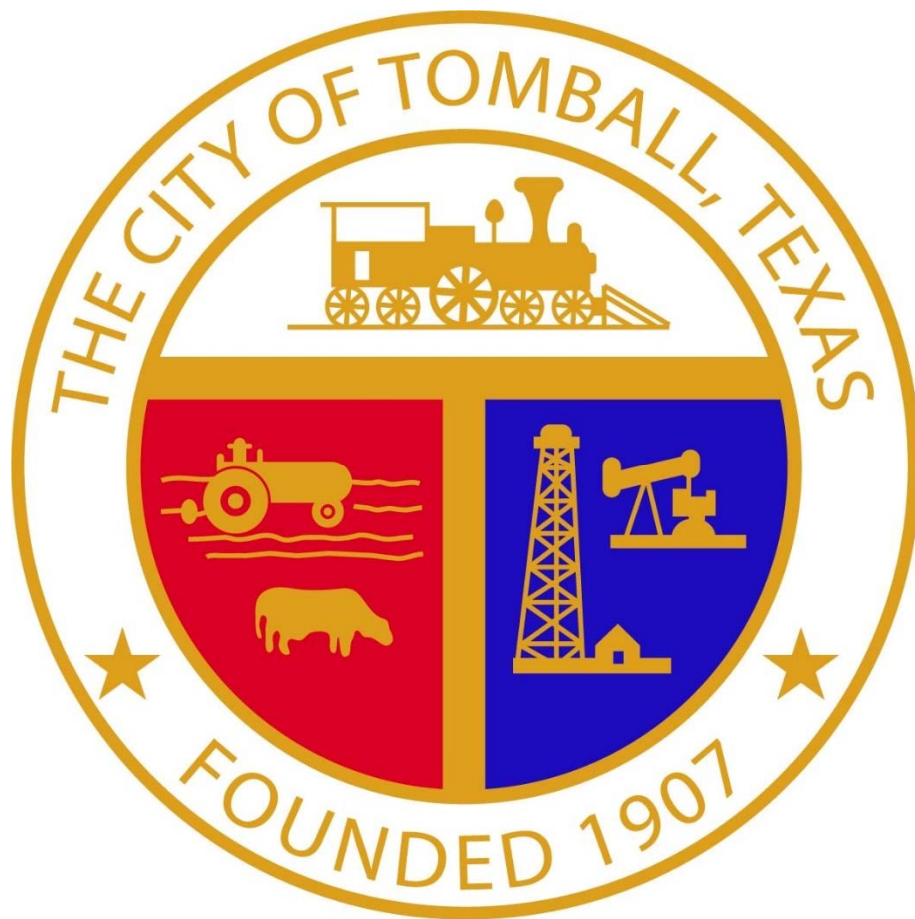
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
May 1, 2024



Management's Discussion and Analysis (Unaudited)

The management of the City of Tomball (the "City") offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and statistical section as listed in the table of contents.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$175.8 million (*net position*). Of this amount, \$53.9 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$70.8 million, an increase of \$22.8 million over the prior year. Approximately 43% of this total amount, \$30.4 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- The City's total long-term liabilities increased by \$20.8 million due primarily to issuance of \$19.6 million in certificates of obligation during 2023 and an increase of \$7.2 million in net pension liability.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Refer to the table of contents for the location of each of these components.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, parks and recreation, tourism and arts, community development, and interest and fiscal agent fees. The business-type activities of the City include utility system administration, water, wastewater and gas operations.

The government-wide financial statements include not only the City itself (known as *the primary government*), but also a legally separate entity (*Tomball Economic Development Corporation*) for which the City is financially accountable. Financial information for this *discretely presented component unit* is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund and State and Federal Grants Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements as noted in the table of contents.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its gas system and water and wastewater system. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet replacement and health benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Enterprise Fund, which is considered to be a major fund. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements as noted in the table of contents.

Fiduciary Funds. The City maintains one type of fiduciary fund. *Custodial funds* are used to report fiduciary activities that are not required to be reported in a trust fund. The City maintains one custodial fund to account for private developer contributions, special assessment bond proceeds, special assessments, and related debt service associated with the issuance of bonds issued by the City as the custodian for the Public Improvement Districts (PIDs) within the City.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. The City adopts an annual appropriated budget for the general fund and certain other governmental funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets as noted in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$175.8 million at the close of the most recent fiscal year.

City of Tomball, Texas Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 78,731,047	\$ 56,102,500	\$ 19,818,729	\$ 17,284,604	\$ 98,549,776	\$ 73,387,104
Capital assets	93,663,989	87,669,872	45,955,906	41,830,070	139,619,895	129,499,942
Total assets	172,395,036	143,772,372	65,774,635	59,114,674	238,169,671	202,887,046
Deferred outflows	4,838,748	1,980,825	901,338	371,489	5,740,086	2,352,314
Total deferred outflows of resources	4,838,748	1,980,825	901,338	371,489	5,740,086	2,352,314
Long-term liabilities outstanding	58,420,488	38,568,867	2,512,338	1,530,634	60,932,826	40,099,501
Other liabilities	4,497,394	4,946,218	1,640,861	1,520,873	6,138,255	6,467,091
Total liabilities	62,917,882	43,515,085	4,153,199	3,051,507	67,071,081	46,566,592
Deferred inflows	876,129	3,005,363	201,445	560,980	1,077,574	3,566,343
Total deferred inflows of resources	876,129	3,005,363	201,445	560,980	1,077,574	3,566,343
Net position:						
Net investment in capital assets	71,583,070	60,199,236	45,955,906	41,830,070	117,538,976	102,029,306
Restricted	4,369,685	7,597,934	-	-	4,369,685	7,597,934
Unrestricted	37,487,018	31,435,579	16,365,423	14,043,606	53,852,441	45,479,185
Total net position	\$ 113,439,773	\$ 99,232,749	\$ 62,321,329	\$ 55,873,676	\$ 175,761,102	\$ 155,106,425

By far the largest portion of the City's net position, 66.9% or \$117.5 million, reflects its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery and equipment, vehicles, right-to-use assets, gas system, water and wastewater system and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 2.5% or \$4.4 million, represents resources that are subject to restrictions on how they may be used. The remaining balance of *unrestricted net position* of 30.6% or \$53.9 million, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental activities and business-type activities increased the City's net position by \$20.7 million in 2023. The following table provides a summary of the City's operations for the year ended September 30, 2023.

City of Tomball, Texas Change in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 6,205,210	\$ 5,947,758	\$ 17,146,443	\$ 18,625,282	\$ 23,351,653	\$ 24,573,040
Operating grants and contributions	690,462	892,201	-	-	690,462	892,201
Capital grants and contributions	8,888,801	5,840,595	2,658,430	3,156,833	11,547,231	8,997,428
General revenues:						
Property taxes	7,406,788	7,339,362	-	-	7,406,788	7,339,362
Sales taxes	16,883,112	16,312,753	-	-	16,883,112	16,312,753
Franchise and other taxes	1,674,332	1,583,488	-	-	1,674,332	1,583,488
Gain on sale of capital assets	115,128	73,732	-	32,177	115,128	105,909
Contributions not restricted	2,501,685	784,885	-	370,000	2,501,685	1,154,885
Special assessments	1,823,202	1,039,308	-	-	1,823,202	1,039,308
Unrestricted investment earnings	3,351,450	4,595	520,497	85,211	3,871,947	89,806
Other	296,860	669,965	385,626	361,868	682,486	1,031,833
Total revenues	49,837,030	40,488,642	20,710,996	22,631,371	70,548,026	63,120,013
Expenses:						
General government	11,650,395	8,114,100	-	-	11,650,395	8,114,100
Public safety	13,532,671	11,982,088	-	-	13,532,671	11,982,088
Public works	6,391,403	5,081,755	-	-	6,391,403	5,081,755
Parks and recreation	934,183	864,122	-	-	934,183	864,122
Tourism and arts	596,313	672,983	-	-	596,313	672,983
Community development	721,855	515,531	-	-	721,855	515,531
Interest and fiscal agent fees	1,732,978	868,205	-	-	1,732,978	868,205
Utility administration	-	-	2,175,738	2,163,551	2,175,738	2,163,551
Water	-	-	6,870,290	6,457,929	6,870,290	6,457,929
Wastewater	-	-	2,639,192	2,218,239	2,639,192	2,218,239
Gas	-	-	2,648,331	2,620,530	2,648,331	2,620,530
Total expenses	35,559,798	28,098,784	14,333,551	13,460,249	49,893,349	41,559,033
Change in net position before transfers	14,277,232	12,389,858	6,377,445	9,171,122	20,654,677	21,560,980
Transfers	(70,208)	2,507,506	70,208	(2,507,506)	-	-
Change in net position	14,207,024	14,897,364	6,447,653	6,663,616	20,654,677	21,560,980
Net position - beginning	99,232,749	84,335,385	55,873,676	49,210,060	155,106,425	133,545,445
Net position - ending	\$ 113,439,773	\$ 99,232,749	\$ 62,321,329	\$ 55,873,676	\$ 175,761,102	\$ 155,106,425

Governmental Activities. Governmental activities increased the City's net position by \$14.2 million during the current year.

Revenues increased by \$9.3 million, or 23.1%, over the prior year primarily due to 1) \$3.3 million increase in investment earnings due to favorable interest rates during 2023, 2) \$3.0 million increase in capital contributions from private developers for drainage and other infrastructure and 3) \$1.7 million increase in Tomball Economic Development Corporation contributions to the City for various capital projects.

Expenses increased by \$7.5 million, or 26.6%, over the prior year primarily due to 1) Increase of \$1.3 million in materials and parts purchased and used for the American Rescue Plan Act (ARPA) federal program, 2) increase of \$0.8 million in public improvement district activity and 3) increase of 13 public safety employees (police and fire) and 4 public works employees to satisfy increased demand for public services.

Business-type Activities. Business-type activities increased the City's net position by \$6.4 million, due primarily to continued growth in utility customers and consumption of service. Expenses increased by \$0.9 million, or 6.5%, due primarily to an increase of 7 utility department employees to satisfy increased demand for services.

Financial Analysis of the City's Funds

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements, in particular, unassigned fund balance may serve as a useful measure of the City's net resources available for discretionary use as it represents a portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by City Council.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$70.8 million, an increase of \$22.8 million over the prior year. Approximately 43.0% of this total amount, \$30.4 million, is unassigned fund balance, 38.8%, or \$27.5 million, is restricted fund balance and 18.1%, or \$12.8 million is assigned fund balance. The remaining fund balance is less than 1% of the total.

Fund balance in the General Fund increased from the prior year by \$3.9 million, resulting in an ending fund balance of \$30.5 million at year end. The unassigned fund balance of \$30.4 million represents 99.8% of total fund balance and 108.4% of total General Fund expenditures. Total general fund revenues increased \$2.6 million from 2022 to 2023, of which property tax revenues increased \$0.7 million and sales tax revenues increased \$0.6 million as a result of the strong growth in the local population and tax base and investment earnings increased \$1.4 million due to increased interest rates resulting in favorable interest income. Total general fund expenditures increased \$3.5 million, or 14.3%, due primarily to an average 3% cost of living adjustment in 2023 as well as increases in staffing within public safety (police and fire) and public works.

The Debt Service Fund has a total fund balance of \$3.1 million at year end, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the Debt Service Fund was \$3.4 million, due primarily to an increase in debt service requirements in the current year.

The Capital Projects Fund has a total fund balance of \$35.7 million at year end, of which \$22.9 million and \$12.8 million is restricted and committed, respectively, for capital projects. The net increase in fund balance during the current year was \$22.1 million, due primarily to \$19.3 million of bond proceeds issued. The City also transferred a net \$2.1 million into the Capital Projects Fund from other funds to supplement the bond proceeds.

The State and Federal Grants Fund has \$14k of fund balance at year end since this represents grant awards that are reimbursement based or are advance funded, usually resulting in a net zero change in fund balance. The fund recognized \$1.4 million in both grant revenues and expenditures during the current year.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Enterprise Fund has unrestricted net position at fiscal year-end of \$15.8 million and total net position of \$61.8 million. Other factors concerning the finances of the City's Proprietary Funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Budget estimates for revenues between the original and final amended budget increased by \$0.7 million due primarily to refined sales tax collection due to economic growth in the area and investment earning estimates due to rising interest rates and related interest earnings on investments.

During the year there was a net decrease between the original and final amended budget expenditure appropriations of \$2.6 million due to the delayed opening of the new ESD fire station, which resulted in personnel savings. The City also budgeted \$0.9 million for a fire truck purchase for the ESD and later the ESD decided to purchase their own fire truck.

The City budgeted a net increase in fund balance of the General Fund of \$2.4 million for the year ended September 30, 2023. The actual change in fund balance was an increase of \$3.9 million, a favorable variance of \$1.5 million. The City had a favorable variance of \$0.1 million between actual revenues and budgeted revenues due to higher collections of various revenue sources. The City also had a favorable variance of \$1.4 million between budgeted expenditures and actual expenditures due primarily to unanticipated savings in public safety (police and fire).

Capital Assets and Debt Administration

Capital Assets. At the end of the current fiscal year 2023, the City's governmental activities and business-type activities had invested \$93.7 million and \$46.0 million, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule. This represents a net increase of \$6.0 million or 6.8% over the end of last fiscal year for governmental activities and an increase of \$4.1 million or 9.9% for business-type activities.

**City of Tomball, Texas Capital Assets
(net of depreciation and amortization)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 7,982,088	\$ 7,982,088	\$ 1,897,333	\$ 1,897,333	\$ 9,879,421	\$ 9,879,421
Construction in progress	2,350,623	721,657	3,702,038	791,153	6,052,661	1,512,810
Buildings and improvements	5,821,129	6,055,393	-	-	5,821,129	6,055,393
Gas system	-	-	3,683,921	3,482,214	3,683,921	3,482,214
Water and wastewater system	-	-	34,635,102	33,667,798	34,635,102	33,667,798
Machinery and equipment	1,721,237	1,638,306	2,037,512	1,991,572	3,758,749	3,629,878
Vehicles	3,049,747	2,752,625	-	-	3,049,747	2,752,625
Infrastructure	72,525,175	68,480,365	-	-	72,525,175	68,480,365
Right-to-use lease assets	15,251	39,438	-	-	15,251	39,438
Right-to-use subscription assets	198,739	-	-	-	198,739	-
Totals	\$ 93,663,989	\$ 87,669,872	\$ 45,955,906	\$ 41,830,070	\$ 139,619,895	\$ 129,499,942

The overall increase in capital assets for governmental activities is due primarily to \$1.7 million of additions to construction in progress related to on-going drainage and street projects and \$6.2 million of infrastructure contributions from private developers of master planned communities.

The overall increase in capital assets for business-type activities is due primarily to \$3.1 million of additions to construction in progress related to on-going utility infrastructure projects and \$2.6 million of utility infrastructure contributions from private developers of master planned communities.

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements.

Long-term Debt. At the end of the current fiscal year, the City reported total long-term liabilities of \$60.9 million. The City had bonds payable of \$41.9 million (\$44.0 million, net of premiums). Of this amount, \$11.7 million was general obligation refunding debt and \$30.2 million represents certificates of obligation. The City's other long-term liabilities include its contractual obligations, leases payable, subscriptions payable, compensated absences, landfill post closure care costs, and net pension and total other post employment benefits liabilities.

City of Tomball, Texas Long-term Liabilities Outstanding

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Certificates of obligation	\$ 30,235,000	\$ 14,565,000	\$ -	\$ -	\$ 30,235,000	\$ 14,565,000
General obligation refunding bonds	11,695,000	13,315,000	-	-	11,695,000	13,315,000
Unamortized premiums	2,080,471	1,762,518	-	-	2,080,471	1,762,518
Public property finance contractual obligations	779,868	909,868	-	-	779,868	909,868
Leases payable	14,549	39,219	-	-	14,549	39,219
Subscriptions payable	202,744	-	-	-	202,744	-
Compensated absences	1,675,671	2,027,024	355,273	292,528	2,030,944	2,319,552
Landfill postclosure care costs	419,000	361,500	-	-	419,000	361,500
Arbitrage liability	155,008	-	-	-	155,008	-
Net pension liability	8,796,518	2,734,695	1,603,650	467,353	10,400,168	3,202,048
Total OPEB liability	2,366,659	2,854,043	553,415	770,753	2,920,074	3,624,796
Total	\$ 58,420,488	\$ 38,568,867	\$ 2,512,338	\$ 1,530,634	\$ 60,932,826	\$ 40,099,501

Bond debt increased by \$14.4 million primarily as a result of issuance of \$19.6 million in certificates of obligation during 2023, reduced by total debt service principal payments of \$5.5 million.

The most recent ratings on bonded debt issued are as follows:

	Standard and Poor's	Moody's
General obligation bonds	AA+	
Certificates of obligation	AA+	Aa2

Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The City continues to focus on economic development initiatives, including the revitalization of historic Old Town Tomball and commercial businesses. Construction of a 240 acre industrial development is underway and multiple large commercial developments are beginning construction. The City is also experiencing significant residential growth with the development of 1,000 homes currently underway. Taxable values for tax year 2023 (fiscal year 2024) grew 24.1% over prior year, which is attributed to the residential and commercial growth.

On September 18, 2023, City Council adopted a \$125 million operating budget for fiscal year 2024. The City's largest source of revenue is sales tax, which has experienced steady increases compared to prior years. The fiscal year 2024 budget included a property tax rate of \$0.293320 per \$100 of valuation, which was an increase of \$0.006072 or 2.1% compared to fiscal year 2023. The City expects to maintain a stabilized property tax rate due to increases in the taxable valuation.

During fiscal year 2024, the City completed a utility cost of service study to evaluate the current rates and overall rate structure. The results of the study indicated that incremental rate increases are needed starting in fiscal year 2025 to support debt service related to utility capital projects. Annually, the City reviews and updates other fees and service charges to ensure cost recovery.

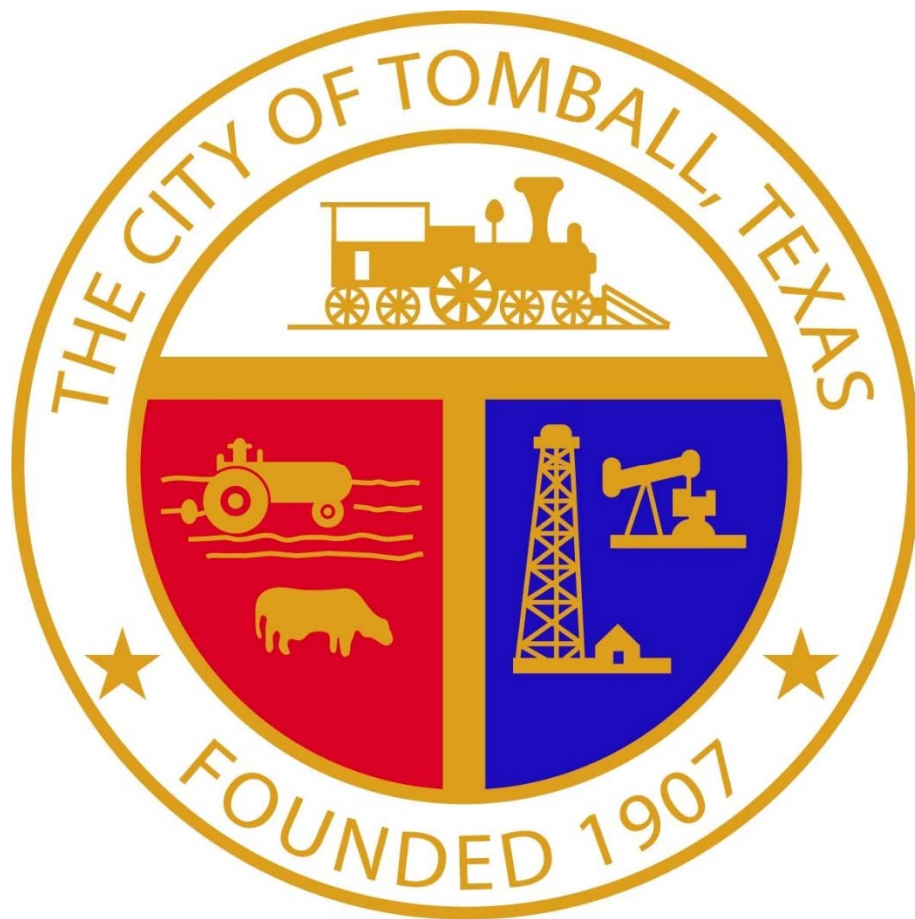
Contacting the City's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the resources it receives. Questions concerning this report or requests for additional financial information should be directed to phone (281) 290-1417 or:

Finance Department
501 James Street
Tomball, Texas 77375

Or for general City information, please visit the City's website at <https://www.tomballtx.gov> .

Basic Financial Statements



City of Tomball, Texas
Statement of Net Position
September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Tomball Economic Development Corporation
ASSETS				
Cash and cash equivalents	\$ 43,094,523	\$ 16,302,707	\$ 59,397,230	\$ 20,898,782
Investments	6,735,144	-	6,735,144	2,586,628
Receivables, net of allowance	4,527,928	2,248,677	6,776,605	1,723,550
Lease receivable	-	-	-	712,316
Due from other governments	783,833	-	783,833	-
Due from component unit	201,815	-	201,815	-
Due from fiduciary	26,606	-	26,606	-
Internal balances	(528,074)	528,074	-	-
Prepaid Items	335,122	-	335,122	-
Restricted cash and cash equivalents	23,554,150	739,271	24,293,421	-
Capital assets - nondepreciable	10,332,711	5,599,371	15,932,082	3,605,456
Capital assets - depreciable, net	83,331,278	40,356,535	123,687,813	7,580,675
Total assets	172,395,036	65,774,635	238,169,671	37,107,407
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	4,464,995	813,991	5,278,986	-
Other post employment benefits	373,753	87,347	461,100	-
Total deferred outflows of resources	4,838,748	901,338	5,740,086	-
Total assets and deferred outflows of resources	177,233,784	66,675,973	243,909,757	37,107,407
LIABILITIES				
Accounts payable	2,216,125	826,022	3,042,147	86,108
Accrued liabilities	418,569	75,568	494,137	-
Deposits payable	12,310	739,271	751,581	10,869
Unearned revenue	1,618,446	-	1,618,446	-
Due to primary government	-	-	-	201,815
Accrued interest payable	231,944	-	231,944	-
Noncurrent liabilities:				
Due within one year	3,504,082	139,624	3,643,706	1,505
Due in more than one year	54,916,406	2,372,714	57,289,120	-
Total liabilities	62,917,882	4,153,199	67,071,081	300,297
DEFERRED INFLOWS OF RESOURCES				
Other post employment benefits	876,129	201,445	1,077,574	-
Leases	-	-	-	676,887
Total deferred inflows of resources	876,129	201,445	1,077,574	676,887
Total liabilities and deferred inflows of resources	63,794,011	4,354,644	68,148,655	977,184
NET POSITION				
Net investment in capital assets	71,583,070	45,955,906	117,538,976	11,184,626
Restricted for:				
Debt service	2,933,161	-	2,933,161	-
Court security	213,040	-	213,040	-
Court technology	135,367	-	135,367	-
Hotel occupancy tax	1,043,918	-	1,043,918	-
Child safety	29,442	-	29,442	-
Grants	14,757	-	14,757	-
Unrestricted	37,487,018	16,365,423	53,852,441	24,945,597
TOTAL NET POSITION	\$ 113,439,773	\$ 62,321,329	\$ 175,761,102	\$ 36,130,223

City of Tomball, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 11,650,395	\$ 87,532	\$ 91,803	\$ 8,888,801
Public safety	13,532,671	2,196,591	598,659	-
Public works	6,391,403	2,352,261	-	-
Parks and recreation	934,183	-	-	-
Tourism and arts	596,313	-	-	-
Community development	721,855	1,568,826	-	-
Interest and fiscal agent fees	1,732,978	-	-	-
Total governmental activities	35,559,798	6,205,210	690,462	8,888,801
Business-type activities				
Utility administration	2,175,738	1,881,154	-	-
Water	6,870,290	8,541,278	-	959,620
Wastewater	2,639,192	3,079,810	-	1,319,210
Gas	2,648,331	3,644,201	-	379,600
Total business-type activities	14,333,551	17,146,443	-	2,658,430
Total primary government	\$ 49,893,349	\$ 23,351,653	\$ 690,462	\$ 11,547,231
COMPONENT UNIT				
Tomball Economic Development Corporation	5,080,945	310,450	-	-
	\$ 5,080,945	\$ 310,450	\$ -	\$ -

GENERAL REVENUES

Taxes:
Property taxes
Sales taxes
Franchise and other taxes
Gain on sale of capital assets
Contributions not restricted to specific programs
Special assessments
Unrestricted investment earnings
Other
Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

NET POSITION, end of year

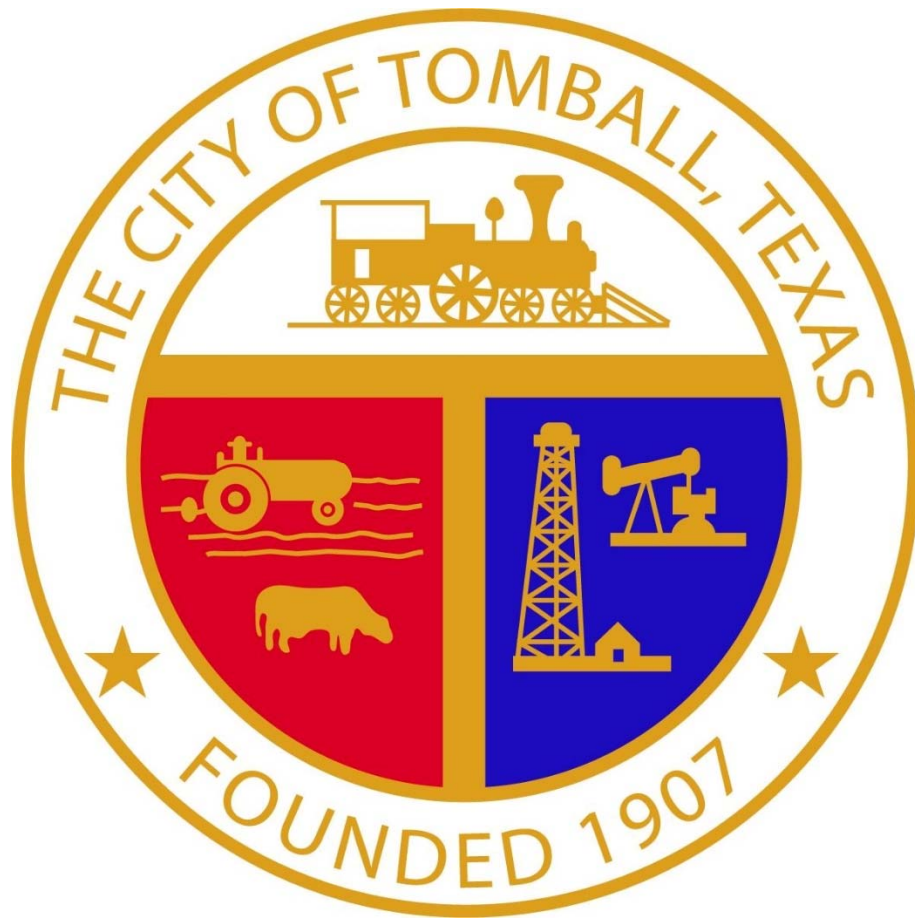
Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Tomball Economic Development Corporation
\$ (2,582,259)	\$ -	\$ (2,582,259)	\$ -
(10,737,421)	-	(10,737,421)	-
(4,039,142)	-	(4,039,142)	-
(934,183)	-	(934,183)	-
(596,313)	-	(596,313)	-
846,971	-	846,971	-
(1,732,978)	-	(1,732,978)	-
(19,775,325)	-	(19,775,325)	-
-	(294,584)	(294,584)	-
-	2,630,608	2,630,608	-
-	1,759,828	1,759,828	-
-	1,375,470	1,375,470	-
-	5,471,322	5,471,322	-
<u>\$ (19,775,325)</u>	<u>\$ 5,471,322</u>	<u>\$ (14,304,003)</u>	<u>\$ -</u>
-	-	-	(4,770,495)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,770,495)</u>
7,406,788	-	7,406,788	-
16,883,112	-	16,883,112	5,575,735
1,674,332	-	1,674,332	-
115,128	-	115,128	3,295,964
2,501,685	-	2,501,685	-
1,823,202	-	1,823,202	-
3,351,450	520,497	3,871,947	1,038,958
296,860	385,626	682,486	1,742
(70,208)	70,208	-	-
33,982,349	976,331	34,958,680	9,912,399
14,207,024	6,447,653	20,654,677	5,141,904
99,232,749	55,873,676	155,106,425	30,988,319
<u>\$ 113,439,773</u>	<u>\$ 62,321,329</u>	<u>\$ 175,761,102</u>	<u>\$ 36,130,223</u>

City of Tomball, Texas
 Balance Sheet - Governmental Funds
 September 30, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>
ASSETS		
Cash and cash equivalents	\$ 26,058,072	\$ 3,136,714
Investments	1,826,297	-
Receivables, net of allowance	3,597,094	-
Due from other governments	706,629	-
Due from component unit	176,830	-
Due from fiduciary	26,606	-
Prepaid Items	30,790	-
Restricted cash and cash equivalents - deposits	12,310	-
Restricted cash and cash equivalents - construction	-	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ 32,434,628	\$ 3,136,714
	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 1,502,507	\$ -
Accrued liabilities	418,569	-
Deposits payable	12,310	-
Unearned revenue	-	-
	<hr/>	<hr/>
Total liabilities	1,933,386	-
FUND BALANCES		
Nonspendable:		
Prepaid items	30,790	-
Restricted:		
Debt service	-	3,136,714
Construction	-	-
Court security	-	-
Court technology	-	-
Hotel occupancy tax	-	-
Child safety	-	-
Grants	-	-
Committed:		
City programs	-	-
Construction	-	-
Assigned:		
Special projects	42,703	-
Unassigned	30,427,749	-
	<hr/>	<hr/>
Total fund balances	30,501,242	3,136,714
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,434,628	\$ 3,136,714
	<hr/>	<hr/>

Capital Projects Fund	State and Federal Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 7,039,997	\$ 1,520,767	\$ 1,550,250	\$ 39,305,800
4,908,847	-	-	6,735,144
930,834	-	-	4,527,928
-	-	-	706,629
-	-	-	176,830
-	-	-	26,606
-	-	-	30,790
-	-	-	12,310
23,541,840	-	-	23,541,840
<u>\$ 36,421,518</u>	<u>\$ 1,520,767</u>	<u>\$ 1,550,250</u>	<u>\$ 75,063,877</u>
\$ 615,127	\$ -	\$ 63,000	\$ 2,180,634
-	-	-	418,569
-	-	-	12,310
101,568	1,506,010	10,868	1,618,446
716,695	1,506,010	73,868	4,229,959
-	-	-	30,790
-	-	-	3,136,714
22,926,713	-	-	22,926,713
-	-	213,040	213,040
-	-	135,367	135,367
-	-	1,043,918	1,043,918
-	-	29,442	29,442
-	14,757	-	14,757
-	-	54,615	54,615
12,778,110	-	-	12,778,110
-	-	-	42,703
-	-	-	30,427,749
35,704,823	14,757	1,476,382	70,833,918
<u>\$ 36,421,518</u>	<u>\$ 1,520,767</u>	<u>\$ 1,550,250</u>	<u>\$ 75,063,877</u>



City of Tomball, Texas

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 70,833,918

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the governmental funds balance sheet.

Capital assets, cost	\$ 120,719,257	
Capital assets, accumulated depreciation	(30,259,802)	90,459,455

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements. The components of long-term liabilities are:

Bonds payable, par	\$ (41,930,000)	
Bonds payable, premiums	(2,080,471)	
Leases payable	(14,549)	
Subscriptions payable	(202,744)	
Accrued interest payable	(203,553)	
Landfill post closure care costs	(419,000)	
Compensated absences payable	(1,675,671)	
Arbitrage liability	(155,008)	
Net pension liability	(8,796,518)	
Total OPEB liability	(2,366,659)	(57,844,173)

The deferred outflows and inflows of resources related to the net pension liability and the total OPEB liability are recognized on the statement of net position:

Deferred outflows - pensions	\$ 4,464,995	
Deferred outflows - OPEB	373,753	
Deferred inflows - OPEB	(876,129)	3,962,619

Internal service funds are used by management to charge the cost of certain activities, such as fleet management and health benefits, to individual funds. A portion of the assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

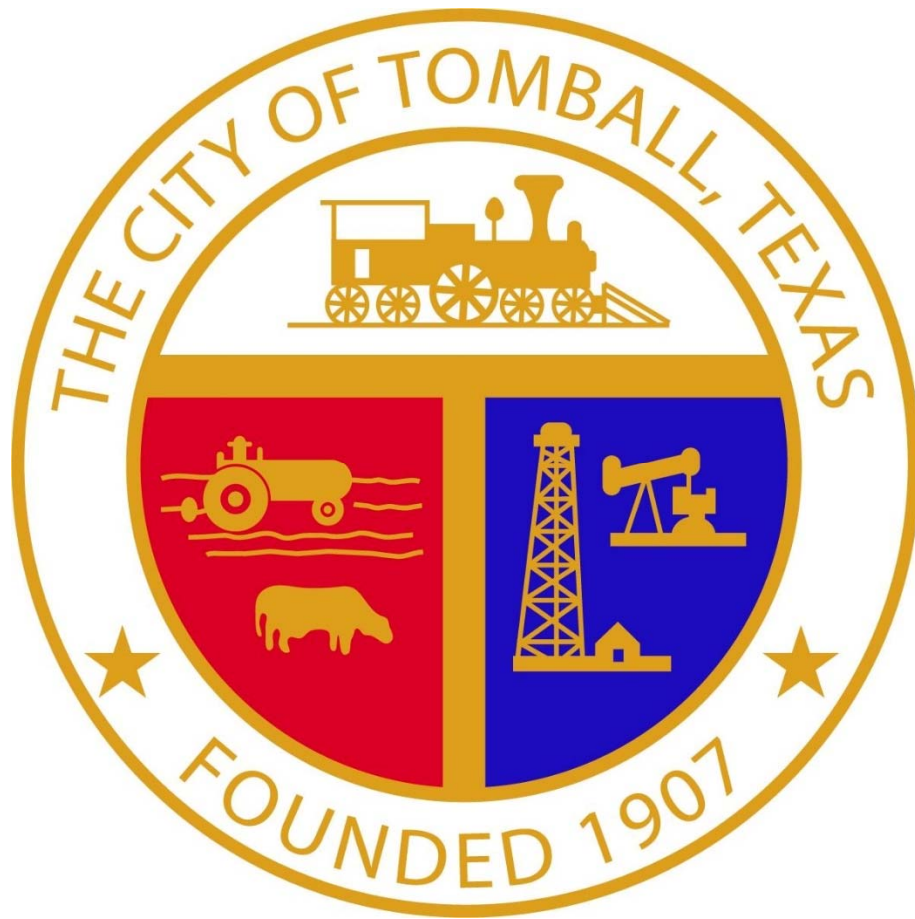
6,027,954

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 113,439,773

City of Tomball, Texas
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Fiscal Year Ended September 30, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES		
Property tax	\$ 4,658,804	\$ 2,747,984
Sales tax	16,883,112	-
Franchise and other taxes	964,217	-
Licenses and permits	1,573,426	-
Fines and forfeitures	329,049	-
Charges for services	4,297,279	-
Intergovernmental	640,462	-
Special assessments	-	-
Contributions from component unit for debt service	-	761,685
Investment earnings	1,407,138	156,277
Capital contributions from developers	-	-
Other	73,835	-
	<hr/>	<hr/>
Total revenues	30,827,322	3,665,946
EXPENDITURES		
Current:		
General government	7,868,860	-
Public safety	12,222,233	-
Public works	5,711,996	-
Parks and recreation	934,183	-
Tourism and arts	-	-
Community development	468,361	-
Debt service:		
Principal	73,312	5,520,000
Interest	386	1,564,643
Issuance costs and fiscal agent fees	-	254,476
Capital outlay	788,188	-
	<hr/>	<hr/>
Total expenditures	28,067,519	7,339,119
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	2,759,803	(3,673,173)
OTHER FINANCING SOURCES (USES)		
Issuance of certificates of obligation	-	241,775
Premium on issuance of bonds	-	-
Issuance of subscriptions	251,386	-
Proceeds from sale of capital assets	112,169	-
Insurance recoveries	26,578	-
Transfers in	2,000,000	-
Transfers out	(1,276,000)	-
	<hr/>	<hr/>
Total other financing sources (uses)	1,114,133	241,775
	<hr/>	<hr/>
Net change in fund balances	3,873,936	(3,431,398)
Fund balances, beginning of year	26,627,306	6,568,112
	<hr/>	<hr/>
FUND BALANCES, END OF YEAR	\$ 30,501,242	\$ 3,136,714

Capital Projects Fund	State and Federal Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 7,406,788
-	-	-	16,883,112
-	-	717,339	1,681,556
-	-	-	1,573,426
-	-	30,456	359,505
-	-	-	4,297,279
490,001	1,364,097	50,000	2,544,560
-	-	1,823,202	1,823,202
-	-	-	761,685
1,570,502	-	48,319	3,182,236
2,574,521	-	-	2,574,521
-	-	110,856	184,691
<u>4,635,024</u>	<u>1,364,097</u>	<u>2,780,172</u>	<u>43,272,561</u>
-	1,364,097	1,837,529	11,070,486
-	-	23,460	12,245,693
-	-	-	5,711,996
-	-	-	934,183
-	-	616,913	616,913
-	-	-	468,361
-	-	-	5,593,312
-	-	-	1,565,029
-	-	-	254,476
<u>4,652,002</u>	<u>-</u>	<u>1,500</u>	<u>5,441,690</u>
<u>4,652,002</u>	<u>1,364,097</u>	<u>2,479,402</u>	<u>43,902,139</u>
(16,978)	-	300,770	(629,578)
19,328,225	-	-	19,570,000
677,151	-	-	677,151
-	-	-	251,386
-	-	-	112,169
-	-	-	26,578
2,140,677	-	126,000	4,266,677
-	-	(150,000)	(1,426,000)
<u>22,146,053</u>	<u>-</u>	<u>(24,000)</u>	<u>23,477,961</u>
22,129,075	-	276,770	22,848,383
13,575,748	14,757	1,199,612	47,985,535
<u>\$ 35,704,823</u>	<u>\$ 14,757</u>	<u>\$ 1,476,382</u>	<u>\$ 70,833,918</u>



City of Tomball, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended September 30, 2023

Net change in fund balances - total governmental funds	\$ 22,848,383
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount of capital asset additions recorded in the current period.	5,441,690
Depreciation expense on capital assets is reported in the statement of activities, but does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.	(2,853,423)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, transfers, non-cash capital asset contributions) is not reported in the governmental funds.	3,264,297
Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered available and are deferred in the governmental funds. Deferred inflows increased (decreased) by this amount this year.	
Unavailable revenues - other	(7,224)
The issuance of long term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items was:	
Proceeds from issuance of certificates of obligation	\$ (19,570,000)
Premiums on bonds issued	(677,151)
Issuance of subscriptions	(251,386)
Amortization of premium on bonds payable	359,198
Accrued interest payable increased	(86,018)
Principal paid on bonds and other debt	5,593,312
	<u>(14,632,045)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following long-term liabilities (increased) / decreased:	
Landfill post closure care costs	\$ (57,500)
Compensated absences	351,353
Arbitrage liability	(155,008)
Net pension liability	(6,061,823)
Total OPEB liability	487,384
	<u>(5,435,594)</u>
Some deferred outflows and deferred inflows reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds. The following deferred outflows and deferred inflows of resources changed:	
Deferred outflows of resources - pensions	\$ 2,870,856
Deferred outflows of resources - OPEB	(12,933)
Deferred inflows of resources - pensions	2,617,320
Deferred inflows of resources - OPEB	(488,086)
	<u>4,987,157</u>
An internal service fund is used by management to charge the cost of certain activities, such as fleet management and health benefits, to individual funds. A portion of the change in the net position of the internal service funds is included in governmental activities in the statement of activities.	<u>593,783</u>
Change in net position - governmental activities	<u>\$ 14,207,024</u>

City of Tomball, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16,302,707	\$ 3,788,723
Receivables, net of allowance	2,248,677	-
Due from other governments	-	77,204
Due from component unit	-	24,985
Prepaid Items	-	304,332
Total current assets	18,551,384	4,195,244
Noncurrent assets:		
Restricted cash and cash equivalents - deposits	739,271	-
Capital assets:		
Capital assets - nondepreciable	5,599,371	-
Capital assets - depreciable, net	40,356,535	3,204,534
Net capital assets	45,955,906	3,204,534
Total noncurrent assets	46,695,177	3,204,534
Total assets	65,246,561	7,399,778
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	813,991	-
Other post employment benefits	87,347	-
Total deferred outflows of resources	901,338	-
Total assets and deferred outflows of resources	66,147,899	7,399,778
LIABILITIES		
Current liabilities		
Accounts payable	\$ 826,022	\$ 35,491
Accrued liabilities	75,568	-
Deposits payable	739,271	-
Accrued interest payable	-	28,391
Public property finance contract obligation, current	-	130,000
Compensated absences, current	106,582	-
Total OPEB liability, current	33,042	-
Total current liabilities	1,780,485	193,882
Noncurrent liabilities		
Public property finance contract obligation	-	649,868
Compensated absences	248,691	-
Net pension liability	1,603,650	-
Total OPEB liability	520,373	-
Total noncurrent liabilities	2,372,714	649,868
Total liabilities	4,153,199	843,750
DEFERRED INFLOWS OF RESOURCES		
Other post employment benefits	201,445	-
Total deferred inflows of resources	201,445	-
Total liabilities and deferred inflows of resources	4,354,644	843,750
NET POSITION		
Net investment in capital assets	45,955,906	2,424,666
Unrestricted	15,837,349	4,131,362
TOTAL NET POSITION	61,793,255	\$ 6,556,028
Reconciliation to government-wide statement of net position		
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise fund over time	528,074	
NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 62,321,329	

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Tomball, Texas
Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	<u>Business-type Activities</u> <u>Enterprise Fund</u>	<u>Governmental Activities</u> <u>Internal Service Fund</u>
OPERATING REVENUES		
Charges for sales and services:		
Water sales	\$ 8,541,278	\$ -
Sewer sales	3,079,810	-
Gas sales	3,644,201	-
Internal service charges	-	4,187,833
Impact fees	1,881,154	-
Other	385,626	-
	<hr/>	<hr/>
Total operating revenues	17,532,069	4,187,833
OPERATING EXPENSES		
Personnel services	2,752,720	-
Materials, supplies and contracted services	9,864,439	3,219,654
Depreciation and amortization	1,801,091	515,816
	<hr/>	<hr/>
Total operating expenses	14,418,250	3,735,470
Operating income	3,113,819	452,363
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	520,497	169,214
Gain (loss) on disposal of capital assets	-	88,550
Interest	-	(31,645)
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	520,497	226,119
Income before transfers and capital contributions	3,634,316	678,482
Capital asset contributions from governmental activities	2,910,885	-
Capital asset contributions from developers	2,658,430	-
Transfers out	(2,840,677)	-
	<hr/>	<hr/>
Change in net position	6,362,954	678,482
Net position, beginning of year	55,430,301	5,877,546
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 61,793,255	\$ 6,556,028
RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES		
Change in net position	\$ 6,362,954	
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund	84,699	
	<hr/>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 6,447,653	

City of Tomball, Texas
 Statement of Cash Flows
 Proprietary Funds
 For the Fiscal Year Ended September 30, 2023

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
OPERATING ACTIVITIES		
Receipts from customers	\$ 16,797,745	\$ -
Receipts from interfund charges	-	4,156,735
Other receipts	385,626	-
Payments to suppliers and service providers	(9,812,972)	(3,235,926)
Payments to employees for salaries and benefits	(2,646,212)	-
Net cash provided by operating activities	4,724,187	920,809
NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds	(2,840,677)	-
Net cash used for noncapital financing activities	(2,840,677)	-
CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(357,612)	(765,974)
Proceeds from sale of capital assets	-	88,550
Principal paid on long-term debt	-	(130,000)
Interest paid on long-term debt	-	(33,672)
Net cash used for capital and related financing activities	(357,612)	(841,096)
INVESTING ACTIVITIES		
Interest received	520,497	169,214
Net cash provided by investing activities	520,497	169,214
Net change in cash and cash equivalents	2,046,395	248,927
Cash and cash equivalents, beginning of year	14,995,583	3,539,796
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 17,041,978	\$ 3,788,723
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 16,302,707	\$ 3,788,723
Restricted cash and cash equivalents	739,271	-
CASH AND CASH EQUIVALENTS	\$ 17,041,978	\$ 3,788,723

City of Tomball, Texas
 Statement of Cash Flows - Continued
 Proprietary Funds
 For the Fiscal Year Ended September 30, 2023

	Business-type Activities <hr/> Enterprise Fund <hr/>	Governmental Activities <hr/> Internal Service Fund <hr/>
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 3,113,819	\$ 452,363
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,801,091	515,816
(Increase) decrease in assets and deferred outflows		
Accounts receivable	(403,031)	-
Due from other governments	-	(23,954)
Other receivables	-	(7,144)
Prepaid items	-	(39,580)
Deferred outflows of resources - pension and OPEB	(529,849)	-
Increase (decrease) in liabilities and deferred inflows		
Accounts payable	51,467	23,308
Accrued liabilities	14,188	-
Deposits payable	54,333	-
Compensated absences	62,745	-
Pension and OPEB liability	918,959	-
Deferred inflows of resources - pension and OPEB	(359,535)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 4,724,187	\$ 920,809
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital asset contributions from governmental activities	\$ 2,910,885	\$ -
Capital asset contributions from developers	\$ 2,658,430	\$ -

City of Tomball, Texas
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2023

	Public Improvement Districts Custodial Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,519,484
Restricted cash and cash equivalents - construction	5,364,405
	<hr/>
Total assets	6,883,889
LIABILITIES	
Current liabilities:	
Accounts payable	1,587
Due to other governments	26,606
	<hr/>
Total liabilities	28,193
NET POSITION	
Net investment in capital assets	-
Restricted for debt service	-
Restricted for property owners	6,855,696
	<hr/>
TOTAL NET POSITION	\$ 6,855,696
	<hr/> <hr/>

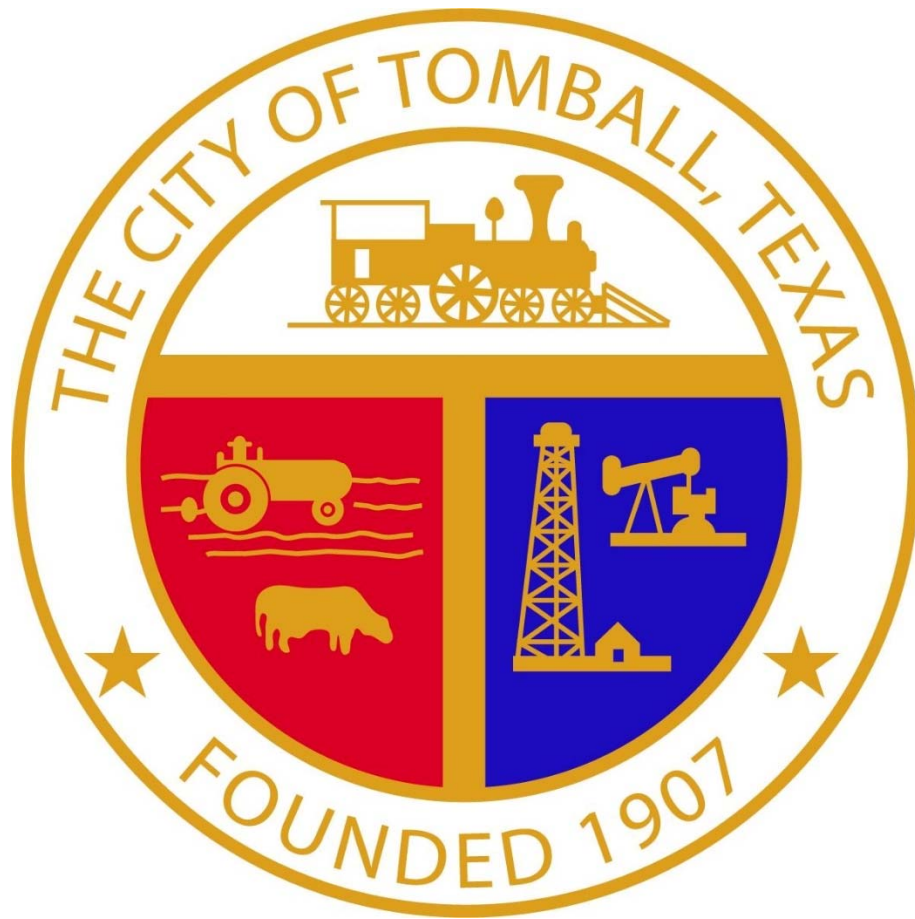
City of Tomball, Texas

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

For the Fiscal Year Ended September 30, 2023

	Public Improvement Districts <u>Custodial Fund</u>
ADDITIONS	
Special assessments	\$ 722,228
Contributions from property owners	13,786,092
Capital contributions from developers	630,846
Investment earnings	14,083
Other	<u>42,533</u>
Total additions	15,195,782
DEDUCTIONS	
Materials, supplies and contracted services	1,194,862
Payments to bondholders	708,449
Payments to developers	<u>6,869,958</u>
Total deductions	<u>8,773,269</u>
Change in net position	6,422,513
Net position, beginning of year	<u>433,183</u>
NET POSITION, END OF YEAR	<u><u>\$ 6,855,696</u></u>



City of Tomball, Texas

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Tomball, Texas, (the "City") was incorporated on July 18, 1933. The City has operated under a "Home Rule Charter", which provides for a Council-City Manager form of government, since 1987. The City Council is the principle legislative body of the City.

The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services; municipal court; streets; drainage; water, wastewater and gas services; solid waste collection and disposal; community development; and general administration.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by accounting principles generally accepted in the United States of America (GAAP), these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity utilizing criteria prescribed by GAAP. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under GAAP include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Tomball Economic Development Corporation, Employee Benefits Trust, and Tomball Legacy Fund, Inc., although legally separate organizations, are considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Discretely Presented Component Unit

Tomball Economic Development Corporation

The Tomball Economic Development Corporation (the Corporation) was formed in 1994 pursuant to the *Development Corporation Act of 1979* (the Act), governed under Section 4B of the Act. It receives and utilizes the proceeds of a one-half cent sales tax to promote and assist in the economic development of the City. The seven directors of the Corporation are appointed by the governing body of the City. Directors are removable by the governing body of the City at any time without cause. Separately issued audited financial statements are not available for the Corporation. Financial information for the Corporation may be obtained from the following address:

Tomball Economic Development Corporation
401 West Market Street
Tomball, Texas 77375

City of Tomball, Texas

Notes to the Basic Financial Statements

Blended Component Units

Employee Benefits Trust

The Employee Benefits Trust (the Trust) has been included in the reporting entity as a blended component unit. The Trust is a revocable trust and a not-for-profit entity and is organized under Section 222.002(c)(5) of the Texas Insurance Code. The Trust's Board of Trustees are the members of City Council. The Trust is organized for the purpose of providing or offering City officers, employees, and qualified retirees and their dependents with life, disability, sickness, accident, and other health benefits either directly or through the purchase of insurance. The operations of the Trust are presented as a proprietary fund type in the Health Benefits internal service fund. The Trust does not issue separate financial statements.

Tomball Legacy Fund, Inc.

Tomball Legacy Fund, Inc. has been included in the reporting entity as a blended component unit. Tomball Legacy Fund, Inc. is a not-for-profit 501(c)3 foundation managed by a seven-member Board of Directors consisting of the Mayor and City Council of the City of Tomball, plus one appointed individual. Tomball Legacy Fund, Inc. was established to allow the City to receive private and corporate grant funds to be used on behalf of the City. The operations of Tomball Legacy Fund, Inc. are presented as a governmental fund type in a special revenue fund. Tomball Legacy Fund, Inc. does not issue separate financial statements.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the City as a whole. These statements include all activities of the primary government and its discretely presented component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column in the government-wide financial statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's business-type and governmental activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Fund Financial Statements

The fund financial statements provide information about the City's funds, including its blended component units. Separate statements for each fund category—governmental, proprietary and fiduciary—are presented, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

City of Tomball, Texas

Notes to the Basic Financial Statements

Governmental funds are those funds through which most governmental functions are typically financed.

The City reports the following major governmental funds:

The *General Fund* is used to account for all financial transactions not reported in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, parks and recreation, community development, and capital outlay.

The *Debt Service Fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The principal source of revenue for debt service is local property taxes.

The *Capital Projects Fund* is used to account for the expenditures of resources accumulated from the sale of bonds, appropriations of local resources from other funds and related interest earnings for capital improvement projects within the City.

The *State and Federal Grants Fund* is used to account for the expenditures of resources awarded or provided for state and federal grant programs.

In addition, the City reports the following nonmajor fund types:

Special revenue funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects. The City's special revenue funds are aggregated and reported as nonmajor funds.

Proprietary funds are used to account for activities that are similar to those often found in the private sector, and include all assets, liabilities, deferred outflows and inflow of resources, net position, revenues, expenses and interfund transfers related to enterprise funds and internal service funds.

The City reports the following proprietary funds:

The *Enterprise Fund* is a major fund used to account for the City's water, wastewater and gas operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation and amortization) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

The *Internal Service Fund* is a type of proprietary fund used to account for the financing of goods or services provided by one department or program to other departments or programs of the City on a cost-reimbursement basis. Goods and services provided by the internal service fund include fleet replacement and employee health benefits.

The City reports the following fiduciary funds:

The *Public Improvement Districts (PIDs) Custodial Fund* accounts for special assessment collections and proceeds from special assessment bonds use to service debt on the special assessment bonds issued by the City as the custodian for the PIDs within the City. Private developer contributions and bond proceeds associated with the debt issuance are also recorded here until project completion, when the developer will convey the infrastructure assets to the City.

City of Tomball, Texas

Notes to the Basic Financial Statements

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. *Measurement focus* indicates the type of resources being measured such as current financial resources or economic resources. The *basis of accounting* indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes are recognized in the year they are levied. Interest associated with the current period is considered to be susceptible to accrual, and has been recognized as revenues of the current period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period. All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the City.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, bank demand or time deposits, money market mutual funds and local government investment pools with original maturities of three months or less from the date of acquisition. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments for the City are reported at fair value.

3. Restricted Cash and Investments

The City has restricted certain cash and investments for refundable customer deposits. The remaining unspent proceeds from bonded debt are restricted in the capital projects fund.

City of Tomball, Texas

Notes to the Basic Financial Statements

4. *Receivables*

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Enterprise Fund are recognized at the end of each fiscal year on a pro rata basis, based on billings during the month following the close of the fiscal year.

5. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

6. *Capital Assets*

Capital assets, including land, construction in progress, buildings and improvements, machinery and equipment, vehicles, right-to-use assets, infrastructure (e.g., roads, bridges and similar items) and water, wastewater and gas system, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and are reported in the proprietary fund statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$20,000, and an estimated useful life in excess of one year.

In the case of the initial capitalization of infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of some of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The remaining capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classification</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 50 years
Machinery and equipment	3 to 40 years
Vehicles	3 to 15 years
Infrastructure	40 to 50 years
Water, wastewater and gas system	20 to 40 years
Right-to-use assets	Shorter of term or useful life

7. *Leases*

Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$20,000 or more.

City of Tomball, Texas

Notes to the Basic Financial Statements

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor

The City is a lessor for noncancellable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Tomball, Texas

Notes to the Basic Financial Statements

8. Subscription-Based Information Technology Arrangements (SBITAs)

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of \$20,000 or more.

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

9. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The City has the following items that qualify for reporting in these categories:

- Deferred outflows of resources - contributions to the pension and OPEB plans after the measurement date of each plan are recognized as reductions of the applicable liability in the subsequent year.
- Deferred outflows/inflows of resources from other pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- Deferred inflows of resources from leases are amortized over the life of the lease.

City of Tomball, Texas

Notes to the Basic Financial Statements

10. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation, sick and compensatory time benefits. Eligible time accumulated, up to certain limits, may be paid to employees upon separation from service.

The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

11. Landfill Post-Closure Care Costs

The City reports municipal solid waste landfill costs in accordance with Governmental Accounting Standards Board (GASB) Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*. The liability for landfill post-closure costs is reported as long-term debt.

12. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits

The City participates in two single-employer defined benefit other postemployment benefit (OPEB) plans (the Plans). For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms for the Plans.

14. Net Position Policies

Net position within the government-wide, proprietary fund and custodial fund financial statements is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City classifies net position as follows:

Net investment in capital assets – the component of net position that reports capital assets, net of accumulated depreciation and amortization, and net of related debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted - the component of net position that is constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation.

Unrestricted - the component of net position that includes the residual difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not classified in the categories mentioned above.

15. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

City of Tomball, Texas

Notes to the Basic Financial Statements

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

16. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City classifies governmental fund balances as follows:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid items and inventories, when applicable.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by City Council action or the resolution remains in place until a similar action is taken (the action or adoption of another resolution) to remove or revise the limitation.

Assigned – includes fund balance amounts that are self-imposed by the City to be used for specific purposes, but do not meet the criteria to be classified as nonspendable, restricted or committed. City Council has, by policy, authorized the City Manager or his/her designee to assign fund balance. City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. The general fund should be the only fund that reports a positive unassigned fund balance. Unassigned fund balance may also include deficit balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City strives to maintain an unassigned fund balance of not less than 25 percent of the budgeted operational expenditures in all City funds. Due to the volatile nature of a majority of its revenues, it is not deemed excessive for the City to maintain an unassigned fund balance in the general fund at levels greater than 33 percent of the budgeted operational expenditures. The purpose of this unassigned balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of service to citizens. Should unassigned fund balance fall below the goal or have a deficiency, the City will seek to reduce expenditures prior to increasing revenues to replenish fund balance within a reasonable timeframe.

City of Tomball, Texas

Notes to the Basic Financial Statements

17. Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

F. Revenues and Expenditures / Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property values are determined by the Harris County Appraisal District as of January 1 of each year. Prior to October 1 of each year, the City must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

3. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

G. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

City of Tomball, Texas

Notes to the Basic Financial Statements

H. Implementation of New Accounting Standards

GASB Statement No. 91, *Conduit Debt Obligations* (GASB 91), provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 91 to reporting periods beginning after December 15, 2021, with earlier application encouraged. GASB 91 was implemented in the City's fiscal year 2023 financial statements with no impact to amounts previously reported.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94), improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 94 was implemented in the City's fiscal year 2023 financial statements with no impact to amounts previously reported.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the City's fiscal year 2023 financial statements with no impact to amounts previously reported.

I. Upcoming Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the City's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the City's fiscal year 2025 financial statements and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 will be implemented in the City's fiscal year 2025 financial statements and the impact has not yet been determined.

City of Tomball, Texas

Notes to the Basic Financial Statements

Note 2. Stewardship, Compliance and Accountability

Budget

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund, court security fund, court technology fund, hotel occupancy tax fund, child safety fund, and public improvement districts fund. The capital projects funds and the state and federal grant major special revenue fund are appropriated on a project-length basis.

The original budget is adopted by the City Council prior to the beginning of the fiscal year. The legal level of budgetary control as defined by the City Charter is the department level in the general fund, and fund level for all other funds. The City Manager may transfer appropriations within departments without seeking approval from City Council.

Encumbrances

Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

As of September 30, 2023, the City had the following outstanding encumbrances that were re-appropriated in the subsequent year:

	Encumbrances Included in <u>Restricted</u> <u>Fund Balance</u>
Capital projects fund	\$ 2,743,869
Total encumbrances	\$ 2,743,869

Note 3. Deposits and Investments

A. Cash Deposits

The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Collateral Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

City of Tomball, Texas

Notes to the Basic Financial Statements

Custodial Credit Risk - Cash Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of September 30, 2023, the City's bank balances were not exposed to custodial credit risk because they were fully insured and collateralized.

B. Investments

The Public Funds Investment Act (PFIA) (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

The City is authorized to invest in the following instruments provided that they meet the guidelines of the investment policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011
4. Commercial paper as permitted by Government Code 2256.013
5. Public funds investment pools as permitted by Government Code 2256.016.

The Council has adopted a written investment policy regarding the investment of City funds as required by the PFIA. The City's investment policy is more restrictive than the PFIA requires. The City's investment policy does not allow investments in bankers' acceptances and money market mutual funds.

Cash, cash equivalents and investments as of September 30, 2023 are classified in the financial statements as follows:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Investments
Governmental funds	\$ 39,305,800	\$ 23,554,150	\$ 6,735,144
Internal service fund	3,788,723	-	-
Total governmental activities	43,094,523	23,554,150	6,735,144
Enterprise fund	16,302,707	739,271	-
Total business-type activities	16,302,707	739,271	-
Total Primary Government	\$ 59,397,230	\$ 24,293,421	\$ 6,735,144
Total Discretely Presented Component Unit	\$ 20,898,782	\$ -	\$ 2,586,628

City of Tomball, Texas
Notes to the Basic Financial Statements

As of September 30, 2023, the City had the following cash, cash equivalents and investments:

	Amount	%	Fair Value Level 2	Weighted Average Maturity (Years)	Credit Risk Rating S&P	Credit Risk Rating Moodys
Primary Government:						
Investments measured at fair value:						
Municipal bonds	\$ 3,808,366	57%	\$ 3,808,366	0.5	AA- to AAA	Aa3 to Aaa
U.S. agency bonds	2,926,778	43%	2,926,778	1.2	AA+	Aaa
Total investments	\$ 6,735,144	100%	\$ 6,735,144	0.8		
Cash	\$ 5,132,809					
Cash equivalents:						
Local government investment pools:						
TexPool	48,533,978				AAAm	
TexPool Prime	2,953,592				AAAm	
Texas CLASS	27,070,272				AAAm	
Total cash and cash equivalents	\$ 83,690,651					
Discretely Presented Component Unit						
Investments measured at fair value:						
Municipal bonds	\$ 1,156,646	45%	\$ 1,156,646	0.7	AA to AAA	Aa2 to Aaa
U.S. agency bonds	1,429,982	55%	1,429,982	1.6	AA+	Aaa
Total investments	\$ 2,586,628	100%	\$ 2,586,628	1.2		
Cash	\$ 143,988					
Cash equivalents:						
Local government investment pools:						
TexPool	19,722,520				AAAm	
Texas CLASS	1,032,274				AAAm	
Total cash and cash equivalents	\$ 20,898,782					

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Municipal bonds and U.S. agency bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

City of Tomball, Texas

Notes to the Basic Financial Statements

Local Government Investment Pools

Local government investment pools are considered cash equivalents and are measured at either amortized cost or net asset value (NAV), depending on the valuation policies of the underlying portfolio.

TexPool and TexPool Prime

TexPool is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. The TexPool portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds. The TexPool Prime portfolio consists of these instruments as well as commercial paper and certificates of deposit.

TexPool and TexPool Prime transact at a net asset value of \$1.00 per share, have a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. The investment pools have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Texas Cooperative Liquid Asset Securities System Trust (Texas CLASS)

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the PFIA. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City monitors interest rate risk utilizing weighted average maturity analysis and specific identification. In accordance with its investment policy, the City reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 90 days and any individual investment not to exceed four years from the date of purchase, unless approved by the governing body. During the year ended September 30, 2023, the City did not invest in any securities which were highly sensitive to interest rate fluctuations.

City of Tomball, Texas

Notes to the Basic Financial Statements

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The minimum rating required by the Public Funds Investment Act for local government investment pools is AAA or AAAm. Obligations of federal, state or local government securities and must be rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. During the year ended September 30, 2023, the City was not significantly exposed to credit risk, and its investment pools, municipal bonds and U.S. agency bonds met the minimum required rating as noted in the preceding table.

Concentration of Credit Risk

The investment policy of the City requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian.

Note 4. Receivables

Receivables at September 30, 2023, consist of the following:

	Governmental Activities				Business-Type	Tomball
	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Enterprise Fund	Economic Development Corporation
Property taxes	\$ 108,393	\$ 105,069	\$ -	\$ 213,462	\$ -	\$ -
Sales and other taxes	3,234,040	-	-	3,234,040	-	1,066,715
Utility receivable	615,118	-	-	615,118	2,848,055	-
Interest	-	-	9,687	9,687	-	2,417
Other	374	-	921,147	921,521	18,006	654,418
Due from other governments	706,629	-	-	706,629	77,204	-
Due from component unit	176,830	-	-	176,830	24,985	-
Due from fiduciary	26,606	-	-	26,606	-	-
Lease receivable	-	-	-	-	-	712,316
Less: allowance for uncollectibles	(360,831)	(105,069)	-	(465,900)	(617,384)	-
Totals	\$ 4,507,159	\$ -	\$ 930,834	\$ 5,437,993	\$ 102,189	\$ 2,435,866

Leases Receivable

The discretely presented component unit has entered into agreements with other parties to allow the right-to-use warehouse and office space. Lease receivables and deferred inflows at September 30, 2023, are reported within the government-wide statement of net position. Lease revenue of \$310,450 was recognized in the statement of activities in the current year.

City of Tomball, Texas
Notes to the Basic Financial Statements

Note 5. Capital Assets

Changes in the capital assets for governmental activities for the year ended September 30, 2023, are summarized as follows:

	Beginning Balance	Increases	Decreases	Reclass and Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 7,982,088	\$ -	\$ -	\$ -	\$ 7,982,088
Construction in progress	721,657	1,716,938	-	(87,972)	2,350,623
Total capital assets, not being depreciated or amortized	8,703,745	1,716,938	-	(87,972)	10,332,711
Capital assets, being depreciated or amortized:					
Buildings and improvements	11,635,082	49,034	-	-	11,684,116
Machinery and equipment	6,477,255	382,355	(52,137)	-	6,807,473
Vehicles	7,060,433	748,462	(310,194)	-	7,498,701
Infrastructure	84,531,217	6,215,182	-	87,972	90,834,371
Right-to-use lease assets - machinery and equipment	63,625	-	-	-	63,625
Right-to-use subscription assets	-	251,386	-	-	251,386
Total capital assets, being depreciated or amortized	109,767,612	7,646,419	(362,331)	87,972	117,139,672
Less accumulated depreciation and amortization for:					
Buildings and improvements	(5,579,689)	(283,298)	-	-	(5,862,987)
Machinery and equipment	(4,838,949)	(299,424)	52,137	-	(5,086,236)
Vehicles	(4,307,808)	(451,340)	310,194	-	(4,448,954)
Infrastructure	(16,050,852)	(2,258,344)	-	-	(18,309,196)
Right-to-use lease assets - machinery and equipment	(24,187)	(24,187)	-	-	(48,374)
Right-to-use subscription assets	-	(52,647)	-	-	(52,647)
Total accumulated depreciation and amortization	(30,801,485)	(3,369,240)	362,331	-	(33,808,394)
Total depreciable capital assets, net	78,966,127	4,277,179	-	87,972	83,331,278
Governmental activities capital assets, net	\$ 87,669,872	\$ 5,994,117	\$ -	\$ -	\$ 93,663,989

City of Tomball, Texas
Notes to the Basic Financial Statements

Changes in the capital assets for business-type activities for the year ended September 30, 2023, are summarized as follows:

	Beginning Balance	Increases	Decreases	Reclass and Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 1,897,333	\$ -	\$ -	\$ -	\$ 1,897,333
Construction in progress	791,153	3,068,885	-	(158,000)	3,702,038
	<u>2,688,486</u>	<u>3,068,885</u>	<u>-</u>	<u>(158,000)</u>	<u>5,599,371</u>
Total capital assets, not being depreciated or amortized					
Capital assets, being depreciated or amortized:					
Gas system	7,366,699	379,600	-	-	7,746,299
Water and wastewater system	61,222,297	2,278,830	-	158,000	63,659,127
Machinery and equipment	4,327,720	199,612	-	-	4,527,332
	<u>72,916,716</u>	<u>2,858,042</u>	<u>-</u>	<u>158,000</u>	<u>75,932,758</u>
Total capital assets, being depreciated or amortized					
Less accumulated depreciation and amortization for:					
Gas system	(3,884,485)	(177,893)	-	-	(4,062,378)
Water and wastewater system	(27,554,499)	(1,469,526)	-	-	(29,024,025)
Machinery and equipment	(2,336,148)	(153,672)	-	-	(2,489,820)
	<u>(33,775,132)</u>	<u>(1,801,091)</u>	<u>-</u>	<u>-</u>	<u>(35,576,223)</u>
Total accumulated depreciation and amortization					
Total depreciable capital assets, net	<u>39,141,584</u>	<u>1,056,951</u>	<u>-</u>	<u>158,000</u>	<u>40,356,535</u>
Business-type activities capital assets, net	<u>\$ 41,830,070</u>	<u>\$ 4,125,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,955,906</u>

Depreciation and amortization was charged to governmental and business-type activities as follows:

Governmental activities:	
General government	\$ 840,311
Public safety	1,188,016
Public works	584,677
Community development	240,420
Internal service fund	515,816
Total depreciation and amortization expense, governmental activities	<u>\$ 3,369,240</u>
Business-type activities:	
Utility administration	\$ 153,672
Water	745,888
Wastewater	723,638
Gas	177,893
Total depreciation and amortization expense, business-type activities	<u>\$ 1,801,091</u>

Completed infrastructure, gas system and water and wastewater system assets were donated to the City from third party developers during 2023. These contributions are reported in the governmental activities and business-type activities of the primary government at \$6,175,182 and \$2,658,430, respectively.

City of Tomball, Texas

Notes to the Basic Financial Statements

The City has active construction projects and remaining commitments under related contracts. As of September 30, 2023, the City's contractual commitments on projects for governmental and business-type activities were as follows:

Project Description	Project Authorization	Total Expended	Remaining Commitment
Governmental activities:			
FM 2920 (Main St) Project	\$ 65,000	\$ 53,858	\$ 11,142
Matheson Park Rebuild	1,961,039	891,312	1,069,727
Alley Improvement Project	1,835,182	172,182	1,663,000
Total governmental activities	\$ 3,861,221	\$ 1,117,352	\$ 2,743,869
Business-type activities:			
Design of SCADA	\$ 13,146	\$ 12,706	\$ 440
FM 2920 Lift Station Consolidation	2,238,050	192,396	2,045,654
Grand Parkway EST	5,677,000	1,502,565	4,174,435
Sensus Meter Conversion	691,000	227,040	463,960
Grand Parkway EST	5,677,000	1,593,396	4,083,604
Pine Street EST Rehabilitation	73,943	15,855	58,088
East Water Plant	2,606,076	232,290	2,373,786
WWTP Design/Expansion	506,085	499,192	6,893
South Persimmon Water Line Extension	445,227	259,859	185,368
South Persimmon Storm Sewer Extension	40,700	23,524	17,176
Grand Parkway Natural Gas Gate	266,465	251,613	14,852
Baker Drive Water Plant	1,849,087	-	1,849,087
Total business-type activities	\$ 20,083,779	\$ 4,810,436	\$ 15,273,343

City of Tomball, Texas
Notes to the Basic Financial Statements

Changes in the capital assets for the discretely presented component unit for the year ended September 30, 2023, are summarized as follows:

	Beginning Balance	Increases	Decreases	Reclass and Transfers	Ending Balance
Discretely presented component unit:					
Capital assets, not being depreciated or amortized:					
Land	\$ 3,573,659	\$ 449,911	\$ (418,114)	\$ -	\$ 3,605,456
Total capital assets, not being depreciated or amortized	3,573,659	449,911	(418,114)	-	3,605,456
Capital assets, being depreciated or amortized:					
Buildings and improvements	4,233,068	4,188,348	-	-	8,421,416
Right-to-use lease assets - buildings and improvements	37,176	-	-	-	37,176
Total capital assets, being depreciated or amortized	4,270,244	4,188,348	-	-	8,458,592
Less accumulated depreciation and amortization for:					
Buildings and improvements	(525,593)	(316,635)	-	-	(842,228)
Right-to-use lease assets - buildings and improvements	(17,845)	(17,844)	-	-	(35,689)
Total accumulated depreciation and amortization	(543,438)	(334,479)	-	-	(877,917)
Total depreciable capital assets, net	3,726,806	3,853,869	-	-	7,580,675
Discretely presented component unit capital assets, net	\$ 7,300,465	\$ 4,303,780	\$ (418,114)	\$ -	\$ 11,186,131

Note 6. Long-term Debt

Changes in Long-term Liabilities

The City's long-term liabilities consist of bond indebtedness, public property finance contractual obligations, leases payable, subscriptions payable, compensated absences, landfill postclosure care costs, arbitrage liability and net pension liability and total OPEB liability.

Certificates of obligation are issued to acquire and construct major capital facilities. General obligation refunding bonds are issued to legally defease previously issued bonded debt. The debt service requirements for the certificates and general obligation bonds are paid through the Debt Service Fund from tax revenues, transfers from the Enterprise Fund and contributions from the Discretely Presented Component Unit. Public property finance contractual obligations are accounted for and serviced through the Internal Service Fund. Other long-term liabilities are typically liquidated by the General Fund (Governmental Activities) and the Enterprise Fund (Business-Type Activities).

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

City of Tomball, Texas
Notes to the Basic Financial Statements

The following is a summary of changes in the City's long-term liabilities for the year ended September 30, 2023.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable:					
Certificates of obligation	\$ 14,565,000	\$ 19,570,000	\$ (3,900,000)	\$ 30,235,000	\$ 1,520,000
General obligation refunding bonds	13,315,000	-	(1,620,000)	11,695,000	1,085,000
Unamortized premiums	1,762,518	677,151	(359,198)	2,080,471	-
Bonds payable, net	29,642,518	20,247,151	(5,879,198)	44,010,471	2,605,000
Public property finance					
contractual obligation	909,868	-	(130,000)	779,868	130,000
Leases payable	39,219	-	(24,670)	14,549	14,549
Subscriptions payable	-	251,386	(48,642)	202,744	46,565
Compensated absences	2,027,024	693,153	(1,044,506)	1,675,671	502,701
Landfill postclosure care costs	361,500	136,294	(78,794)	419,000	66,800
Arbitrage liability	-	155,008	-	155,008	-
Net pension liability	2,734,695	8,425,302	(2,363,479)	8,796,518	-
Total OPEB liability	2,854,043	337,015	(824,399)	2,366,659	138,467
Total governmental activities	\$ 38,568,867	\$ 30,245,309	\$ (10,393,688)	\$ 58,420,488	\$ 3,504,082
Business-type activities:					
Compensated absences	\$ 292,528	\$ 192,708	\$ (129,963)	\$ 355,273	\$ 106,582
Net pension liability	467,353	1,562,341	(426,044)	1,603,650	-
Total OPEB liability	770,753	62,837	(280,175)	553,415	33,042
Total business-type activities	\$ 1,530,634	\$ 1,817,886	\$ (836,182)	\$ 2,512,338	\$ 139,624

General Obligation Bonds and Certificates of Obligation

A summary of the terms of general obligation bonds and certificates of obligation, as of September 30, 2023, follows:

Description	Original Issue	Final Maturity	Interest Rates (%)	Balance
Certificates of obligation:				
Series 2016	\$ 20,240,000	2037	3.00-5.00	\$ 13,590,000
Series 2022	19,570,000	2042	3.13-5.00	16,645,000
Total certificates of obligation				30,235,000
General obligation refunding bonds:				
Series 2019	9,100,000	2032	2.00-4.00	7,175,000
Series 2020	5,255,000	2033	2.00-4.00	4,520,000
Total general obligation refunding bonds				11,695,000
Total governmental activities bonds payable				\$ 41,930,000

City of Tomball, Texas

Notes to the Basic Financial Statements

Public Property Finance Contractual Obligations

The City previously issued \$1,300,000 in Public Property Finance Obligations to finance acquisition of equipment for the Fire Department. Principal and interest payments are due in annual installments through November 1, 2028, with interest at 3.65 percent through November 1, 2023 and at a fixed rate equal to the Wall Street Journal Prime Rate minus 1.35 percent per annum from November 1, 2023 through 2028.

Debt Service Requirements

The annual debt service requirements to maturity for general obligation refunding bonds, certificates of obligation and public property finance contractual obligations outstanding at September 30, 2023, are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Refunding Bonds and Certificates of Obligation			Public Property Finance Contractual Obligations		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,605,000	\$ 1,570,694	\$ 4,175,694	\$ 130,000	\$ 28,470	\$ 158,470
2025	2,675,000	1,453,794	4,128,794	130,000	23,725	153,725
2026	2,735,000	1,334,169	4,069,169	130,000	18,980	148,980
2027	2,815,000	1,221,294	4,036,294	130,000	14,235	144,235
2028	2,890,000	1,114,819	4,004,819	130,000	9,490	139,490
2029	2,970,000	1,009,219	3,979,219	129,868	4,745	134,613
2030	3,030,000	911,494	3,941,494	-	-	-
2031	3,090,000	817,413	3,907,413	-	-	-
2032	3,150,000	719,244	3,869,244	-	-	-
2033	2,320,000	625,756	2,945,756	-	-	-
2034	1,865,000	543,181	2,408,181	-	-	-
2035	1,910,000	463,356	2,373,356	-	-	-
2036	1,960,000	380,550	2,340,550	-	-	-
2037	2,005,000	299,291	2,304,291	-	-	-
2038	1,080,000	237,413	1,317,413	-	-	-
2039	1,130,000	189,744	1,319,744	-	-	-
2040	1,180,000	139,213	1,319,213	-	-	-
2041	1,230,000	85,725	1,315,725	-	-	-
2042	1,290,000	29,025	1,319,025	-	-	-
Totals	\$ 41,930,000	\$ 13,145,394	\$ 55,075,394	\$ 779,868	\$ 99,645	\$ 879,513

Debt Issuances and Prior Defeased Debt

In prior years, the City legally defeased certain bonds and certificates of obligation by placing cash and/or proceeds of refunding bond issues in an irrevocable trust to provide for all future debt services payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of September 30, 2023, there were no outstanding balances of defeased bonds.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or are not performed correctly, a liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The City reported \$155,008 of arbitrage liability in governmental activities as of September 30, 2023.

City of Tomball, Texas

Notes to the Basic Financial Statements

Leases Payable

The City has entered into lease agreements as lessee which allows the right-to-use equipment over the term of the lease. The City is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases.

The lease rate, term and ending lease liability at September 30, 2023 are as follows:

	Interest Rate(s)	Lease Term in Years	Ending Balance
Governmental activities:			
Copiers	1.38%	2.6	\$ 14,549
Total governmental activities			\$ 14,549
Discretely presented component unit:			
Office space	1.27%	2.1	\$ 1,505
Total discretely presented component unit			\$ 1,505

The future principal and interest lease payments as of fiscal year end are as follows:

Year Ending September 30,	Governmental Activities			Discretely Presented Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 14,549	\$ 67	\$ 14,616	\$ 1,505	\$ -	\$ 1,505
Total	\$ 14,549	\$ 67	\$ 14,616	\$ 1,505	\$ -	\$ 1,505

The value of the right-to-use lease assets as of the end of the current fiscal year is reported in Note 5.

Subscriptions Payable

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs.

The SBITA rate, term and ending subscription liability at September 30, 2023 are as follows:

	Interest Rate(s)	Subscription Term in Years	Ending Balance
Governmental activities:			
Software subscriptions	4.94-5.61%	3.0-5.8	\$ 202,744
Total governmental activities			\$ 202,744

City of Tomball, Texas

Notes to the Basic Financial Statements

The future principal and interest subscription payments as of fiscal year end are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 46,565	\$ 10,463	\$ 57,028
2025	50,668	8,015	58,683
2026	39,555	5,354	44,909
2027	43,375	3,333	46,708
2028	22,581	1,115	23,696
Total	\$ 202,744	\$ 28,280	\$ 231,024

The value of the right-to-use subscription assets as of the end of the current fiscal year is reported in Note 5.

Note 7. Commitments and Contingencies

A. Risk Management

Property Damage / General Liability

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; law enforcement operations; cyber security; pollution; injuries to employees, and natural disasters for which the City participates in the Texas Municipal League's Intergovernmental Risk Pool (the Pool). In accordance with an interlocal agreement, the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums and claims above the City's deductibles. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three years.

Workers' Compensation

The City participates in the Texas Municipal League's Intergovernmental Risk Pool (the Pool) for workers' compensation. In accordance with an interlocal agreement, the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums and claims above the City's deductibles. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three years.

B. Contingent Liabilities

The City is a party to various legal action due to nature of its operations. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. It is the opinion of the City's management that the resolution of these matters, although the outcome is not presently determinable, will not have a material adverse effect on the financial condition of the City.

The City participates in federal and state financial assistance programs. Although the City's financial statements have been audited through September 30, 2023, these programs are subject to financial and compliance audits by the grantor agencies. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

City of Tomball, Texas

Notes to the Basic Financial Statements

Note 8. Interfund Transactions

Interfund Receivables and Payables

Outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The City did not report interfund receivables and payables as of September 30, 2023.

Interfund Transfers

The composition of interfund transfers in and out for the year ended September 30, 2023 is as follows:

Transfers In	Transfers Out			Total
	Governmental Funds		Proprietary Fund	
	General Fund	Nonmajor Governmental Funds	Enterprise Fund	
General fund	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
Capital projects fund	1,150,000	150,000	840,677	2,140,677
Nonmajor governmental funds	126,000	-	-	126,000
Total	\$ 1,276,000	\$ 150,000	\$ 2,840,677	\$ 4,266,677

Transfers are primarily used to:

- move enterprise fund resources to provide an annual subsidy to the general fund
- move available resources to fund special revenue programs, and
- move available resources to provide funding for capital projects

In addition, the City transferred \$2,910,885 of capital assets between governmental activities and business-type activities, which is reflected in the government-wide financial statements as transfers and proprietary fund financial statements as “capital asset contributions from governmental activities”.

Note 9. Pension Plan

Plan Description and Provisions

The City participates as one of 919 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the “TMRS Act”) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

City of Tomball, Texas

Notes to the Basic Financial Statements

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. A summary of plan provisions for the City is as follows:

	Plan Year 2023	Plan Year 2022
Employee deposit rate	7.00%	7.00%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating
Supplemental death benefit:		
to active employees	Yes	Yes
to retirees	Yes	Yes

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	111
Inactive employees entitled to but not yet receiving benefits	129
Active employees	195
Total	435

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the State law governing TMRS, the contribution rate for each City is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 12.98% in calendar year 2022 and 13.04% in calendar year 2023. For the fiscal year ended September 30, 2023, the City made contributions of \$1,893,030, which were equal to the required contributions.

Net Pension Liability

The City's net pension liability (NPL) was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

City of Tomball, Texas

Notes to the Basic Financial Statements

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	2.75% per year, adjusted down for participation declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements.

For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013.

Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	35.0%	7.55%
Core fixed income	6.0%	2.00%
Non-core fixed income	20.0%	5.68%
Other public and private markets	12.0%	7.22%
Real estate	12.0%	6.85%
Hedge funds	5.0%	5.35%
Private equity	10.0%	10.00%
Total	100%	

City of Tomball, Texas

Notes to the Basic Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2021	\$ 54,810,518	\$ 51,608,470	\$ 3,202,048
Changes for the year:			
Service cost	2,222,396	-	2,222,396
Interest	3,682,185	-	3,682,185
Difference between expected and actual experience	253,082	-	253,082
Employer contributions	-	1,769,735	(1,769,735)
Employee contributions	-	954,403	(954,403)
Net investment income	-	(3,770,898)	3,770,898
Benefit payments, including refunds of employee contributions	(2,741,647)	(2,741,647)	-
Administrative expense	-	(32,599)	32,599
Other changes	-	38,902	(38,902)
Net changes	3,416,016	(3,782,104)	7,198,120
Balance at December 31, 2022	\$ 58,226,534	\$ 47,826,366	\$ 10,400,168

Sensitivity of the Net Pension Liability

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease to 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase to 7.75%
City's net pension liability	\$ 19,595,502	\$ 10,400,168	\$ 3,029,270

City of Tomball, Texas

Notes to the Basic Financial Statements

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TMRS financial report. That report may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of \$2,614,125.

At September 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 458,242	\$ -
Changes in actuarial assumptions used	41,338	-
Differences between projected and actual investment earnings	3,329,635	-
Contributions subsequent to the measurement date	1,449,771	-
Totals	\$ 5,278,986	\$ -

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,449,771 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2023 (i.e. recognized in the City's fiscal year 2024 financial statements). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the City's fiscal years as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 432,164
2025	958,869
2026	973,530
2027	1,464,652
Totals	\$ 3,829,215

City of Tomball, Texas

Notes to the Basic Financial Statements

Note 10. Other Postemployment Benefits Plans

The City offers two other postemployment benefit (OPEB) plans: Texas Municipal Retirement System's (TMRS) Supplemental Death Benefits Fund, and the City's Retiree Health Care Plan.

Plan Descriptions and Provisions, Benefits, Contributions

TMRS Supplemental Death Benefits Fund (SDBF)

The City participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an OPEB.

As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75).

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

The retiree portion of contribution rates to the SDBF for the City was 0.12% in calendar years 2022 and 2023. The City's contributions to the SDBF for the year ended September 30, 2023 were \$17,439, and were equal to the required contributions.

Retiree Health Care Plan (RHCP)

The City's administers a single employer defined benefit OPEB plan, City of Tomball Retiree Health Care Plan (RHCP), where the City will pay a portion of the premium for continuation of the medical and dental insurance coverage of certain retirees. Enrollment for retiree coverage must be completed no later than 30 days after the date of retirement. Later enrollment is not permitted. Any retiree eligible for medical coverage with another group plan shall not qualify for medical coverage with the City.

City of Tomball, Texas

Notes to the Basic Financial Statements

The RHCP is closed to new entrants as the benefit is only provided to employees who were hired prior to October 1, 2014.

In order to be eligible for this benefit, the retiree must meet the following criteria:

- Retiree must be vested, age 55 or older and a current recipient of retirement benefits from the Texas Municipal System
- Retiree must have been a full-time equivalent of the City for 10 consecutive years immediately prior to retirement
- Retiree must satisfy the application plan requirements for the extension of retiree coverage under the medical and dental insurance benefit plan offered by the City at the time of retirement

Beginning with retirement and ending when the person is eligible for Medicare coverage, the City may pay a portion of the retiree medical and dental coverage premiums in accordance with the following schedule:

- 40% of the premium costs for retirees having at least 10 year, but less than 15 years, of full-time service with the City
- 55% of the premium costs for retirees having at least 15 years, but less than 20 years, of full-time service with the City
- 70% of the premium costs for retirees having at least 20 years, but less than 25 years, of full-time service with the City
- 85% of the premium costs for retirees having at least 25 years of full-time service with the City

Eligible retirees shall pay 100% of vision premiums and 100% of the premiums for basic life insurance. Presently, a retiree's spouse and dependent(s) are also eligible for continued coverage if they are already covered at the time of retirement. Retirees may not add dependents after retiring. Each retiree is responsible for all costs, including premiums, associated with spouse and dependent benefits. The benefit includes the same medical coverage approved by City Council and selected for current employees and excludes accidental death and life coverage.

The City will no longer pay any retiree premiums once the retiree is eligible for Medicare coverage. Retirees who are eligible for Medicare coverage may, at their sole expense, continue to purchase coverage for themselves and their eligible dependents as provided under the applicable terms of the City's policies. The City's policy will be a secondary policy to Medicare.

The benefit levels and contribution rates are approved annually by the City management and City Council as part of the budget process. Since the City does not contribute toward the RHCP in advance, the City employs a pay-as-you-go method ensuring the annual retiree contributions are equal to the benefits that are paid on behalf of the retirees.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to fund the future requirements of the RHCP.

City of Tomball, Texas

Notes to the Basic Financial Statements

Plan Membership

Membership in the plans as of the measurement date of December 31, 2022 was as follows:

	SDBF	RHCP
Inactive plan members or beneficiaries currently receiving benefits	93	31
Inactive plan members entitled to but not yet receiving benefits	50	-
Active employees	195	65
Total plan members	338	96

Total OPEB Liability

The City's total OPEB liability for RHCP was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. The City's total OPEB liability for SDBF was determined by an actuarial valuation as of December 31, 2022, and both OPEB plans were measured as of December 31, 2021. The total OPEB liabilities reported in the City's September 30, 2023 financial statements were as follows:

SDBF	\$ 532,620
RHCP	<u>2,387,454</u>
	<u>\$ 2,920,074</u>

Actuarial Methods and Assumptions

The total OPEB liabilities were determined using the following actuarial assumptions and other inputs.

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	4.05% - based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The retiree's share of benefit-related costs for the SDBF OPEB is assumed to be \$0, and the healthcare trend cost rate for the RHCP actuarial valuation is assumed at an initial rate of 7.00%, declining to an ultimate rate of 4.15% after 13 years.

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. The Entry Age Normal actuarial cost method is used.

The actuarial assumptions were developed primarily from the actuarial investigation over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

City of Tomball, Texas

Notes to the Basic Financial Statements

Change in Actuarial Methods and Assumptions

The discount rate changed from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

Changes in the Total OPEB Liability

	SDBF	RHCP
	<u> </u>	<u> </u>
Service cost	\$ 38,176	\$ 115,881
Interest	14,255	52,280
Changes in benefit terms	-	-
Difference between expected and actual experience	21,480	53,540
Changes in assumptions or other inputs	(288,755)	(540,070)
Benefit payments	<u>(16,361)</u>	<u>(155,148)</u>
Net changes	(231,205)	(473,517)
Total OPEB liability - beginning	<u>763,825</u>	<u>2,860,971</u>
Total OPEB liability - ending	<u>\$ 532,620</u>	<u>\$ 2,387,454</u>

Sensitivity Analysis

The following presents the City's total OPEB liabilities calculated using the discount rate of 4.05%, as well as what the liabilities would be if they were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate.

	1% Decrease to 3.05%	Current Discount Rate Assumption 4.05%	1% Increase to 5.05%
	<u> </u>	<u> </u>	<u> </u>
SDBF	\$ 641,490	\$ 532,620	\$ 449,565
RHCP	2,616,186	2,387,454	2,183,061

The following presents the RHCP plan's total OPEB liability, calculated using the assumed healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher. Note that the healthcare cost trend rate does not affect the total SDBF OPEB liability, therefore the sensitivity to the healthcare cost trend rate is not shown for SDBF.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
	<u> </u>	<u> </u>	<u> </u>
RHCP	\$ 2,116,474	\$ 2,387,454	\$ 2,710,681

City of Tomball, Texas

Notes to the Basic Financial Statements

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$40,352 relating to the SDBF plan and OPEB expense of \$48,251 relating to the RHCP plan. Total OPEB expense for the two plans was \$88,603.

As of September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	SDBF		RHCP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,135	\$ 8,908	\$ 50,562	\$ 287,335
Changes in assumptions and other inputs	89,142	240,160	189,188	541,171
Contributions subsequent to the measurement date	13,341	-	96,732	-
Total	<u>\$ 124,618</u>	<u>\$ 249,068</u>	<u>\$ 336,482</u>	<u>\$ 828,506</u>

The amounts reported as deferred outflows of resources resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense in the City's fiscal years as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources	
	SDBF	RHCP
2024	\$ (17,266)	\$ (119,998)
2025	(15,562)	(126,290)
2026	(37,380)	(135,203)
2027	(48,703)	(76,717)
2028	(18,880)	(87,028)
Thereafter	-	(43,520)
Totals	<u>\$ (137,791)</u>	<u>\$ (588,756)</u>

City of Tomball, Texas

Notes to the Basic Financial Statements

Note 11. Deferred Compensation Plan

The City has a deferred compensation plan for its employees, created in accordance with Internal Revenue Code, Section 457. Participation in the plan is open to all regular employees and is voluntary. The City does not contribute to, own or administer the amount deferred by employees and, therefore, the liability and corresponding investments are not reflected in the basic financial statements.

Note 12. Landfill Post Closure Care Costs

The City's municipal solid waste landfill is in the post closure process as the landfill has been closed. State and federal laws and regulations required that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site until approved for final regulatory closure by the Texas Commission on Environmental Quality.

The estimated liability for landfill post closure care costs of \$419,000 as of September 30, 2023, represents the remaining estimated post closure costs required to achieve regulatory approval for closure including costs through 2028. However, the actual cost of remaining post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Note 13. Tax Abatements

State law authorizes subdivisions of the State of Texas to grant tax abatements to any person, organization or corporation in order to stimulate economic development within the State under Chapter 312 of the Texas Tax Code. Consequently, the City Council has adopted a resolution establishing criteria whereby the City will, on a case-by-case basis, give consideration to providing tax abatement to any qualifying applicant. Generally, the period of abatement is for a maximum period of up to ten years subsequent to meeting the minimum criteria outlined in the agreement. The percentage of tax abated shall be determined based upon the level of capital investment and number of new jobs created. Notwithstanding the resolution adopted by the City Council, or the criteria attendant thereto, it is not implied or suggested that the City is under any obligation to provide tax abatement to any applicant. The abatements are provided as a reduction of taxable assessed value of the property, and the recipient receives a tax bill that is already net of the abated amount.

For the fiscal year ended September 30, 2023, the estimated value of property in the City that was subject to tax abatement was \$12,622,675, as one participant met the minimum criteria identified in the agreements; therefore, the amount of property tax abated during the year was \$36,258.

Note 14. Special Assessment Bonds

The Public Improvement Districts (PID) were created by City Council ordinance under the Texas PID Act (Texas Local Government Code Chapter 372) principally to finance certain capital improvement projects for master planned developments within City boundaries. In order to finance the capital improvements, the City can issue special assessment bonds up to a maximum principal amount in accordance with development agreements between the City and the developer.

The City is authorized by the Texas PID Act and an Assessment Ordinance to collect assessments levied on the properties within the improvement area, which is pledged to pay the scheduled principal and interest payments on the PID bonds.

The City is in no way liable for repayment of the PID bonds, and is only acting as a custodian for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if appropriate.

City of Tomball, Texas
Notes to the Basic Financial Statements

A summary of the terms of special assessment bonds, as of September 30, 2023, follows:

Description	Original Issue	Final Maturity	Interest Rates (%)	Outstanding at September 30, 2023
Special Assessment Bonds:				
Raburn Reserve				
Series 2020 - Public Improvement Area #1	\$ 2,490,000	2050	3.38-4.00%	\$ 2,400,000
Series 2022 - Public Improvement Area #1	1,688,000	2050	5.25-6.00%	1,658,000
Series 2022 - Public Improvement Area #2	2,430,000	2052	5.50-6.25%	2,430,000
Series 2023 - Public Improvement Area #2	2,744,000	2052	4.88-5.75%	2,744,000
Series 2023 - Public Improvement Area #3	<u>3,340,000</u>	2053	5.00-6.00%	<u>3,340,000</u>
Total	12,692,000			12,572,000
Total authorized	<u>15,000,000</u>			
Unissued	<u>2,308,000</u>			
Wood Leaf Reserve				
Series 2022 - Public Improvement Area #1	<u>4,406,000</u>	2052	4.75-5.88%	<u>4,316,000</u>
Total	4,406,000			<u>4,316,000</u>
Total authorized	<u>18,895,633</u>			
Unissued	<u>\$ 14,489,633</u>			
Total special assessment bonds				<u><u>\$ 16,888,000</u></u>

During fiscal year 2023, the City issued five series of bonds (PID bonds) totaling \$14,608,000. The PID bonds were issued to fund authorized improvements related to the Raburn Reserve Public Improvement Area #1, #2 and #3, Wood Leaf Reserve Public Improvement Area #1, PID formation costs and pay for the costs of issuance. The PID bonds pay interest of 4.75 – 6.25%, and are scheduled to mature at various annual installments through 2053.

The PID bonds are subject to mandatory sinking fund redemption prior to their respective maturities and require annual sinking fund installments paid on September 15 and ranging from \$165,000 to \$1,052,000.

Note 15. Subsequent Events

Issuance of Certificates of Obligation

On December 21, 2023 the City issued \$27,590,000 of Combination Tax and Revenue Certificates of Obligation, Series 2023. The bonds were issued to fund various infrastructure projects and to pay the costs of issuance. The bonds were issued with interest rates ranging from 4.000% to 5.000% and are scheduled to mature in installments from February 15, 2025 through February 15, 2053.

Required Supplementary Information (Unaudited)

City of Tomball, Texas
Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual
Major Fund - General Fund
For the Fiscal Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Budgetary Basis Adjustments	Budgetary Basis	Variance With Final Budget
	Original	Final				
REVENUES						
Property tax	\$ 4,750,000	\$ 4,655,000	\$ 4,658,804	\$ -	\$ 4,658,804	\$ 3,804
Sales tax	15,390,000	16,516,000	16,883,112	-	16,883,112	367,112
Franchise and other taxes	930,000	940,000	964,217	-	964,217	24,217
Licenses and permits	1,402,500	1,492,500	1,573,426	-	1,573,426	80,926
Fines and forfeitures	310,250	302,250	329,049	-	329,049	26,799
Charges for services	5,767,490	4,664,234	4,297,279	-	4,297,279	(366,955)
Intergovernmental	908,000	640,650	640,462	-	640,462	(188)
Investment earnings	301,000	1,377,500	1,407,138	-	1,407,138	29,638
Other	180,050	95,000	73,835	-	73,835	(21,165)
Total revenues	29,939,290	30,683,134	30,827,322	-	30,827,322	144,188
EXPENDITURES						
Current:						
General government						
City manager's office	519,200	432,750	429,827	-	429,827	2,923
Mayor and council	93,230	60,950	55,469	-	55,469	5,481
City secretary	572,800	514,800	490,076	-	490,076	24,724
Human resources	589,100	565,800	552,589	-	552,589	13,211
Finance	830,300	822,350	728,715	-	728,715	93,635
Information systems	1,216,400	1,493,600	1,280,161	104,112	1,384,273	109,327
Legal	145,000	145,000	114,157	-	114,157	30,843
Non-departmental	3,987,981	4,307,231	4,217,866	-	4,217,866	89,365
Total	7,954,011	8,342,481	7,868,860	104,112	7,972,972	369,509
Public safety						
Police	8,248,010	7,433,600	7,132,521	64,968	7,197,489	236,111
Fire	3,359,300	3,290,850	3,264,356	65,284	3,329,640	(38,790)
Municipal court	516,850	465,400	430,132	-	430,132	35,268
Emergency management	24,500	22,750	3,240	-	3,240	19,510
ESD# 15 - Station 5	3,095,150	1,785,200	1,391,984	47,246	1,439,230	345,970
Total	15,243,810	12,997,800	12,222,233	177,498	12,399,731	598,069
Public works						
Public works administration	248,550	229,200	208,039	49,842	257,881	(28,681)
Garage	178,100	189,800	185,545	-	185,545	4,255
Streets	2,479,050	1,865,750	1,718,371	113,081	1,831,452	34,298
Engineering and planning	1,182,960	908,900	792,677	-	792,677	116,223
Sanitation	1,980,200	2,122,200	2,045,801	-	2,045,801	76,399
Facilities maintenance	913,400	940,875	761,563	125,967	887,530	53,345
Total	6,982,260	6,256,725	5,711,996	288,890	6,000,886	255,839
Parks and recreation						
Parks	952,300	918,480	769,085	40,000	809,085	109,395
Community center	196,825	188,300	165,098	-	165,098	23,202
Total	1,149,125	1,106,780	934,183	40,000	974,183	132,597
Community development						
Permits and inspections	475,400	479,000	468,361	-	468,361	10,639
Debt service						
Principal	-	-	73,312	(73,312)	-	-
Interest	-	-	386	(386)	-	-
Capital outlay						
	-	-	788,188	(788,188)	-	-
Total expenditures	31,804,606	29,182,786	28,067,519	(251,386)	27,816,133	1,366,653
Excess (deficiency) of revenues over (under) expenditures	(1,865,316)	1,500,348	2,759,803	251,386	3,011,189	1,259,455
OTHER FINANCING SOURCES (USES)						
Issuance of subscriptions	-	-	251,386	(251,386)	-	-
Proceeds from sale of capital assets	40,000	100,000	112,169	-	112,169	12,169
Insurance recoveries	-	25,000	26,578	-	26,578	1,578
Transfers in	2,000,000	2,000,000	2,000,000	-	2,000,000	-
Transfers out	(1,276,000)	(1,276,000)	(1,276,000)	-	(1,276,000)	-
Total other financing sources (uses)	764,000	849,000	1,114,133	(251,386)	862,747	13,747
Net change in fund balances	(1,101,316)	2,349,348	3,873,936	-	3,873,936	1,524,588
Fund balances, beginning of year	26,627,306	26,627,306	26,627,306	-	26,627,306	-
FUND BALANCE, END OF YEAR	\$ 25,525,990	\$ 28,976,654	\$ 30,501,242	\$ -	\$ 30,501,242	\$ 1,524,588

The Notes to the Required Supplementary Information are an integral part of this schedule.

City of Tomball, Texas

Notes to the Required Supplementary Information
For the Fiscal Year Ended September 30, 2023

A. Budget – General Fund

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, which is the modified accrual basis of accounting for the general fund, with exception to capital outlay and certain debt service related expenditures.

The original budget is adopted by the City Council prior to the beginning of the fiscal year. The legal level of budgetary control as defined by the City Charter is the department level in the general fund, and fund level for all other funds. The City Manager may transfer appropriations within departments without seeking approval from City Council. Capital outlay is budgeted within the respective department.

Expenditures exceeded budget at the legal level of control for the following departments:

	Final Budget	Budgetary Basis	Variance With Final Budget
Public safety - fire	\$ 3,290,850	\$ 3,329,640	\$ (38,790)
Public works - administration	229,200	257,881	(28,681)

City of Tomball, Texas
Schedule of Changes in the Net Pension Liability
and Related Ratios
Texas Municipal Retirement System
For the Measurement Years Ended December 31*

	2022	2021	2020	2019	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 2,222,396	\$ 2,049,053	\$ 1,966,144	\$ 1,952,260	\$ 1,799,563
Interest	3,682,185	3,443,939	3,227,601	2,978,534	2,801,748
Differences between expected and actual experience	253,082	382,398	20,291	363,731	(223,279)
Changes in assumptions	-	-	-	295,730	-
Benefit payments, including refunds of employee contributions	(2,741,647)	(2,123,342)	(1,977,624)	(1,837,004)	(1,833,649)
Net change in total pension liability	3,416,016	3,752,048	3,236,412	3,753,251	2,544,383
Total pension liability - beginning	54,810,518	51,058,470	47,822,058	44,068,807	41,524,424
TOTAL PENSION LIABILITY - ENDING (a)	\$ 58,226,534	\$ 54,810,518	\$ 51,058,470	\$ 47,822,058	\$ 44,068,807
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 1,769,735	\$ 1,681,436	\$ 1,610,602	\$ 1,562,039	\$ 1,431,544
Contributions - employee	954,403	884,302	835,747	810,547	746,707
Net investment income	(3,770,898)	5,908,562	3,165,401	5,515,598	(1,091,540)
Benefit payments, including refunds of employee contributions	(2,741,647)	(2,123,342)	(1,977,624)	(1,837,004)	(1,833,649)
Administrative expense	(32,599)	(27,315)	(20,468)	(31,144)	(21,086)
Other	38,902	186	(799)	(937)	(1,101)
Net change in plan fiduciary net position	(3,782,104)	6,323,829	3,612,859	6,019,099	(769,125)
Plan fiduciary net position - beginning	51,608,470	45,284,641	41,671,782	35,652,683	36,421,808
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 47,826,366	\$ 51,608,470	\$ 45,284,641	\$ 41,671,782	\$ 35,652,683
NET PENSION LIABILITY - ENDING (a)-(b)	\$ 10,400,168	\$ 3,202,048	\$ 5,773,829	\$ 6,150,276	\$ 8,416,124
Plan fiduciary net position as a percentage of total pension liability	82.14%	94.16%	88.69%	87.14%	80.90%
Covered payroll	\$ 13,634,330	\$ 12,632,881	\$ 11,937,726	\$ 11,579,239	\$ 10,667,238
Net pension liability as a percentage of covered payroll	76.28%	25.35%	48.37%	53.11%	78.90%

*GASB Statement No. 68 requires 10 years of data; however, nine years of data is presented as the data for the years prior to 2014 is not available. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

Notes to Required Supplementary Information:

The following factors significantly affect trends in the amounts reported for the City's net pension liability:

	2022	2021	2020	2019	2018
Actuarial Assumptions:					
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%
Payroll growth	2.75%	2.75%	2.75%	2.75%	3.00%
Investment rate of return	6.75%	6.75%	6.75%	6.75%	6.75%
Discount rate	6.75%	6.75%	6.75%	6.75%	6.75%

Measurement Date December 31, 2019 - Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018.

Measurement Date December 31, 2015 - Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014.

2017	2016	2015	2014
\$ 1,780,118	\$ 1,678,897	\$ 1,631,504	\$ 1,405,192
2,582,435	2,396,517	2,283,312	2,122,080
437,533	(109,994)	153,806	(75,098)
-	-	112,706	-
<u>(1,287,794)</u>	<u>(1,235,596)</u>	<u>(1,404,009)</u>	<u>(1,120,036)</u>
3,512,292	2,729,824	2,777,319	2,332,138
<u>38,012,132</u>	<u>35,282,308</u>	<u>32,504,989</u>	<u>30,172,851</u>
\$ 41,524,424	\$ 38,012,132	\$ 35,282,308	\$ 32,504,989
\$ 1,428,931	\$ 1,309,638	\$ 1,321,927	\$ 1,106,867
736,020	689,283	680,604	629,009
4,330,256	1,930,676	41,253	1,480,415
(1,287,794)	(1,235,596)	(1,404,009)	(1,120,036)
(22,437)	(21,804)	(25,124)	(15,453)
<u>(1,137)</u>	<u>(1,175)</u>	<u>(1,240)</u>	<u>(1,271)</u>
5,183,839	2,671,022	613,411	2,079,531
<u>31,237,969</u>	<u>28,566,947</u>	<u>27,953,536</u>	<u>25,874,005</u>
\$ 36,421,808	\$ 31,237,969	\$ 28,566,947	\$ 27,953,536
\$ 5,102,616	\$ 6,774,163	\$ 6,715,361	\$ 4,551,453
87.71%	82.18%	80.97%	86.00%
\$ 10,514,577	\$ 9,846,905	\$ 9,722,909	\$ 8,985,838
48.53%	68.79%	69.07%	50.65%

2017	2016	2015	2014
2.50%	2.50%	2.50%	3.00%
3.00%	3.00%	3.00%	3.00%
6.75%	6.75%	6.75%	7.00%
6.75%	6.75%	6.75%	7.00%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,439,971	\$ 1,435,572	\$ 1,285,841	\$ 1,246,735
<u>(1,439,971)</u>	<u>(1,435,572)</u>	<u>(1,285,841)</u>	<u>(1,246,735)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,693,441	\$ 10,481,687	\$ 9,620,867	\$ 9,404,137
13.47%	13.70%	13.37%	13.26%

City of Tomball, Texas
Schedule of Changes in Total OPEB Liability
and Related Ratios
Retiree Health Care Plan
For the Measurement Years Ended December 31*

	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY						
Service cost	\$ 115,881	\$ 106,726	\$ 106,603	\$ 113,492	\$ 145,528	\$ 130,909
Interest	52,280	59,946	75,089	111,415	99,651	104,080
Change of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	53,540	(124,428)	(5,422)	(453,167)	14,732	-
Changes in assumptions	(540,070)	(55,532)	213,387	74,725	(127,098)	152,484
Benefit payments	(155,148)	(139,401)	(106,389)	(124,854)	(123,721)	(108,157)
Net change in total OPEB liability	(473,517)	(152,689)	283,268	(278,389)	9,092	279,316
Total OPEB liability - beginning	2,860,971	3,013,660	2,730,392	3,008,781	2,999,689	2,720,373
TOTAL OPEB LIABILITY - ENDING	\$ 2,387,454	\$ 2,860,971	\$ 3,013,660	\$ 2,730,392	\$ 3,008,781	\$ 2,999,689
Covered-employee payroll	\$ 4,475,078	\$ 5,298,706	\$ 6,474,035	\$ 6,474,035	\$ 7,633,706	\$ 10,520,156
Total OPEB liability as a percentage of covered-employee payroll	53.35%	53.99%	46.55%	42.17%	39.41%	28.51%

*GASB Statement No. 75 requires 10 years of data; however, six years of data are presented as the data for the years prior to 2017 are not available. Additionally, GASB Statement No. 75 requires that information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria of GASB 75, Paragraph 4, and therefore, the Retiree Health Care Plan does not report fiduciary net position.

The following factors significantly affect trends in the amounts reported for the City's total OPEB liability:

	2022	2021	2020	2019	2018	2017
Actuarial Assumptions:						
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Payroll growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Discount rate	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%

Changes of assumptions reflect the effects of changes in the discount rate each period.

Measurement Date December 31, 2021 - The period of service used for the allocation of service costs was changed to only reflect service with the City of Tomball.

Measurement Date December 31, 2019 - Demographic assumptions were updated to reflect the 2019 Experience Study and the health care trend rates were updated to reflect both the RHCP's anticipated experience and the repeal of the excise tax on high-cost employer health plans.

City of Tomball, Texas
Schedule of Changes in Total OPEB Liability
and Related Ratios
Supplemental Death Benefits Fund
For the Measurement Years Ended December 31*

	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY						
Service cost	\$ 38,176	\$ 35,372	\$ 28,651	\$ 23,158	\$ 24,535	\$ 21,029
Interest	14,255	14,474	15,856	16,760	14,859	14,366
Difference between expected and actual experience	21,480	(9,958)	10,270	(8,489)	-	-
Changes in assumptions	(288,755)	24,879	98,325	94,765	(32,082)	34,434
Benefit payments	(16,361)	(13,896)	(4,775)	(3,474)	(3,200)	(3,154)
Net change in total OPEB liability	(231,205)	50,871	148,327	122,720	4,112	66,675
Total OPEB liability - beginning	763,825	712,954	564,627	441,907	437,795	371,120
TOTAL OPEB LIABILITY - ENDING	\$ 532,620	\$ 763,825	\$ 712,954	\$ 564,627	\$ 441,907	\$ 437,795
Covered-employee payroll	\$ 13,634,330	\$ 12,632,881	\$ 11,937,726	\$ 11,579,239	\$ 10,667,238	\$ 10,514,577
Total OPEB liability as a percentage of covered-employee payroll	3.91%	6.05%	5.97%	4.88%	4.14%	4.16%

*GASB Statement No. 75 requires 10 years of data; however, six years of data are presented as the data for the years prior to 2017 are not available. Additionally, GASB Statement No. 75 requires that information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

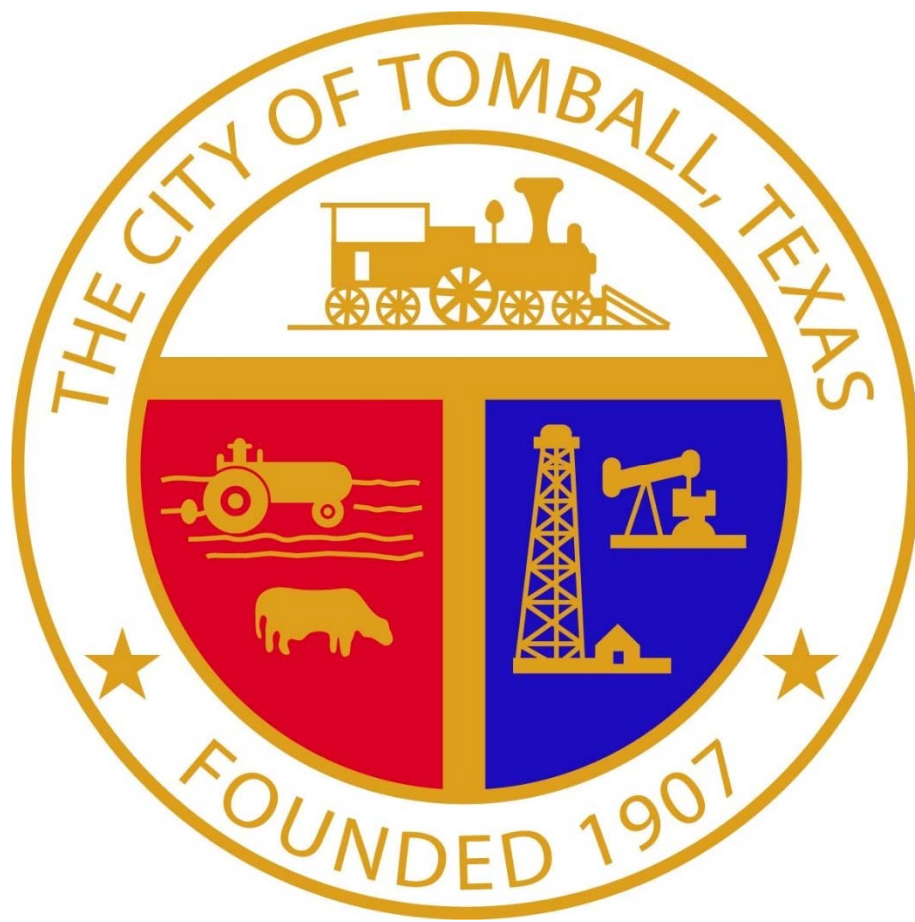
Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria of GASB 75, Paragraph 4, and therefore, the Supplemental Death Benefits Plan does not report fiduciary net position.

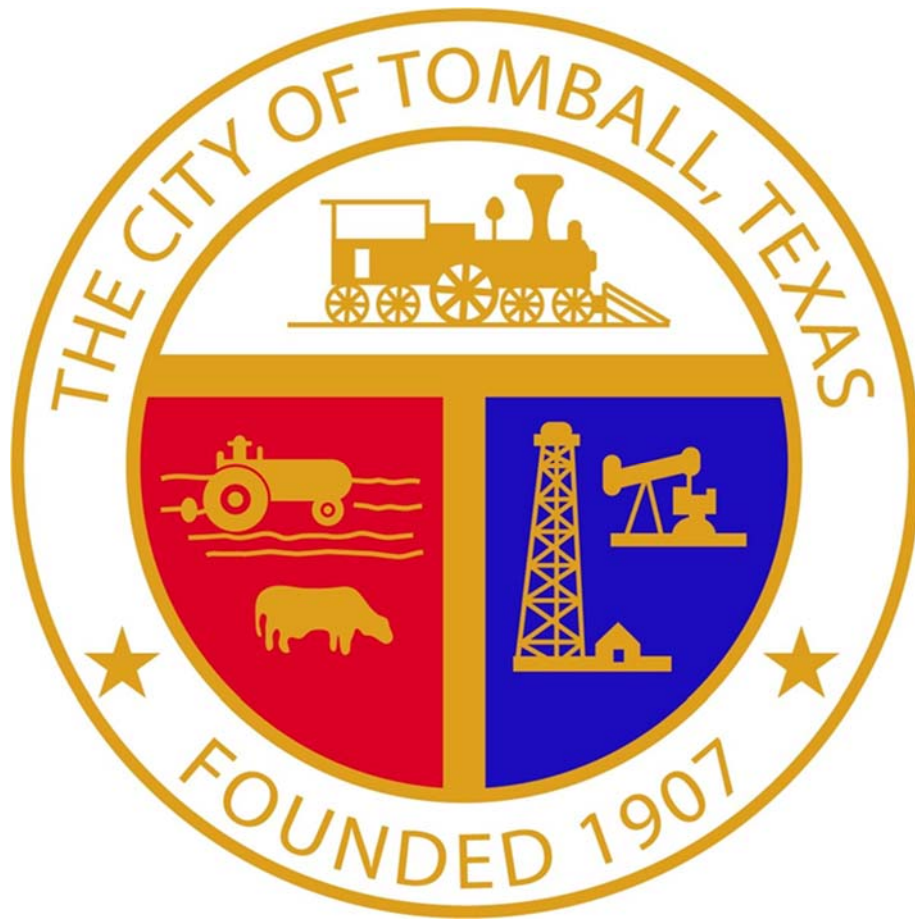
The following factors significantly affect trends in the amounts reported for the City's total OPEB liability:

	2022	2021	2020	2019	2018	2017
Actuarial Assumptions:						
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Payroll growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Discount rate	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%

Changes of assumptions reflect the effects of changes in the discount rate each period.



Other Supplementary Information



NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes.

Court Security Fund - This fund is used to account for fees generated from court fines which, by law, can only be spent on the City's municipal court security.

Court Technology Fund - This fund is used to account for fees generated from court fines which, by law, can only be spent on the City's municipal court technology.

Hotel Occupancy Tax Fund - This fund is used to account for revenues received from hotel occupancy taxes which are spent on efforts to promote local tourism.

Child Safety Fund - The State of Texas allocates a percentage of each court fee to the Child Safety Program, a portion of which is remitted back to the City to be used for educational material for children.

Public Improvement Districts Fund – This fund is used to account for special assessments and operating and maintenance costs related to public improvement districts (PIDs) within the City.

Tomball Legacy Fund – This fund represents the activities of the City's blended component unit, a 401c(3) nonprofit corporation, which accounts for private and corporate grant funds received by the City.

Housing Trust Fund – This fund is used to account for funding received from the Southeast Texas Housing Finance Corporation (SETH) and other housing related development projects.

Opioid Abatement Fund – This fund represents the collection of opioid settlement payments distributed by the State which are to be used for opioid remediation.

City of Tomball, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	<u>Court Security Fund</u>	<u>Court Technology Fund</u>	<u>Hotel Occupancy Tax Fund</u>
ASSETS			
Cash and cash equivalents	\$ 213,040	\$ 136,125	\$ 1,072,339
TOTAL ASSETS	<u>\$ 213,040</u>	<u>\$ 136,125</u>	<u>\$ 1,072,339</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 758	\$ 28,421
Unearned revenue	-	-	-
Total liabilities	-	758	28,421
FUND BALANCES			
Restricted	213,040	135,367	1,043,918
Committed	-	-	-
Total fund balances	<u>213,040</u>	<u>135,367</u>	<u>1,043,918</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 213,040</u>	<u>\$ 136,125</u>	<u>\$ 1,072,339</u>

<u>Child Safety Fund</u>	<u>Public Improvement Districts Fund</u>	<u>Tomball Legacy Fund</u>	<u>Housing Trust Fund</u>	<u>Opioid Abatement Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 29,442	\$ 26,921	\$ 16,989	\$ 44,526	\$ 10,868	\$ 1,550,250
<u>\$ 29,442</u>	<u>\$ 26,921</u>	<u>\$ 16,989</u>	<u>\$ 44,526</u>	<u>\$ 10,868</u>	<u>\$ 1,550,250</u>
\$ -	\$ 26,921	\$ -	\$ 6,900	\$ -	\$ 63,000
-	-	-	-	10,868	10,868
-	26,921	-	6,900	10,868	73,868
29,442	-	-	-	-	1,421,767
-	-	16,989	37,626	-	54,615
<u>29,442</u>	<u>-</u>	<u>16,989</u>	<u>37,626</u>	<u>-</u>	<u>1,476,382</u>
<u>\$ 29,442</u>	<u>\$ 26,921</u>	<u>\$ 16,989</u>	<u>\$ 44,526</u>	<u>\$ 10,868</u>	<u>\$ 1,550,250</u>

City of Tomball, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended September 30, 2023

	Court Security Fund	Court Technology Fund	Hotel Occupancy Tax Fund
REVENUES			
Franchise and other taxes	\$ -	\$ -	\$ 717,339
Fines and forfeitures	9,156	7,840	-
Intergovernmental	-	-	-
Special assessments	-	-	-
Investment earnings	8,836	7,297	32,186
Other	-	-	8,926
	<hr/>	<hr/>	<hr/>
Total revenues	17,992	15,137	758,451
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	13,329	-
Tourism and arts	-	-	616,913
Capital outlay	1,500	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,500	13,329	616,913
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	16,492	1,808	141,538
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	126,000
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	126,000
	<hr/>	<hr/>	<hr/>
Net change in fund balances	16,492	1,808	267,538
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	196,548	133,559	776,380
	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	<u>\$ 213,040</u>	<u>\$ 135,367</u>	<u>\$ 1,043,918</u>

Child Safety Fund	Public Improvement Districts Fund	Tomball Legacy Fund	Housing Trust Fund	Opioid Abatement Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 717,339
13,460	-	-	-	-	30,456
-	-	-	50,000	-	50,000
-	1,823,202	-	-	-	1,823,202
-	-	-	-	-	48,319
-	-	101,930	-	-	110,856
13,460	1,823,202	101,930	50,000	-	2,780,172
-	1,823,202	1,953	12,374	-	1,837,529
10,131	-	-	-	-	23,460
-	-	-	-	-	616,913
-	-	-	-	-	1,500
10,131	1,823,202	1,953	12,374	-	2,479,402
3,329	-	99,977	37,626	-	300,770
-	-	-	-	-	126,000
-	-	(150,000)	-	-	(150,000)
-	-	(150,000)	-	-	(24,000)
3,329	-	(50,023)	37,626	-	276,770
26,113	-	67,012	-	-	1,199,612
\$ 29,442	\$ -	\$ 16,989	\$ 37,626	\$ -	\$ 1,476,382

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Fund – Court Security Fund
For the Fiscal Year Ended September 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 9,000	\$ 5,000	\$ 9,156	\$ 4,156
Investment earnings	1,500	8,000	8,836	836
Total revenues	10,500	13,000	17,992	4,992
EXPENDITURES				
Capital outlay	-	1,500	1,500	-
Total expenditures	-	1,500	1,500	-
Net change in fund balances	10,500	11,500	16,492	4,992
Fund balances, beginning of year	196,548	196,548	196,548	-
FUND BALANCE, END OF YEAR	\$ 207,048	\$ 208,048	\$ 213,040	\$ 4,992

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Court Technology Fund

For the Fiscal Year Ended September 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 8,000	\$ 5,000	\$ 7,840	\$ 2,840
Investment earnings	1,500	6,000	7,297	1,297
Total revenues	9,500	11,000	15,137	4,137
EXPENDITURES				
Current:				
Public safety	15,800	14,100	13,329	771
Total expenditures	15,800	14,100	13,329	771
Net change in fund balances	(6,300)	(3,100)	1,808	4,908
Fund balances, beginning of year	133,559	133,559	133,559	-
FUND BALANCE, END OF YEAR	\$ 127,259	\$ 130,459	\$ 135,367	\$ 4,908

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Hotel Occupancy Tax Fund

For the Fiscal Year Ended September 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Franchise and other taxes	\$ 600,000	\$ 700,000	\$ 717,339	\$ 17,339
Investment earnings	5,000	27,500	32,186	4,686
Other	-	12,500	8,926	(3,574)
Total revenues	605,000	740,000	758,451	18,451
EXPENDITURES				
Current:				
Tourism and arts	702,100	753,450	616,913	136,537
Total expenditures	702,100	753,450	616,913	136,537
Excess (deficiency) of revenues over (under) expenditures	(97,100)	(13,450)	141,538	154,988
OTHER FINANCING SOURCES				
Transfers in	126,000	126,000	126,000	-
Total other financing sources	126,000	126,000	126,000	-
Net change in fund balances	28,900	112,550	267,538	154,988
Fund balances, beginning of year	776,380	776,380	776,380	-
FUND BALANCE, END OF YEAR	\$ 805,280	\$ 888,930	\$ 1,043,918	\$ 154,988

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Fund – Child Safety Fund
For the Fiscal Year Ended September 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 12,000	\$ 13,000	\$ 13,460	\$ 460
Total revenues	12,000	13,000	13,460	460
EXPENDITURES				
Current:				
Public safety	10,000	10,000	10,131	(131)
Total expenditures	10,000	10,000	10,131	(131)
Net change in fund balances	2,000	3,000	3,329	329
Fund balances, beginning of year	26,113	26,113	26,113	-
FUND BALANCE, END OF YEAR	\$ 28,113	\$ 29,113	\$ 29,442	\$ 329

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Public Improvement Districts Fund

For the Fiscal Year Ended September 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ 1,774,500	\$ 1,837,000	\$ 1,823,202	\$ (13,798)
Total revenues	1,774,500	1,837,000	1,823,202	(13,798)
EXPENDITURES				
Current:				
General government	1,774,500	1,837,000	1,823,202	13,798
Total expenditures	1,774,500	1,837,000	1,823,202	13,798
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

City of Tomball, Texas
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Debt Service Fund
 For the Fiscal Year Ended September 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property tax	\$ 2,800,000	\$ 2,775,000	\$ 2,747,984	\$ (27,016)
Contributions from component unit for debt service	761,685	761,685	761,685	-
Investment earnings	10,000	160,000	156,277	(3,723)
Total revenues	3,571,685	3,696,685	3,665,946	(30,739)
EXPENDITURES				
Debt service:				
Principal	5,410,000	5,520,000	5,520,000	-
Interest	1,650,323	1,564,643	1,564,643	-
Issuance costs and fiscal agent fees	14,000	250,700	254,476	(3,776)
Total expenditures	7,074,323	7,335,343	7,339,119	(3,776)
Excess (deficiency) of revenues over (under) expenditures	(3,502,638)	(3,638,658)	(3,673,173)	(34,515)
OTHER FINANCING SOURCES				
Issuance of certificates of obligation	-	-	241,775	241,775
Total other financing sources	-	-	241,775	241,775
Net change in fund balances	(3,502,638)	(3,638,658)	(3,431,398)	207,260
Fund balances, beginning of year	6,568,112	6,568,112	6,568,112	-
FUND BALANCE, END OF YEAR	\$ 3,065,474	\$ 2,929,454	\$ 3,136,714	\$ 207,260

City of Tomball, Texas

Internal Service Funds

September 30, 2023

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Fleet Replacement Fund - This internal service fund is used to account for transportation fleet replacement to departments or agencies of the City on a cost-reimbursement basis.

Health Benefits Fund - This internal service fund is used to account for the costs associated with health benefits to departments or agencies of the City on a cost-reimbursement basis.

City of Tomball, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2023

	Fleet Replacement Fund	Health Benefits Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 454,922	\$ 3,333,801	\$ 3,788,723
Due from other governments	-	77,204	77,204
Due from component unit	-	24,985	24,985
Prepaid Items	-	304,332	304,332
	<hr/>	<hr/>	<hr/>
Total current assets	454,922	3,740,322	4,195,244
Noncurrent assets:			
Capital assets - depreciable, net	3,204,534	-	3,204,534
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	3,204,534	-	3,204,534
	<hr/>	<hr/>	<hr/>
Total assets	3,659,456	3,740,322	7,399,778
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 12,187	\$ 23,304	\$ 35,491
Accrued interest payable	28,391	-	28,391
Public property finance contract obligation, current	130,000	-	130,000
	<hr/>	<hr/>	<hr/>
Total current liabilities	170,578	23,304	193,882
Noncurrent liabilities:			
Public property finance contract obligation	649,868	-	649,868
	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	649,868	-	649,868
	<hr/>	<hr/>	<hr/>
Total liabilities	820,446	23,304	843,750
NET POSITION			
Net investment in capital assets	2,424,666	-	2,424,666
Unrestricted	414,344	3,717,018	4,131,362
	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 2,839,010</u>	<u>\$ 3,717,018</u>	<u>\$ 6,556,028</u>

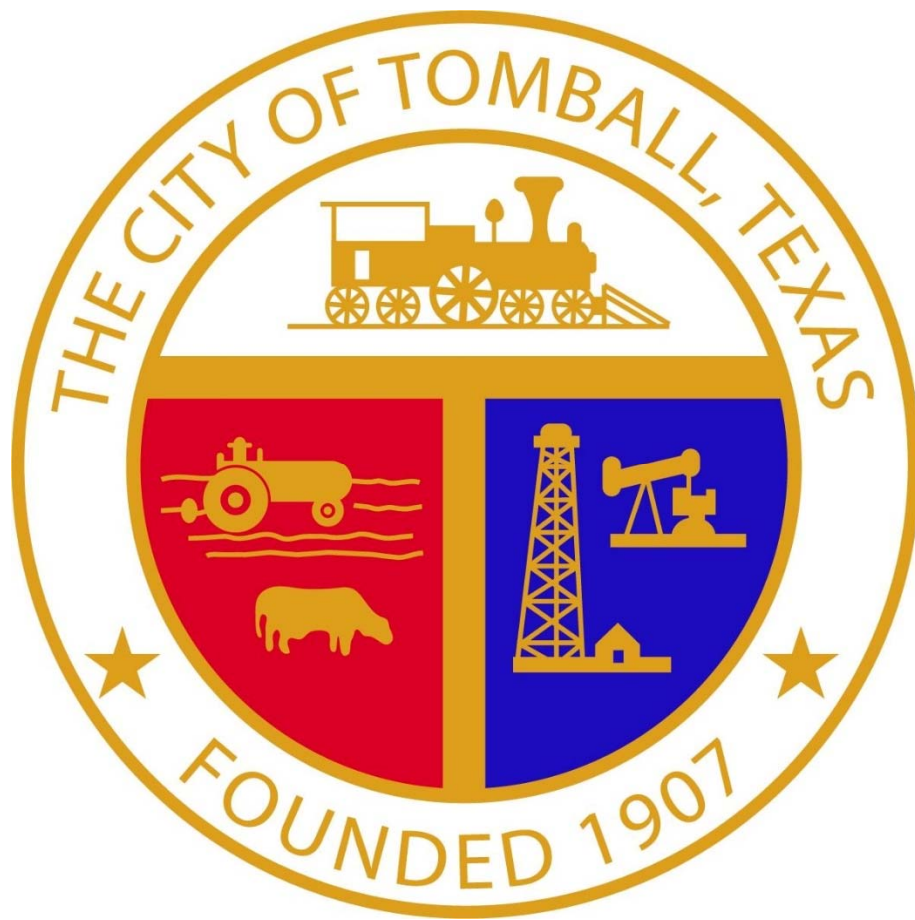
City of Tomball, Texas

Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended September 30, 2023

	Fleet Replacement Fund	Health Benefits Fund	Total
OPERATING REVENUES			
Internal service charges	\$ 579,069	\$ 3,608,764	\$ 4,187,833
Total operating revenues	579,069	3,608,764	4,187,833
OPERATING EXPENSES			
Materials, supplies and contracted services	-	3,219,654	3,219,654
Depreciation and amortization	515,816	-	515,816
Total operating expenses	515,816	3,219,654	3,735,470
Operating income	63,253	389,110	452,363
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	26,901	142,313	169,214
Gain (loss) on disposal of capital assets	88,550	-	88,550
Interest	(31,645)	-	(31,645)
Total non-operating revenues (expenses)	83,806	142,313	226,119
Change in net position	147,059	531,423	678,482
Net position, beginning of year	2,691,951	3,185,595	5,877,546
NET POSITION, END OF YEAR	\$ 2,839,010	\$ 3,717,018	\$ 6,556,028

City of Tomball, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023

	Fleet Replacement Fund	Health Benefits Fund	Total
OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 579,069	\$ 3,577,666	\$ 4,156,735
Payments to suppliers and service providers	12,187	(3,248,113)	(3,235,926)
Net cash provided by operating activities	591,256	329,553	920,809
CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(765,974)	-	(765,974)
Proceeds from sale of capital assets	88,550	-	88,550
Principal paid on long-term debt	(130,000)	-	(130,000)
Interest paid on long-term debt	(33,672)	-	(33,672)
Net cash used for capital and related financing activities	(841,096)	-	(841,096)
INVESTING ACTIVITIES			
Interest received	26,901	142,313	169,214
Net cash provided by investing activities	26,901	142,313	169,214
Net change in cash and cash equivalents	(222,939)	471,866	248,927
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	677,861	2,861,935	3,539,796
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 454,922	\$ 3,333,801	\$ 3,788,723
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 63,253	\$ 389,110	\$ 452,363
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	515,816	-	515,816
(Increase) decrease in assets:			
Due from other governments	-	(23,954)	(23,954)
Other receivables	-	(7,144)	(7,144)
Prepaid items	-	(39,580)	(39,580)
Increase (decrease) in liabilities			
Accounts payable	12,187	11,121	23,308
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 591,256	\$ 329,553	\$ 920,809



**Discretely Presented Component Unit
Fund Based Financial Statements
Tomball Economic Development Corporation**

City of Tomball, Texas
 Discretely Presented Component Unit
 Tomball Economic Development Corporation
 Balance Sheet – Governmental Fund
 September 30, 2023

ASSETS	
Cash and cash equivalents	\$ 20,898,782
Investments	2,586,628
Receivables, net of allowance	1,723,550
Lease receivable	<u>712,316</u>
TOTAL ASSETS	<u><u>\$ 25,921,276</u></u>
LIABILITIES	
Accounts payable	\$ 86,108
Deposits payable	10,869
Due to primary government	<u>201,815</u>
Total liabilities	298,792
DEFERRED INFLOWS OF RESOURCES	
Leases	<u>676,887</u>
Total deferred inflows of resources	676,887
FUND BALANCE	
Assigned	<u>24,945,597</u>
Total fund balance	<u>24,945,597</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 25,921,276</u></u>
RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION	
Total fund balance	\$ 24,945,597
Capital assets used in operations are not current financial resources and, therefore, are not reported in the fund financial statements.	11,186,131
Leases payable are not current financial obligations and, therefore, are not reported in the fund financial statements.	<u>(1,505)</u>
NET POSITION OF COMPONENT UNIT	<u><u>\$ 36,130,223</u></u>

City of Tomball, Texas
 Discretely Presented Component Unit
 Tomball Economic Development Corporation
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance – Governmental Fund
 For the Fiscal Year Ended September 30, 2023

REVENUES

Sales taxes	\$ 5,575,735
Charges for services	310,450
Unrestricted investment earnings (loss)	1,038,958
Other	1,742
	<hr/>
Total revenues	6,926,885

EXPENDITURES

Current:	
Economic development	9,402,654
	<hr/>
Total expenditures	9,402,654
	<hr/>
Excess of expenditures over revenues	(2,475,769)

OTHER FINANCING SOURCE

Proceeds from sale of capital assets	3,714,078
	<hr/>
Net change in fund balance	1,238,309

Fund balance, beginning of year	23,707,288
	<hr/>

FUND BALANCE, END OF YEAR	\$ 24,945,597
	<hr/> <hr/>

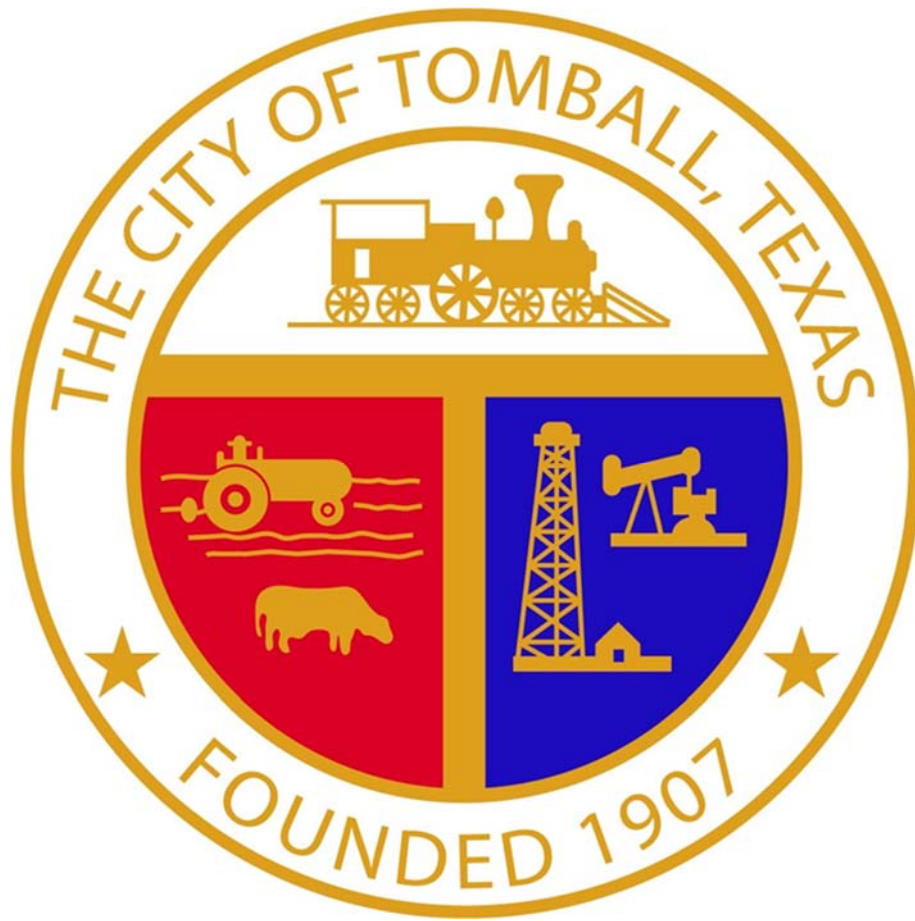
RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Net change in fund balance	\$ 1,238,309
Under modified accrual, capital outlay is reported as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.	
Transactions in the current period involving capital assets include:	
Capital outlay recorded as capital assets	4,638,259
Depreciation expense	(334,479)
Asset retirements/disposals	(418,114)

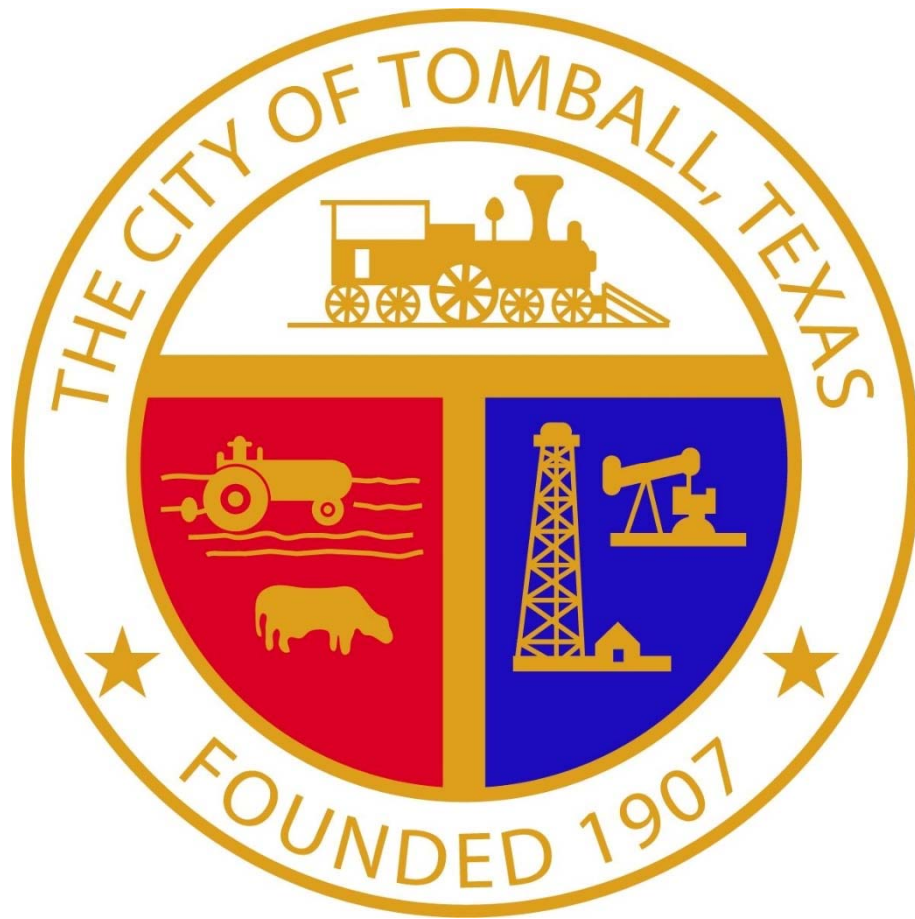
Under modified accrual, principal payments on long-term debt are reported as expenditures. However, in the government-wide statement of activities, the payments are reported as a reduction of long-term liabilities:

Leases payable - principal	17,929
	<hr/>

CHANGE IN NET POSITION OF COMPONENT UNIT	\$ 5,141,904
	<hr/> <hr/>



Statistical Section



Statistical Section
(Unaudited)

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

	<u>Page</u>
Financial Trends – Schedules 1-4	114
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity – Schedules 5-10	124
These schedules contain information to help the reader assess the City's most significant local revenue sources: sales and property taxes.	
Debt Capacity – Schedules 11-15	134
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information – Schedules 16-17	142
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information – Schedules 18-20	144
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

City of Tomball, Texas
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 28,189,848	\$ 31,267,016	\$ 34,220,115	\$ 40,779,628
Restricted	3,557,490	4,308,595	5,821,510	3,912,411
Unrestricted	13,566,745	10,694,702	10,340,744	11,385,550
Total governmental activities net position	45,314,083	46,270,313	50,382,369	56,077,589
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	30,851,835	33,433,571	33,059,434	33,038,353
Restricted	1,095,173	-	-	-
Unrestricted	11,354,769	10,960,950	11,445,362	8,966,625
Total business-type activities net position	43,301,777	44,394,521	44,504,796	42,004,978
PRIMARY GOVERNMENT				
Net investment in capital assets	59,041,683	64,700,587	67,279,549	73,817,981
Restricted	4,652,663	4,308,595	5,821,510	3,912,411
Unrestricted	24,921,514	21,655,652	21,786,106	20,352,175
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 88,615,860</u>	<u>\$ 90,664,834</u>	<u>\$ 94,887,165</u>	<u>\$ 98,082,567</u>

Schedule 1

2018	2019	2020	2021	2022	2023
\$ 38,896,658	\$ 39,717,999	\$ 38,457,189	\$ 52,259,872	\$ 60,199,236	\$ 71,583,070
4,303,114	6,024,527	5,959,267	6,829,497	7,597,934	4,369,685
13,436,447	18,791,783	27,363,295	25,246,016	31,435,579	37,487,018
56,636,219	64,534,309	71,779,751	84,335,385	99,232,749	113,439,773
34,874,499	36,762,190	38,760,225	40,057,607	41,830,070	45,955,906
-	-	-	-	-	-
9,838,615	5,830,989	5,946,634	9,152,453	14,043,606	16,365,423
44,713,114	42,593,179	44,706,859	49,210,060	55,873,676	62,321,329
73,771,157	76,480,189	77,217,414	92,317,479	102,029,306	117,538,976
4,303,114	6,024,527	5,959,267	6,829,497	7,597,934	4,369,685
23,275,062	24,622,772	33,309,929	34,398,469	45,479,185	53,852,441
<u>\$ 101,349,333</u>	<u>\$ 107,127,488</u>	<u>\$ 116,486,610</u>	<u>\$ 133,545,445</u>	<u>\$ 155,106,425</u>	<u>\$ 175,761,102</u>

City of Tomball, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
EXPENSES				
Governmental activities:				
General government	\$ 4,789,051	\$ 4,968,344	\$ 5,391,624	\$ 5,174,908
Public safety	8,069,621	8,493,353	9,028,841	9,650,665
Public works	6,137,989	6,181,783	6,436,355	6,952,664
Parks and recreation	-	-	-	741,577
Tourism and arts	-	-	-	-
Community development	338,381	313,713	421,381	386,153
Interest and fiscal agent fees	926,584	891,258	830,716	1,252,064
Total governmental activities expenses	<u>20,261,626</u>	<u>20,848,451</u>	<u>22,108,917</u>	<u>24,158,031</u>
Business-type activities:				
Utility administration	909,211	979,161	1,179,100	1,362,874
Water	3,087,563	3,410,534	3,410,534	3,937,152
Wastewater	2,418,443	2,483,923	2,483,923	2,228,636
Gas	1,963,162	1,429,950	1,429,950	1,507,955
Total business-type activities expenses	<u>8,378,379</u>	<u>8,303,568</u>	<u>8,503,507</u>	<u>9,036,617</u>
Total primary government expenses	<u>28,640,005</u>	<u>29,152,019</u>	<u>30,612,424</u>	<u>33,194,648</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services				
General government	-	-	-	-
Public safety	999,667	1,334,938	1,334,938	1,315,754
Public works	2,694,670	2,673,999	2,673,999	2,359,008
Community development	-	-	-	441,542
Operating grants and contributions	1,039,237	544,607	544,607	1,420,653
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>4,733,574</u>	<u>4,553,544</u>	<u>4,553,544</u>	<u>5,536,957</u>
Business-type activities:				
Charges for services				
Utility administration	842,468	907,654	907,654	739,061
Water	4,449,383	4,654,613	4,654,613	5,092,916
Wastewater	2,320,748	2,316,495	2,316,495	2,434,143
Gas	3,295,521	2,844,005	2,844,005	2,655,884
Operating grants and contributions	670,000	558,148	558,148	558,148
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>11,578,120</u>	<u>11,280,915</u>	<u>11,280,915</u>	<u>11,480,152</u>
Total primary government program revenues	<u>16,311,694</u>	<u>15,834,459</u>	<u>15,834,459</u>	<u>17,017,109</u>
NET (EXPENSE/REVENUE)				
Governmental activities	(15,528,052)	(16,294,907)	(17,555,373)	(18,621,074)
Business-type activities	3,199,741	2,977,347	2,777,408	2,443,535
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>\$ (12,328,311)</u>	<u>\$ (13,317,560)</u>	<u>\$ (14,777,965)</u>	<u>\$ (16,177,539)</u>

	2018	2019	2020	2021	2022	2023
\$	3,821,623	\$ 4,474,991	\$ 6,479,677	\$ 7,453,414	\$ 8,114,100	\$ 11,650,395
	10,000,655	10,435,902	10,976,532	10,642,757	11,982,088	13,532,671
	8,912,367	7,074,104	4,071,787	4,998,747	5,081,755	6,391,403
	637,942	780,799	924,069	850,842	864,122	934,183
	648,305	688,638	604,578	551,323	672,983	596,313
	431,157	430,360	556,924	532,472	515,531	721,855
	1,452,252	1,328,319	1,295,548	1,017,122	868,205	1,732,978
	25,904,301	25,213,113	24,909,115	26,046,677	28,098,784	35,559,798
	2,876,373	2,938,276	1,672,850	1,908,989	2,163,551	2,175,738
	3,356,893	3,793,224	5,115,488	5,132,543	6,457,929	6,870,290
	1,239,276	1,448,029	2,114,431	2,041,666	2,218,239	2,639,192
	1,529,924	1,774,315	1,646,494	4,474,541	2,620,530	2,648,331
	9,002,466	9,953,844	10,549,263	13,557,739	13,460,249	14,333,551
	34,906,767	35,166,957	35,458,378	39,604,416	41,559,033	49,893,349
	-	-	71,864	103,456	130,831	87,532
	1,528,423	1,899,018	1,468,491	1,344,309	1,605,967	2,196,591
	1,961,957	1,954,602	1,793,191	1,888,491	2,116,075	2,352,261
	513,522	558,992	1,109,989	1,628,808	2,094,885	1,568,826
	1,012,028	839,316	473,851	1,358,419	892,201	690,462
	-	-	-	4,869,087	5,840,595	8,888,801
	5,015,930	5,251,928	4,917,386	11,192,570	12,680,554	15,784,473
	1,335,974	934,852	1,384,685	2,878,294	3,075,491	1,881,154
	5,347,170	5,494,083	6,376,840	6,819,402	8,660,204	8,541,278
	2,405,689	2,310,252	2,208,301	2,522,144	2,920,807	3,079,810
	3,139,726	3,271,868	3,504,744	3,988,923	3,968,780	3,644,201
	558,148	-	-	-	-	-
	-	-	-	989,795	3,156,833	2,658,430
	12,786,707	12,011,055	13,474,570	17,198,558	21,782,115	19,804,873
	17,802,637	17,262,983	18,391,956	28,391,128	34,462,669	35,589,346
	(20,888,371)	(19,961,185)	(19,991,729)	(14,854,107)	(15,418,230)	(19,775,325)
	3,784,241	2,057,211	2,925,307	3,640,819	8,321,866	5,471,322
\$	<u>(17,104,130)</u>	<u>(17,903,974)</u>	<u>(17,066,422)</u>	<u>(11,213,288)</u>	<u>(7,096,364)</u>	<u>(14,304,003)</u>

City of Tomball, Texas
Changes in Net Position - Continued
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 1,638,673	\$ 1,715,949	\$ 1,855,706	\$ 1,964,345
Property taxes, levied for debt service	3,371,282	3,525,979	3,818,986	4,042,945
Sales taxes	10,532,691	10,839,818	10,578,683	10,791,147
Franchise and other taxes	1,253,077	1,282,598	1,331,077	1,307,171
Other taxes	590,910	538,843	628,932	554,839
Gain on sale of capital assets	-	17,634	127,134	-
Contributions not restricted to specific programs	-	-	-	-
Special assessments	-	-	-	-
Unrestricted investment earnings	30,636	40,115	133,673	473,077
Other	253,375	475,712	395,060	145,114
Transfers	1,691,621	1,607,068	2,798,178	5,037,656
Total governmental activities	<u>19,362,265</u>	<u>20,043,716</u>	<u>21,667,429</u>	<u>24,316,294</u>
Business-type activities:				
Gain on sale of capital assets	-	-	-	-
Contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings	(1,417)	33,771	43,741	82,792
Other	45,800	47,847	87,304	11,511
Transfers	(1,691,621)	(1,607,068)	(2,798,178)	(5,037,656)
Total business-type activities	<u>(1,647,238)</u>	<u>(1,525,450)</u>	<u>(2,667,133)</u>	<u>(4,943,353)</u>
Total primary government	<u>17,715,027</u>	<u>18,518,266</u>	<u>19,000,296</u>	<u>19,372,941</u>
CHANGE IN NET POSITION				
Governmental activities	3,834,213	3,748,809	4,112,056	5,695,220
Business-type activities	1,552,503	1,451,897	110,275	(2,499,818)
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,386,716</u>	<u>\$ 5,200,706</u>	<u>\$ 4,222,331</u>	<u>\$ 3,195,402</u>

	2018	2019	2020	2021	2022	2023
\$	2,144,861	\$ 2,046,480	\$ 2,265,470	\$ 3,511,280	\$ 3,915,320	\$ 4,658,804
	4,374,552	4,195,229	4,654,251	3,701,770	3,424,042	2,747,984
	12,427,660	12,523,084	12,291,928	13,361,050	16,312,753	16,883,112
	1,270,927	1,300,064	1,565,842	1,459,571	1,583,488	1,674,332
	711,245	798,623	-	-	-	-
	-	-	162,560	260,345	73,732	115,128
	-	536,112	2,356,370	782,885	784,885	2,501,685
	-	-	-	769,412	1,039,308	1,823,202
	920,613	184,901	788,699	39,807	4,595	3,351,450
	376,266	1,234,387	633,271	533,098	669,965	296,860
	836,473	5,040,395	2,467,434	1,206,112	2,507,506	(70,208)
	23,062,597	27,859,275	27,185,825	25,625,330	30,315,594	33,982,349
	-	38,462	-	195,593	32,177	-
	-	558,148	1,420,458	370,000	370,000	-
	154,619	-	94,836	6,041	85,211	520,497
	4,417	266,639	140,513	661,412	361,868	385,626
	(836,473)	(5,040,395)	(2,467,434)	(1,206,112)	(2,507,506)	70,208
	(677,437)	(4,177,146)	(811,627)	26,934	(1,658,250)	976,331
	22,385,160	23,682,129	26,374,198	25,652,264	28,657,344	34,958,680
	2,174,226	7,898,090	7,194,096	10,771,223	14,897,364	14,207,024
	3,106,804	(2,119,935)	2,113,680	3,667,753	6,663,616	6,447,653
\$	5,281,030	\$ 5,778,155	\$ 9,307,776	\$ 14,438,976	\$ 21,560,980	\$ 20,654,677

City of Tomball, Texas

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
GENERAL FUND				
Nonspendable	\$ 15,894	\$ 14,435	\$ 12,047	\$ 14,956
Assigned	322,702	127,671	35,379	24,767
Unassigned	<u>13,075,443</u>	<u>13,340,472</u>	<u>13,245,355</u>	<u>13,021,273</u>
Total general fund	13,414,039	13,482,578	13,292,781	13,060,996
ALL OTHER GOVERNMENTAL FUNDS				
Restricted	26,470,729	23,370,264	19,434,478	42,711,890
Committed	-	-	-	-
Assigned	<u>168,245</u>	<u>167,060</u>	<u>128,489</u>	<u>140,059</u>
Total all other governmental funds	<u>26,638,974</u>	<u>23,537,324</u>	<u>19,562,967</u>	<u>42,851,949</u>
TOTAL GOVERNMENTAL FUNDS	<u>\$ 40,053,013</u>	<u>\$ 37,019,902</u>	<u>\$ 32,855,748</u>	<u>\$ 55,912,945</u>

Schedule 3

2018	2019	2020	2021	2022	2023
\$ 22,244	\$ 41,027	\$ 32,959	\$ 44,475	\$ 29,966	\$ 30,790
78,620	-	-	101,936	104,745	42,703
14,649,687	16,040,036	17,356,506	21,310,474	26,492,595	30,427,749
14,750,551	16,081,063	17,389,465	21,456,885	26,627,306	30,501,242
39,639,759	42,382,622	31,060,871	20,772,788	21,291,217	27,499,951
-	-	39,052	84,640	67,012	12,832,725
150,799	160,021	101,816	-	-	-
39,790,558	42,542,643	31,201,739	20,857,428	21,358,229	40,332,676
\$ 54,541,109	\$ 58,623,706	\$ 48,591,204	\$ 42,314,313	\$ 47,985,535	\$ 70,833,918

City of Tomball, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES				
Taxes	\$ 17,386,633	\$ 17,903,187	\$ 18,213,384	\$ 18,660,447
Permits, licenses, and fees	446,292	492,646	439,677	477,934
Fines and forfeitures	1,066,313	999,667	892,654	811,084
Charges for services	2,249,420	2,202,024	2,234,322	2,236,863
Intergovernmental	939,861	384,308	288,988	879,740
Contributions from component unit	904,363	606,753	538,012	540,913
Investment earnings (loss)	29,604	38,372	125,092	451,739
Special assessments	-	-	-	-
Contributions from developers and property owners	-	-	-	-
Other	242,361	538,244	637,104	746,050
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	23,264,847	23,165,201	23,369,233	24,804,770
EXPENDITURES				
General government	4,929,295	5,128,871	5,226,561	6,100,527
Public safety	8,230,705	9,114,221	8,509,599	9,089,408
Public works	3,364,509	3,464,256	3,386,348	6,526,127
Public service	1,627,610	1,366,045	2,716,596	-
Parks and recreation	-	-	-	741,577
Tourism and arts	-	-	-	-
Community development	-	-	-	702,393
Capital outlay	2,996,663	5,923,542	7,384,704	777,156
Debt service:				
Principal	2,210,330	2,742,812	2,285,608	3,119,373
Interest	955,817	854,618	812,046	1,647,348
Issuance costs and fiscal agent fees	8,113	11,015	10,163	10,163
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	24,323,042	28,605,380	30,331,625	28,714,072
Excess of revenues over (under) expenditures	(1,058,195)	(5,440,179)	(6,962,392)	(3,909,302)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	-	20,240,000
Premium on issuance of bonds	-	-	-	911,687
Payment to refunding bond escrow agent	-	-	-	-
Issuance of leases	-	800,000	-	-
Issuance of subscriptions	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	2,491,049	3,261,023	3,979,455	8,138,353
Transfers out	(799,428)	(1,653,955)	(1,181,277)	(2,323,541)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	1,691,621	2,407,068	2,798,178	26,966,499
NET CHANGE IN FUND BALANCE	<u>\$ 633,426</u>	<u>\$ (3,033,111)</u>	<u>\$ (4,164,214)</u>	<u>\$ 23,057,197</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	14.85%	15.86%	13.50%	17.06%

Schedule 4

	2018	2019	2020	2021	2022	2023
\$	20,855,485	\$ 20,863,480	\$ 20,777,491	\$ 22,033,671	\$ 25,228,379	\$ 25,971,456
	532,615	580,397	1,113,989	1,633,908	2,099,085	1,573,426
	664,577	702,464	387,512	342,294	343,265	359,505
	1,844,191	2,944,374	2,967,034	3,013,862	3,530,408	4,297,279
	453,416	814,316	473,851	2,881,985	951,042	2,544,560
	558,612	561,112	755,684	757,885	759,885	761,685
	920,616	1,234,387	760,258	37,260	(10,625)	3,182,236
	-	-	-	769,412	1,039,308	1,823,202
	-	-	-	1,906,073	-	2,574,521
	1,412,658	370,277	467,213	505,629	795,887	184,691
	<u>27,242,170</u>	<u>28,070,807</u>	<u>27,703,032</u>	<u>33,881,979</u>	<u>34,736,634</u>	<u>43,272,561</u>
	5,393,013	5,864,176	6,126,522	7,338,143	7,815,362	11,070,486
	9,299,659	9,343,944	9,938,995	10,121,612	11,475,837	12,245,693
	4,125,511	3,981,985	3,747,361	4,633,013	4,719,770	5,711,996
	-	-	-	-	-	-
	637,942	780,799	933,132	850,842	864,199	934,183
	648,305	688,638	604,578	551,162	672,983	616,913
	431,157	430,037	400,824	382,201	369,924	468,361
	4,135,518	2,804,551	14,657,977	15,267,183	2,496,898	5,441,690
	3,322,713	3,576,806	3,923,000	2,540,000	2,559,406	5,593,312
	1,446,498	1,368,870	1,128,683	1,028,508	989,648	1,565,029
	10,163	10,163	181,880	186,875	11,100	254,476
	<u>29,450,479</u>	<u>28,849,969</u>	<u>41,642,952</u>	<u>42,899,539</u>	<u>31,975,127</u>	<u>43,902,139</u>
	(2,208,309)	(779,162)	(13,939,920)	(9,017,560)	2,761,507	(629,578)
	-	-	9,100,000	5,255,000	-	19,570,000
	-	-	733,352	535,384	-	677,151
	-	-	(9,663,255)	(5,652,859)	-	-
	-	-	-	-	-	-
	-	-	166,059	27,469	23,934	251,386
	-	-	-	219,612	39,967	112,169
	-	-	-	-	-	26,578
	4,204,166	6,314,895	4,789,385	3,724,723	3,422,494	4,266,677
	(3,367,693)	(1,453,136)	(1,088,050)	(1,436,305)	(576,680)	(1,426,000)
	<u>836,473</u>	<u>4,861,759</u>	<u>4,037,491</u>	<u>2,673,024</u>	<u>2,909,715</u>	<u>23,477,961</u>
\$	<u>(1,371,836)</u>	<u>\$ 4,082,597</u>	<u>\$ (9,902,429)</u>	<u>\$ (6,344,536)</u>	<u>\$ 5,671,222</u>	<u>\$ 22,848,383</u>
	18.84%	18.99%	19.08%	13.15%	12.04%	18.61%

City of Tomball, Texas
 Tax Revenues by Source
 Last Ten Fiscal Years

<u>Function</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Property tax	\$ 5,009,955	\$ 5,241,928	\$ 5,674,692	\$ 6,007,290
Sales tax	10,532,691	10,839,818	10,578,683	10,791,147
Franchise tax	1,253,077	1,282,598	1,331,076	1,064,371
Other taxes	590,910	538,843	628,933	797,639
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 17,386,633	\$ 17,903,187	\$ 18,213,384	\$ 18,660,447
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Schedule 5

2018	2019	2020	2021	2022	2023
\$ 6,519,413	\$ 6,241,709	\$ 6,919,721	\$ 7,213,050	\$ 7,339,362	\$ 7,406,788
12,427,660	12,594,274	12,291,928	13,361,050	16,312,753	16,883,112
1,026,440	996,118	832,450	851,126	844,132	872,488
881,972	1,031,379	733,392	608,445	732,132	809,068
<u>\$ 20,855,485</u>	<u>\$ 20,863,480</u>	<u>\$ 20,777,491</u>	<u>\$ 22,033,671</u>	<u>\$ 25,228,379</u>	<u>\$ 25,971,456</u>

City of Tomball, Texas

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Residential property	\$ 439,396,850	\$ 497,193,417	\$ 561,634,471	\$ 588,671,706
Commercial property	1,303,924,316	1,314,023,000	1,395,710,026	1,451,279,183
Less: Tax exempt property	<u>(274,973,296)</u>	<u>(280,967,178)</u>	<u>(290,126,523)</u>	<u>(298,380,174)</u>
TOTAL TAXABLE ASSESSED VALUE ⁽¹⁾	<u>\$ 1,468,347,870</u>	<u>\$ 1,530,249,239</u>	<u>\$ 1,667,217,974</u>	<u>\$ 1,741,570,715</u>
TOTAL DIRECT TAX RATE	0.341455	0.341455	0.341455	0.341455

Source: Harris County Certified / Uncertified Tax Roll.

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.
Tax rates are per \$100 of assessed value.

Schedule 6

2018	2019	2020	2021	2022	2023
\$ 623,634,272	\$ 710,129,040	\$ 925,530,809	\$ 796,448,519	\$ 894,124,076	\$ 1,162,664,755
1,469,452,394	1,709,373,371	1,575,407,601	1,758,884,849	1,801,782,521	1,935,923,084
(263,289,888)	(345,460,031)	(362,380,020)	(355,036,270)	(382,695,710)	(436,464,080)
<u>\$ 1,829,796,778</u>	<u>\$ 2,074,042,380</u>	<u>\$ 2,138,558,390</u>	<u>\$ 2,200,297,098</u>	<u>\$ 2,313,210,887</u>	<u>\$ 2,662,123,759</u>
0.341455	0.341455	0.341455	0.337862	0.333339	0.287248

City of Tomball, Texas
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

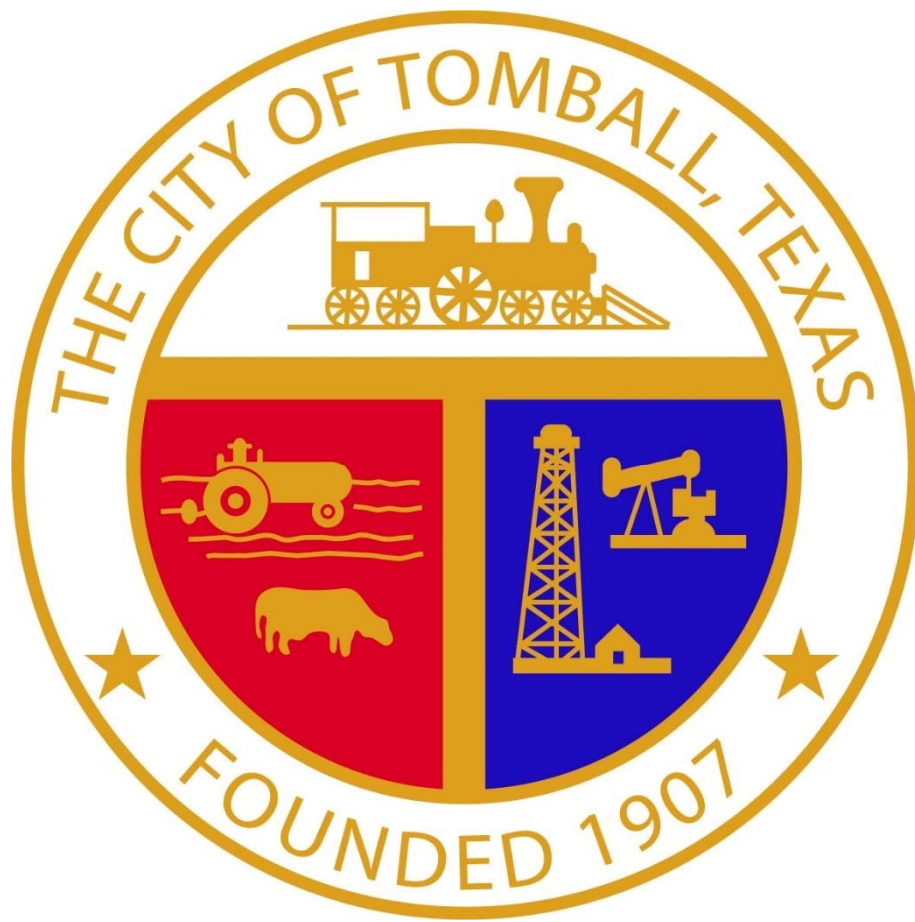
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City of Tomball by fund:				
General	\$ 0.111455	\$ 0.111455	\$ 0.111455	\$ 0.111455
Debt service	0.230000	0.230000	0.230000	0.230000
Total direct rates	0.341455	0.341455	0.341455	0.341455
Tomball Independent School District	1.360000	1.360000	1.340000	1.340000
Harris County	0.414550	0.417310	0.419230	0.416560
Harris County Flood Control District	0.028270	0.027360	0.027330	0.028290
Port of Houston Authority	0.017160	0.015310	0.013420	0.013340
Harris County Hospital District	0.170000	0.170000	0.170000	0.171790
Harris County Department of Education	0.006358	0.005999	0.005422	0.005200
Lone Star College System District	0.116000	0.108100	0.107900	0.107800
Emergency Service District #8	0.050000	0.100000	0.100000	0.095470
TOTAL DIRECT AND OVERLAPPING RATES ⁽¹⁾	\$ 2.503793	\$ 2.545534	\$ 2.524757	\$ 2.519905

Tax rates per \$100 of assessed valuation
 Source: Harris County Appraisal District

(1) Overlapping rates are those of local and county governments that apply within the City of Tomball.

Schedule 7

2018	2019	2020	2021	2022	2023
\$ 0.111455	\$ 0.111455	\$ 0.111455	\$ 0.164279	\$ 0.177557	\$ 0.180383
0.230000	0.230000	0.230000	0.173583	0.155782	0.106865
0.341455	0.341455	0.341455	0.337862	0.333339	0.287248
1.340000	1.290000	1.290000	1.290000	1.250000	1.230000
0.418580	0.407130	0.407130	0.391160	0.376930	0.343730
0.028770	0.027920	0.027920	0.031420	0.033490	0.030550
0.011550	0.010740	0.010740	0.009910	0.008720	0.007990
0.171080	0.165910	0.165910	0.166710	0.162210	0.148310
0.005190	0.005000	0.005000	0.004993	0.004990	0.004900
0.107800	0.107800	0.107800	0.107800	0.107800	0.107800
0.098250	0.096700	0.096700	0.097000	0.094245	0.093561
<u>\$ 2.522675</u>	<u>\$ 2.452655</u>	<u>\$ 2.452655</u>	<u>\$ 2.436855</u>	<u>\$ 2.371724</u>	<u>\$ 2.254089</u>



City of Tomball, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago

Schedule 8

Property Tax Payer	2023			2014		
		Rank	% of Taxable Assessed Value		Rank	% of Taxable Assessed Value
North Houston TRMC	\$ 159,470,162	1	5.99%	\$ -		
LIT Interchange 249 Business Park	153,102,536	2	5.75%	-		
Weingarten Investments Inc.	39,075,823	3	1.47%	16,949,998	5	1.15%
Baker Hughes	37,877,495	4	1.42%	-		
Mustang CAT Manufacturing	32,161,083	5	1.21%	-		
Tomball Parkway Partners DE LLC	30,354,057	6	1.14%	-		
SJBC Commercial XXI LLC	30,070,211	7	1.13%	-		
CenterPoint Energy	25,818,809	8	0.97%	15,926,975	6	1.08%
1100 Graham Dr LLC	25,759,900	9	0.97%	-		
MPT Tomball LP	22,510,790	10	0.85%	17,861,681	4	1.22%
B J Services	-			210,322,910	1	14.32%
Tomball Texas Hospital	-			161,763,679	2	11.02%
Wal Mart	-			19,908,985	3	1.36%
Health Care REIT Inc.	-			15,488,345	7	1.05%
Lowe's	-			14,000,543	8	0.95%
NNN Park at Spring Creek	-			12,263,700	9	0.84%
HEB Grocery Co. LP	-			11,451,436	10	0.78%
Subtotal	556,200,866		20.89%	495,938,252		33.78%
Other Taxpayers	2,105,922,893		79.11%	972,409,618		66.22%
TOTAL TAXABLE ASSESSED VALUE	\$ 2,662,123,759		100.00%	\$ 1,468,347,870		100.00%

Source: Harris County Tax Assessor-Collector's records.

City of Tomball, Texas
Ad Valorem Tax Levies and Collections
Last Ten Fiscal Years

Schedule 9

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Periods	Total Collections to date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2014	\$ 4,985,054	\$ 4,967,598	99.6%	\$ 12,303	\$ 4,979,901	99.9%
2015	5,185,007	5,168,570	99.7%	10,202	5,178,772	99.9%
2016	5,688,531	5,591,963	98.3%	90,249	5,682,212	99.9%
2017	6,077,755	5,870,159	96.6%	200,055	6,070,214	99.9%
2018	6,285,748	6,210,139	98.8%	67,970	6,278,109	99.9%
2019	6,400,713	6,344,039	99.1%	47,929	6,391,968	99.9%
2020	6,844,962	6,751,924	98.6%	79,576	6,831,500	99.8%
2021	7,297,621	7,118,059	97.5%	154,880	7,272,939	99.7%
2022	7,498,423	7,389,512	98.5%	77,376	7,466,888	99.6%
2023	7,550,971	7,435,761	98.5%	-	7,435,761	98.5%

Source: Harris County Tax Collector

City of Tomball, Texas
Sales Tax Revenues by Industry
Current Year and Nine Years Ago

Schedule 10

Sales Tax Remitter	Calendar Year 2023				Calendar Year 2014			
	Number of Outlets	Percentage of Total	Tax Liability (thousands)	Percentage of Total	Number of Outlets	Percentage of Total	Tax Liability (thousands)	Percentage of Total
Retail trade	3,098	34.43%	\$ 10,767	47.53%	1,384	24.52%	\$ 7,049	48.62%
Services	1,502	16.69%	4,068	17.96%	1,201	21.28%	2,025	13.97%
Wholesale trade	1,263	14.04%	2,645	11.68%	875	15.50%	2,043	14.09%
Utilities, transportation, communications	723	8.04%	1,127	4.98%	242	4.29%	698	4.81%
Manufacturing	1,086	12.07%	1,135	5.01%	600	10.63%	506	3.49%
Construction	407	4.52%	400	1.77%	326	5.78%	335	2.31%
Finance, insurance, real estate	286	3.18%	902	3.98%	244	4.32%	539	3.72%
Mining, quarrying, and oil and gas extraction	68	0.76%	415	1.83%	16	0.28%	45	0.31%
All other outlets	564	6.27%	1,194	5.27%	756	13.39%	1,259	8.68%
TOTAL	8,997	100.00%	\$ 22,653	100.00%	5,644	100.00%	\$ 14,499	100.00%

Notes: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: Texas State Comptroller of Public Accounts

Tax liability information is not available on a fiscal-year basis.

City of Tomball, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
PRIMARY GOVERNMENT				
Governmental activities:				
General obligation bonds	\$ 9,710,500	\$ 8,437,500	\$ 7,165,750	\$ 5,887,500
Certificates of obligation	21,565,000	20,640,000	19,695,000	38,165,000
Unamortized premiums	449,806	406,750	363,694	1,188,911
Public property finance contractual obligation	-	-	-	-
Leases payable	535,464	800,000	731,142	660,019
Subscriptions payable	-	-	-	-
Subtotal	<u>32,260,770</u>	<u>30,284,250</u>	<u>27,955,586</u>	<u>45,901,430</u>
Business-type activities:				
General obligation bonds	4,669,500	4,042,500	3,429,250	2,832,500
Unamortized premiums	82,435	70,659	58,883	47,107
Revenue bonds	2,465,000	-	-	-
Subtotal	<u>7,216,935</u>	<u>4,113,159</u>	<u>3,488,133</u>	<u>2,879,607</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 39,477,705</u>	<u>\$ 34,397,409</u>	<u>\$ 31,443,719</u>	<u>\$ 48,781,037</u>
PERSONAL INCOME	463,247,856	475,348,930	508,752,440	576,689,433
DEBT AS A PERCENTAGE OF PERSONAL INCOME	8.522%	7.236%	6.181%	8.459%
POPULATION	11,124	11,299	11,540	11,643
DEBT PER CAPITA	3,549	3,044	2,725	4,190

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 11

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 4,603,250	\$ 3,603,000	\$ 10,790,000	\$ 14,875,000	\$ 13,315,000	\$ 11,695,000
36,200,000	34,210,000	22,535,000	15,540,000	14,565,000	30,235,000
1,103,038	1,017,164	1,625,273	1,913,996	1,762,518	2,080,471
1,300,000	1,169,868	1,169,868	1,039,868	909,868	779,868
586,556	-	-	-	39,219	14,549
-	-	-	-	-	202,744
43,792,844	40,000,032	36,120,141	33,368,864	30,591,605	45,007,632
2,246,750	1,672,000	-	-	-	-
35,331	23,555	-	-	-	-
-	-	-	-	-	-
2,282,081	1,695,555	-	-	-	-
\$ 46,074,925	\$ 41,695,587	\$ 36,120,141	\$ 33,368,864	\$ 30,591,605	\$ 45,007,632
575,773,674	420,244,052	381,549,768	459,924,388	424,702,740	504,737,090
8.002%	9.922%	9.467%	7.255%	7.203%	8.917%
11,707	11,761	12,053	12,341	12,810	13,585
3,936	3,545	2,997	2,704	2,388	3,313

City of Tomball, Texas

Ratio of Net General Bonded Debt to Assessed Value,
 Net General Bonded Debt per Capita and Assessed and
 Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
NET TAXABLE ASSESSED VALUE				
All property	1,468,347,870	1,530,249,239	1,667,217,974	1,741,570,715
NET BONDED DEBT				
Net bonded debt	<u>36,477,241</u>	<u>33,597,409</u>	<u>30,712,577</u>	<u>48,121,018</u>
NET BONDED DEBT	<u>\$ 36,477,241</u>	<u>\$ 33,597,409</u>	<u>\$ 30,712,577</u>	<u>\$ 48,121,018</u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	2.48%	2.20%	1.84%	2.76%
POPULATION	11,124	11,299	11,540	11,643
NET BONDED DEBT PER CAPITA	3,279	2,973	2,661	4,133

Source: The City's financial records.

Schedule 12

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1,829,796,778	2,074,042,380	2,138,558,390	2,200,297,098	2,313,210,887	2,662,123,759
45,488,369	41,695,587	36,120,141	33,368,864	30,552,386	44,790,339
<u>\$ 45,488,369</u>	<u>\$ 41,695,587</u>	<u>\$ 36,120,141</u>	<u>\$ 33,368,864</u>	<u>\$ 30,552,386</u>	<u>\$ 44,790,339</u>
2.49%	2.01%	1.69%	1.52%	1.32%	1.68%
11,707	11,761	12,053	12,341	12,810	13,585
3,886	3,545	2,997	2,704	2,385	3,297

City of Tomball, Texas

Direct and Overlapping Governmental Activities Debt
September 30, 2023

Schedule 13

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
DEBT REPAYED WITH PROPERTY TAXES			
Tomball ISD	\$ 889,775,000	16.01%	\$ 142,452,978
Klein ISD	1,395,105,000	0.17%	2,371,679
Harris County	1,977,981,319	0.40%	7,911,925
Harris Co. Flood Control District	1,009,015,000	0.40%	4,036,060
Harris Co. Hospital District	70,970,000	0.40%	283,880
Harris County Dept of Education	13,865,000	0.40%	55,460
Port of Houston Authority	445,749,397	0.40%	1,782,998
Lone Star College System	579,730,000	0.93%	5,391,489
NorthPointe WC&ID	12,230,000	0.60%	73,380
Southeast Regional Management District	34,115,000	6.36%	2,169,714
			<hr/>
Subtotal, overlapping debt			166,529,562
City direct debt		100.00%	<hr/> 44,790,339 <hr/>
TOTAL DIRECT AND OVERLAPPING DEBT			<hr/> \$ 211,319,901 <hr/>

Notes:

(1) Estimated Percentage Applicable developed from information obtained from the Municipal Advisory Council of Texas.

Source: Bond Official Statements / Texas Municipal Reports

The City has no general obligation legal debt limit other than a ceiling on the ad valorem tax rate as specified by the State of Texas. The prescribed maximum is \$ 2.50 per \$ 100.00 at 100 percent valuation.

City of Tomball, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross revenues	\$ 12,060,478	\$ 11,650,417	\$ 11,371,959	\$ 10,922,004
Operating expenses ⁽¹⁾	<u>6,766,405</u>	<u>6,989,458</u>	<u>6,917,814</u>	<u>7,200,566</u>
NET REVENUES AVAILABLE FOR DEBT SERVICE	5,294,073	4,660,959	4,454,145	3,721,438
DEBT SERVICE REQUIREMENTS ⁽²⁾				
Principal and interest	<u>273,536</u>	-	-	-
TOTAL	<u>\$ 273,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERAGE	19.35	n/a	n/a	n/a

(1) Total operating expenses less depreciation

(2) Includes revenue bonds only. Revenue bonds were paid off during fiscal year 2015.

Source: The City's financial records.

Schedule 15

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 12,228,559	\$ 12,011,055	\$ 13,615,083	\$ 16,870,175	\$ 18,987,150	\$ 17,532,069
7,492,441	8,444,761	8,594,907	11,998,767	11,834,673	12,617,159
4,736,118	3,566,294	5,020,176	4,871,408	7,152,477	4,914,910
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
n/a	n/a	n/a	n/a	n/a	n/a

City of Tomball, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 16

Fiscal Year Ended Sept 30	Population⁽¹⁾	Personal Income	Per Capita Personal Income⁽⁵⁾	Median Age⁽²⁾	School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
2014	11,124	\$ 463,247,856	\$ 41,644	35.6	12,461	4.90%
2015	11,299	475,348,930	42,070	37.2	13,270	4.40%
2016	11,540	508,752,440	44,086	37.3	14,077	5.70%
2017	11,643	576,689,433	49,531	34.5	14,700	4.80%
2018	11,707	575,773,674	49,182	34.5	15,934	4.72%
2019	11,761	420,244,052	35,732	39.3	16,962	4.40%
2020	12,053	381,549,768	31,656	39.0	18,294	8.30%
2021	12,341	459,924,388	37,268	39.0	18,666	5.60%
2022	12,810	424,702,740	33,154	34.0	20,262	4.20%
2023	13,585	504,737,090	37,154	38.2	22,000	4.40%

Sources:

- (1) Tomball Economic Development Corporation or American FactFinder
- (2) Tomball Economic Development Corporation or American FactFinder
- (3) Tomball Independent School District
- (4) Texas Employment Commission, SMSA Houston-Sugar Land-Baytown Metropolitan Statistical Area or Houston-The Woodlands-Sugar Land MSA.
- (5) Tomball Economic Development Corporation or American FactFinder

City of Tomball, Texas
Principal Employers
Current Year and Nine Years Ago

Schedule 17

Employer	2023			2014		
	Employees	Rank	Total City Employment	Employees	Rank	Total City Employment
Tomball ISD	2,800	1	20.61%	1,729	1	15.54%
HCA (Previously Tomball Regional)	1,500	2	11.04%	1,116	2	10.03%
Lone Star College - Tomball	601	3	4.42%	756	3	6.80%
HEB	390	4	2.87%	260	6	2.34%
Walmart	280	5	2.06%	300	5	2.70%
City of Tomball	254	6	1.87%	175	8	1.57%
Lowe's	250	7	1.84%	169	9	1.52%
Kroger	132	8	0.97%	145	10	1.30%
Houston Poly Bag, Ltd.	120	9	0.88%			
Target	107	10	0.79%			
Baker Hughes (B J Services)				670	4	6.02%
Triumph Hospital				250	7	2.25%

Notes: The residents of the City of Tomball are primarily employed outside of the City limits.

Sources:

- Tomball Area Chamber of Commerce
- Tomball Economic Development Corporation
- Tomball Independent School District
- Human Resource Department of Listed Companies

City of Tomball, Texas

Full-time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
GENERAL FUND				
Administration	17.50	17.50	17.50	18.00
Permits & Inspection	5.00	4.00	6.00	6.00
Police Department	58.50	59.50	59.50	61.50
Municipal Court	4.50	4.50	4.50	4.50
Community Center	3.00	3.00	3.00	3.00
Fire Department	18.50	27.50	27.50	27.50
Public Works Admin.	9.00	10.00	8.00	8.00
Garage	2.00	2.00	2.00	2.00
Parks	5.20	5.20	5.20	5.20
Streets	7.20	7.20	8.20	8.20
	<hr/>	<hr/>	<hr/>	<hr/>
Total general fund	130.40	140.40	141.40	143.90
ENTERPRISE FUND				
Utility Administration	7.00	7.00	8.00	8.00
Water	8.20	8.20	8.20	8.20
Wastewater	10.20	10.20	10.20	10.20
Gas	6.20	6.20	6.20	6.20
	<hr/>	<hr/>	<hr/>	<hr/>
Total enterprise fund	31.60	31.60	32.60	32.60
SPECIAL REVENUE FUNDS				
	<hr/>	<hr/>	<hr/>	<hr/>
Total special revenue funds	12.00	3.00	3.00	3.50
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL CITY POSITIONS	<hr/>	<hr/>	<hr/>	<hr/>
	174.00	175.00	177.00	180.00

Notes:

Temporary and seasonal employees are hired during the summer months.

This count is not reflected above.

Police reserves are not included.

Fire Department volunteers are not included.

Source: The City's financial records.

2018	2019	2020	2021	2022	2023
18.00	18.00	18.00	18.00	18.00	17.00
6.00	6.00	6.00	6.00	5.00	5.00
61.50	62.00	62.00	65.00	69.00	75.50
4.50	5.50	5.50	5.50	5.50	5.50
3.00	3.00	3.00	3.00	3.00	3.00
27.50	35.30	32.30	35.30	37.80	44.50
8.00	8.00	8.00	8.00	9.00	11.00
2.00	2.00	2.00	2.00	2.00	2.00
6.20	6.70	6.70	6.70	6.70	6.70
9.20	9.20	9.20	9.20	9.20	13.20
145.90	155.70	152.70	158.70	165.20	183.40
9.00	9.00	9.00	9.00	11.00	13.00
8.20	8.20	8.20	8.20	8.20	12.20
10.20	10.20	10.20	10.20	10.20	10.20
6.20	6.20	6.20	6.20	6.20	7.20
33.60	33.60	33.60	33.60	35.60	42.60
3.50	4.00	4.00	3.00	3.00	3.00
3.50	4.00	4.00	3.00	3.00	3.00
183.00	193.30	190.30	195.30	203.80	229.00

City of Tomball, Texas
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

FUNCTION/PROGRAM	2014	2015	2016	2017
Police:				
Arrests	1,650	1,252	883	1,073
Accident reports	453	514	577	489
Citations	10,181	7,251	6,746	5,679
Offense reports	2,224	1,462	1,092	1,299
Calls for service	23,619	22,094	20,523	19,406
Fire:				
Emergency responses	2,749	2,002	1,671	1,773
Fire incidents	128	104	114	162
Average response time	5:13	5:18	6:52	6:10
Water:				
New accounts	126	88	41	148
Source:				
Water	126	88	41	148
Wastewater / Sewer	126	88	41	148
Average daily consumption (millions of gallons)	1,967	2,052	2,051	1,807
Number of million gallons of surface water pumped	-	-	-	-
Number of million gallons of well water pumped	718,069	750,434	748,615	659,814
Total consumption (millions of gallons)	718,069	750,434	748,615	659,814
Peak daily consumption (millions of gallons)	3,385	2,840	2,657	4,760
Wastewater / Sewer:				
Average daily sewage treatment (millions of gallons)	1.478	1.576	1.920	1.589
Total consumption (millions of gallons)	539.470	575.240	700.800	579.985
Peak daily consumption (millions of gallons)	5.19	3.78	2.70	3.51

Source: Various City departments

2018	2019	2020	2021	2022	2023
808	454	481	749	648	483
486	832	149	310	469	417
4,789	4,774	4,169	2,278	2,862	2,352
525	886	1,230	993	1,467	1,317
24,236	24,801	17,379	18,921	22,218	19,164
2,820	2,162	1,677	1,961	2,701	2,785
135	91	114	78	109	141
6:43	6:07	6:10	6:13	6:07	6:41
87	133	268	527	413	268
87	133	268	527	413	268
87	133	268	527	413	268
2,090	2,112	2,126	1,909	2,241	2,371
-	-	-	-	-	-
763,060	912,707	776,032	773,283	978,397	988,593
763,060	912,707	693,111	706,483	881,593	865,361
3,941	5,083	4,141	5,730	4,961	5,116
1.528	1.554	1.297	1.352	1.419	1.580
565.824	568.764	473.415	535.090	517.935	579.091
3.20	3.23	3.99	4.99	2.39	7.56

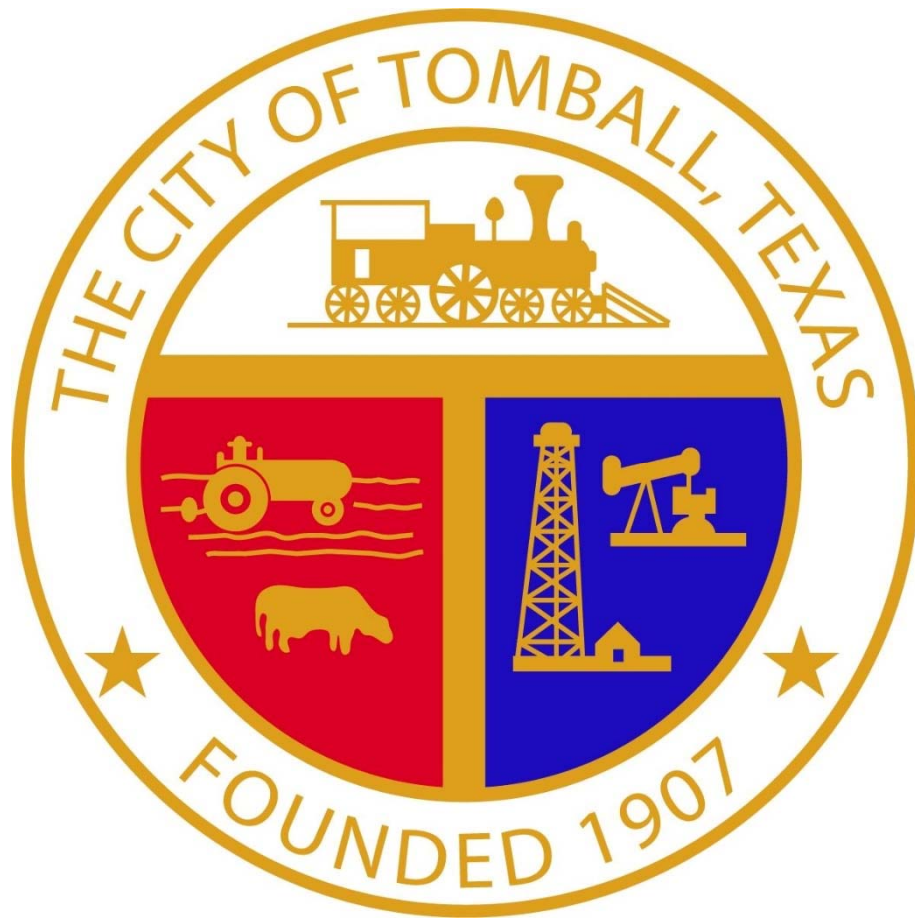
City of Tomball, Texas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	2014	2015	2016	2017
Police:				
Stations	1	1	1	1
Patrol units	33	35	35	35
Fire stations	2	2	2	2
Other public works:				
Streets (miles - centerlines)	50.60	50.60	50.60	57.94
Street lights	720	720	720	720
Parks and recreation:				
Parks	6	7	7	7
Parks (acreage)	39.00	52.00	52.00	69.81
Swimming pools	1	1	1	1
Baseball / softball diamonds	8	8	8	8
Tennis courts	4	4	4	4
Racquetball/handball courts	-	-	-	-
Gymnasiums	-	-	-	-
Basketball courts	2	2	2	2
Water:				
Water mains (miles)	92.69	92.69	94.49	95.11
Fire hydrants	955	955	974	981
Storage capacity (millions of gallons)	2.85	2.85	2.85	2.15
Wastewater / Sewer:				
Sanitary sewers (miles)	1.65	1.65	3.25	3.88
Storm sewers (miles)	22.90	22.90	22.90	22.90
Open ditch / creek / canal drainage (miles)	54.00	54.00	54.00	57.00
Treatment capacity (millions of gallons)	3	3	3	3

Source: Various City departments. In 2018, water and sewer mains (miles) were determined using a Geographic Imaging System

Schedule 20

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
35	38	51	56	56	39
2	2	2	2	2	2
57.94	61.67	84.00	88.18	92.36	102.25
720	751	793	793	799	806
7	7	7	7	7	7
69.81	69.81	69.81	69.81	69.81	69.81
1	1	1	1	1	1
8	8	8	8	8	8
4	4	4	4	4	4
-	-	-	-	-	-
-	-	-	-	-	-
2	2	2	2	2	2
121.36	123.97	128.92	132.60	136.28	142.70
1,135	1,163	1,219	1,277	1,337	1,387
2.15	2.15	2.15	2.15	2.15	2.15
98.14	84.50	88.52	92.23	95.94	108.36
22.90	62.85	66.09	69.65	73.21	78.75
57.23	57.23	57.23	57.23	57.23	57.23
3	3	3	3	3	3



City of Tomball, Texas

Compliance Report

For the Fiscal Year Ended September 30, 2023

City of Tomball, Texas
Compliance Report
For the Fiscal Year Ended September 30, 2023
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City of Tomball, Texas

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2023

<u>Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Grant Funds Expended</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Program			
Small Rural Tribal Body Worn Camera Program	14.228	n/a	<u>\$ 18,257</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>18,257</u>
U.S. DEPARTMENT OF TREASURY			
Direct Program			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	<u>1,364,097</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>1,364,097</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,382,354</u></u>

City of Tomball, Texas

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Tomball, Texas (the "City") under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. This basis of accounting recognizes expenditures in the accounting period in which the liability is incurred, if measurable. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Relationship to Federal Financial Reports

Grant expenditure reports which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Mayor and
Members of City Council
City of Tomball, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tomball, Texas (the City) as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 1, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor and
Members of City Council
City of Tomball, Texas

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
May 1, 2024



**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on
Schedule of Expenditures of Federal Awards required by the Uniform Guidance**

To the Honorable Mayor and
Members of City Council
City of Tomball, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Tomball's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

The Honorable Mayor and
Members of City Council
City of Tomball, Texas

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and
Members of City Council
City of Tomball, Texas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 1, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
May 1, 2024

City of Tomball, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2023

Section 1. Summary of Auditor's Results

Financial Statements

- 1. Type of auditor's report issued Unmodified
- 2. Internal control over financial reporting:
 - a. Material weakness(es) identified? Yes, 2023-001
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 3. Noncompliance material to financial statements noted? No

Federal Awards

- 4. Internal control over major programs:
 - a. Material weakness(es) identified? No
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 5. Type of auditor's report issued on compliance with major programs Unmodified
- 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
- 7. Identification of major programs:
21.027 – COVID 19 Coronavirus State and Local Fiscal Recovery Funds
- 8. Dollar threshold used to distinguish between Type A and Type B federal programs \$750,000
- 9. Auditee qualified as a low-risk auditee? No

City of Tomball, Texas

Schedule of Findings and Questioned Costs - Continued
For the Fiscal Year Ended September 30, 2023

Section 2. Financial Statement Findings

Finding 2023-001 (Recurring)

Material Weakness in Internal Control: Information Technology Security

Criteria

Management is responsible for the accuracy and completeness of all financial records and related information and for establishing and maintaining effective internal control over financial reporting, including its information technology (IT) infrastructure used in the preparation of financial statements.

Condition

In December 2022, the City fell victim to a breach in its information technology security by a third-party strain of ransomware, which resulted in the City's systems, including enterprise resource planning (ERP), utility systems and backup data being inaccessible.

Cause

The City did not have sufficient IT security protocols in place, leaving their systems at risk.

Effect or Potential Effect

The above condition is indicative of a material weakness in the City's internal controls over financial reporting since the event was pervasive and resulted in a halt to most of the City's operations. The City developed alternative methods of conducting daily operations while rebuilding its IT environment. The recovery of encrypted information may result in missing source documentation and/or unanticipated corrections to the financial statements.

Perspective Information

Due to the timing of occurrence for the ransomware event, this finding was reported for fiscal year ending September 30, 2022 and is a recurring finding for fiscal year ending September 30, 2023.

Recommendation

We recommend that City's management should:

- Obtain the recommendations and final status of the recommendations from recovery partners;
- Establish an incident response policy;
- Establish a process to document incidents and the activities through the completion of an "Incident Summary and Investigation";
- Ensure IT general control processes, security administration, change management, backup and recovery, interface management, physical security, patch management are in place and documentation is maintained to support the processes;
- Perform periodic user access reviews;
- Ensure that administrator access is restricted to appropriate personnel, and where segregation of duties conflicts exist, that sufficient monitoring controls are in place, and;
- Review the City's cybersecurity insurance policy and ensure required processes are in place.

City's Response - Views of Responsible Officials

See corrective action plan.

Section 3. Federal Award Findings and Questioned Costs

None reported.

City of Tomball, Texas

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended September 30, 2023

Finding 2022-001

Material Weakness in Internal Controls: Information Technology Security

Responsible Parties

Doug Tippey – IT Director

Ben Lato – Senior IT Specialist

Corrective Action Plan

- Obtain the final status from remediation vendor
- Compile documentation from all vendors
- Complete an incident response policy
- Document existing periodic user reviews
- Review the City's cybersecurity insurance to verify requirements
- Utilize detection and response software for 24x7 monitoring of data
- Deploy patch management and inventory systems
- Create documentation for all IT processes, security administration, change management, patch management, inventory, and backups

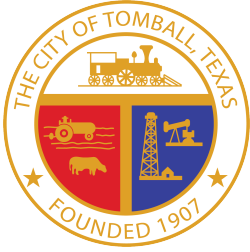
Status

The following corrective actions have been completed:

- Obtain the final status from remediation vendor
- Compile documentation from all vendors
- Document existing periodic user reviews
- Review the City's cybersecurity insurance to verify requirements
- Utilize detection and response software for 24x7 monitoring of data
- Deploy patch management and inventory systems

The following corrective actions have not been completed or have only been partially completed:

- Complete an incident response policy
- Create documentation for all IT processes, security administration, change management, patch management, inventory, and backups



City of Tomball

Lori Klein Quinn
Mayor

David Esquivel, PE
City Manager

Current Year Findings

Finding 2023-001

Material Weakness in Internal Control: Information Technology Security

Corrective Action Plan

- Obtain the final status from remediation vendor
- Compile documentation from all vendors
- Complete an incident response policy
- Document existing periodic user reviews
- Review the City's cybersecurity insurance to verify requirements
- Utilize detection and response software for 24x7 monitoring of data
- Deploy patch management and inventory systems
- Create documentation for all IT processes, security administration, change management, patch management, inventory, and backups

Person(s) Responsible

Tom Wilson – IT Director

Ben Lato – Senior IT Specialist

Anticipated Completion Date

The anticipated completion date is September 30, 2024.

May 1, 2024

To the Honorable Mayor and Members of City Council of
City of Tomball, Texas

We have audited the financial statements of the City of Tomball, Texas (the City) as of and for the year ended September 30, 2023, and have issued our report thereon dated May 1, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 20, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

With respect to any non-audit/non-attest services we perform as previously communicated to you in the engagement letter, the City acknowledges and understands that the City has the responsibility for (a) making all management decisions and performing all management functions; (b) assigning an individual with suitable skills, knowledge, and experience to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. Such non-audit/non-attest services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Significant Risks Identified

Our audit procedures uses a risk-based approach in which we identify potential areas of risk that could lead to a material misstatement of the financial statements. We tailored our audit procedures to specifically address the following areas of risk:

- Management override of internal controls
- Misappropriation of cash through improper or unauthorized expenditures
- Misappropriation of cash through unauthorized employees or improper pay rates
- Inadequate information technology environment or configuration

These risks were addressed by walking through controls in each respective area and performing substantive detail testing and analytical testing of transactions. Based on test work performed in these areas, no material misstatements were identified.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. As described in Note 1. H. to the financial statements, during 2023 the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). Accordingly, there has been no effect to amounts reported under previous standards.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- uncollectible accounts receivable
- depreciation expense - useful lives of capital assets
- net pension liability – actuarial valuation
- other postemployment benefits liabilities – actuarial valuation

Management's estimate of uncollectible accounts receivable and useful lives of capital assets are based on historical experience and future expectations, and management's estimates related to the City's pension and other postemployment benefits liabilities are based on the reports of third-party actuarial specialists. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the City's pension and other postemployment benefits liabilities (Notes 9 and 10).

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated May 1, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

The Honorable Mayor and Members of City Council
City of Tomball, Texas

Page 4

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, with respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. In respect to other information accompanying the financial statements, such other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we do not provide any assurance on them.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Mayor and Members of City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL L.L.P.

The Woodlands, Texas

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: May 6, 2024

Topic:

Approve an agreement authorizing the sale of six vehicles to Montgomery Independent School District for use for their Police Department and authorize the City Manager to execute any and all documents.

Background:

Chapter 791 of the Texas Local Government Code authorizes political subdivisions to enter into intergovernmental agreements, and Section 791.025 specifically provides for the purchase of goods by one political subdivision from another.

The Tomball Police Department would like to enter an agreement with the Montgomery ISD Police Department to sell six used police cars for \$3,000.00 per vehicle. The vehicles to be sold include Interceptors and Tahoes that were replaced in the FY 2023-2024 budget, and include the following shops and equipment:

<u>Shop #</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN</u>	<u>Mileage</u>	<u>Special Equipment</u>
18-101	2018	Ford	Interceptor	1FM5K8AR6JGB12270	99,500	Lights, Siren, Cage
19-111	2019	Ford	Interceptor	1FM5K8AR7KGB54528	106,000	Lights, Siren, Cage
19-113	2019	Ford	Interceptor	1FM5K8AR9KGB54529	94,000	Lights, Siren, Cage
19-114	2019	Ford	Interceptor	1FM5K8AR5KGB54530	115,700	Lights, Siren, Cage
20-124	2020	Chevrolet	Tahoe	1GNLCDECXLR258564	92,000	Lights, Siren, Cage
20-125	2020	Chevrolet	Tahoe	1GNLCDEC9LR258197	90,000	Lights, Siren, Cage

The Tomball Police Department recognizes that in the City’s most recent auctions of police vehicles, used fleet vehicles have sold for between \$5,500 and \$8,600; however, Montgomery ISD, a local partner in law enforcement, has an acutely aged fleet of vehicles, which, due to financial constraints, will not be replaced in the near future. In accordance with Texas Government Code §791.025 that specifically allows for the purchase of goods by one political subdivision from another, the City of Tomball believes that the best and greatest use of these vehicles is to provide them at a reasonable and affordable cost to another local police agency whose members would benefit greatly from safe, reliable vehicles.

This request is to authorize the City Manager to execute an Interlocal Agreement with Montgomery Independent School District for the sale and transfer of title for the six vehicles identified in the table, for a total sale of amount of \$18,000.

Origination: Police Department

Recommendation:

Staff recommends approving the sale of these vehicles to Montgomery Independent School District.

**INTERLOCAL AGREEMENT FOR PURCHASE OF VEHICLES
BETWEEN
MONTGOMERY INDEPENDENT SCHOOL DISTRICT
AND
THE CITY OF TOMBALL**

THIS AGREEMENT is hereby entered into on this the _____ day of _____, 2024, by and between THE CITY OF TOMBALL (hereinafter called "CITY"), a municipal corporation, and THE MONTGOMERY INDEPENDENT SCHOOL DISTRICT (hereinafter called "MISD"), a Texas political subdivision, acting by and through its duly authorized officers, hereinafter called the "board." Pursuant to its actions of a School Board meeting held on _____, 2024.

1. PREAMBLE:

WHEREAS, MISD desires to acquire certain goods presently owned by the CITY consisting of one (1) 2018 Ford Interceptor ("Interceptor"), three (3) 2019 Ford Interceptors ("Interceptor"), two (2) 2020 Chevy Tahoes ("Tahoe") and accessories for use by MISD; and,

WHEREAS, the CITY desires to sell the four Interceptors and two Tahoes; and,

WHEREAS, the CITY and MISD desire to maximize their financial and tangible resources; and,

WHEREAS, Chapter 791 of the Texas Government Code authorizes political subdivisions to enter into Interlocal Agreements and Section 791.025 specifically provides for the purchase of goods by one political subdivision from another; and,

WHEREAS, the CITY and MISD are each political subdivisions of the State of Texas; and

NOW, THEREFORE, in consideration of the covenants, conditions and provisions set forth herein, the parties hereto agree as follows:

- MUTUAL OBLIGATIONS: CITY agrees to sell and MISD agrees to purchase the goods listed below at the corresponding price identified below:

<u>Vehicle</u>			
<u>Unit Number</u>	<u>VIN Number</u>	<u>Make & Model</u>	<u>Price</u>
Shop #18-101	1FM5K8AR6JGB12270	2018 Ford Interceptor	\$3,000.00
Shop #19-111	1FM5K8AR7KGB54528	2019 Ford Interceptor	\$3,000.00
Shop #19-113	1FM5K8AR9KGB54529	2019 Ford Interceptor	\$3,000.00
Shop #19-114	1FM5K8AR5KGB54530	2019 Ford Interceptor	\$3,000.00
Shop #20-124	1GNLCDECXLR258564	2020 Chevy Tahoe	\$3,000.00
Shop #20-125	1GNLCDEC9LR258197	2020 Chevy Tahoe	\$3,000.00

TOTAL PURCHASE PRICE \$18,000.00

- FORM OF PAYMENT: MISD shall pay the CITY the total purchase price of Eighteen Thousand Dollars (\$18,000) in the form of a check made payable to the City of Tomball. Payment made by MISD pursuant to this Agreement must be made from current revenues available to MISD in accordance with Texas Government Code §791.011(d)(3).
- DELIVERY OF GOODS: The goods subject of this sale shall be released into MISD's possession upon CITY's receipt of the payment from MISD specified in paragraph 2, above, and the CITY receiving the replacement vehicles.
- ASSIGNMENT: This agreement shall not be assigned by either party unless written authorization is first obtained from other party.
- ENTIRE AGREEMENT: This agreement contains the final and entire agreement between the parties hereto and contains all of the terms and conditions agreed upon to date, and no other agreements of prior date, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind the parties hereto. It is the intent of the parties that neither party shall be bound by any term, condition or representation not herein written.
- AMENDMENT: No amendment, modification or alteration of the terms of this agreement shall be binding unless the same is in writing, dated subsequent to the date hereof and duly executed by the parties hereto and approved by the governing parties.
- NON-DISCRIMINATION: Any discrimination by MISD or CITY or their agents or employees, on account of race, color, sex, age, religion, handicap, or national origin in employment practices or in the properties made the basis of this Agreement is prohibited and approved by the governing bodies.
- TEXAS LAW TO APPLY: This agreement shall be construed under and in accordance with the law of the State of Texas and all obligations of the parties created hereunder are performable in Harris County, Texas.
- FORCE MAJEURE: Neither party to this agreement shall be required to perform any term, condition, or covenant in this agreement so long as performance is delayed or

prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by a governmental authority, civil riots, floods, and any other cause not reasonably within the control of either party to this agreement and which by the exercise of due diligence such party is unable, wholly or in part, to prevent or overcome. If by reason or force majeure, either party is prevented from full performance of its obligations, under this agreement, written notice shall be provided to the other party within three (3) days.

11. CAPTIONS: The captions contained in the agreement are for the convenience of references only and in no way limit or enlarge the terms and conditions of this agreement.

12. AUTHORITY: The signers of this agreement hereby represent and warrant that they have authority to execute this agreement on behalf of each of their governing bodies.

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Conduct Public Hearing of the City Council of the City of Tomball to consider the adoption of the Water Conservation and Drought Contingency Plan.

Background:

Texas Water Code mandates that all public utilities that provide potable water service to 3,300 or more connections have and submit a Water Conservation and Drought Contingency Plan. Additionally, the Texas Commission on Environmental Quality (TCEQ) requires that municipalities adopt a Water Conservation and Drought Contingency Plan (Plan) and that the Plan be reviewed and re-adopted every five years to coincide with the Regional Water Planning Cycle. The City completed the last update to the Plan in 2019 and are now required to complete the five year review and adoption.

As part of the formal adoption process for the Plan, the City must conduct a single public hearing to allow for public involvement and providing the opportunity for input into the preparation of the Plan.

Origination: Project Management

Recommendation:

Conduct public hearing to consider the adoption of the Water Conservation and Drought Contingency Plan.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed Meagan Mageo Approved by _____
Staff Member Date City Manager Date

**NOTICE OF PUBLIC HEARING
CITY OF TOMBALL, TEXAS**

MONDAY, MAY 6, 2024



6:00 P.M.

NOTICE OF PUBLIC HEARING OF THE CITY COUNCIL OF THE CITY OF TOMBALL TO CONSIDER ADOPTION OF THE WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN.

NOTICE IS HEREBY GIVEN THAT the City Council (the “City Council”) of the City of Tomball, Texas (the “City”), will hold a public hearing at 6:00 p.m. on May 6, 2024, in the City Council Chamber at Tomball City Hall, 401 Market Street, Tomball, Texas 77375 for the purpose of considering the adoption of the Water Conservation and Drought Contingency Plan.

Copies of the Water Conservation and Drought Contingency Plan are available at the City Secretary’s Office, 401 Market Street, Tomball, Texas 77375. Any member of the public has the right to appear at the hearing and provide input regarding the regulations contained within the plan.

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: May 6, 2024

Topic:

Adopt Ordinance No. 2024-12, an Ordinance of the City of Tomball, Texas Repealing and Replacing Chapter 46, Article VII, Water Conservation, of the City of Tomball Code of Ordinances; Providing for the Repeal of Conflicting Provisions; Providing a Savings Clause; Establishing Penalties for the Violation of and Provisions for Enforcement of These Restrictions; Providing Severability; Adopting a Water Conservation and Drought Contingency Plan; and Providing an Effective Date.

Background:

Texas Water Code mandates that all public utilities that provide potable water service to 3,300 or more connections have and submit a Water Conservation and Drought Contingency Plan (Plan). Additionally, the Texas Commission on Environmental Quality (TCEQ) requires that municipalities adopt a Plan and that the Plan be reviewed and re-adopted every five years to coincide with the Regional Water Planning Cycle. The City completed the last update to the Plan in 2019 and are now required to complete the five year review and adoption.

The ultimate goal of the Plan is to conserve the available water supply and protect the integrity of water supply facilities with regard to domestic water use, sanitation, and fire protection, and protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions. The information included in the Plan includes educating the public, through a multitude of avenues, on conditions under which each stage of the Plan is to be initiated or terminated and the drought measures to be implemented in each stage.

The proposed Water Conservation and Drought Contingency Plan consists of five different stages that provides the City Manager may institute if the conditions indicate there will be insufficient water supply or delivery to protect public health and meet regulatory requirements. The phases for implementation will be implemented following three consecutive days of the trigger and the phases include:

Stages	Stage 1 – Mild	Stage 2 – Moderate	Stage 3 –Severe	Stage 4 – Critical Water Condition	Stage 5 – Emergency Water Condition
Restrictions	Voluntary	Mandatory	Mandatory	Mandatory	Mandatory
Trigger	Pumping capacity exceeds 60%	Pumping capacity exceeds 70%	Pumping capacity exceeds 80%	Pumping capacity exceeds 90%	Pumping capacity exceeds 95%
Target	10% reduction	20% reduction	30% reduction	Necessary reduction to lower stage	Necessary reduction for emergency conditions

Public Works staff has developed a decision-making matrix consisting of Water Well Pumping Capacity, Daily High Temperatures, Precipitation, and the Keetch-Byram Drought Index (KBDI), to assist in tracking our drought conditions and will continue to use the system to assist in implementation of the Plan.

Ordinance No. 2024-12 allows for the adoption of the updated Water Conservation and Drought Contingency Plan and repeals and replaces Chapter 46 Article VII, Water Conservation of the Code of Ordinances to provide consistency by removing conflicting provisions and referencing the adopted plan for ease of future updates as required.

Origination: Project Management

Recommendation:

Staff recommends approving Ordinance 2024-12 repealing and replacing Chapter 46, Article VII, Water Conservation and approving the City of Tomball Water Conservation and Drought Contingency Plan.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____
If no, funds will be transferred from # _____ To account # _____
account _____

Signed Meagan Mageo Approved by _____
Staff Member Date City Manager Date

ORDINANCE NO. 2024-12

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS REPEALING AND REPLACING CHAPTER 46, ARTICLE VII, WATER CONSERVATION, OF THE CITY OF TOMBALL CODE OF ORDINANCES; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY UP TO \$2,000.00 FOR THE VIOLATION OF AND PROVISIONS FOR ENFORCEMENT OF THESE RESTRICTIONS, WITH EACH DAY CONSTITUTING A NEW VIOLATION; PROVIDING SEVERABILITY; ADOPTING A WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

* * * * *

WHEREAS, the City of Tomball, Texas desires to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions; and

WHEREAS, the City recognizes that natural limitations due to drought conditions and other natural dissectors cannot guarantee an uninterrupted water supply for all purposes; and

WHEREAS, Texas Water Code Section 13.146 requires all public water supply systems in Texas to prepare a drought contingency plan; and

WHEREAS, the Texas Commission on Environmental Quality (TCEQ) requires municipalities to adopt a Water Conservation and Drought Contingency Plan every five years to coincide with the Regional Water Planning Cycle; and

WHEREAS, a revised and updated Water Conservation and Drought Contingency Plan has been prepared for the City; and

WHEREAS, opportunity for the public to provide input into the preparations of the Water Conservation and Drought Contingency Plan was provided by the City of Tomball by means of public notices in the Tomball Potpourri and the City’s website and conducting a public hearing at the City Council meeting on May 6, 2024;

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

Section 1. The facts and matters stated in the preamble are found to be true and correct and are incorporated herein as if copied in their entirety.

Section 2. The City of Tomball Water Conservation and Drought Contingency Plan is attached hereto as “Exhibit A” and incorporated by reference.

Section 3. That Chapter 46, Article VII, Water Conservation of the Code of Ordinances of the City of Tomball is hereby repealed and replaced with Chapter 46, Article VII, Water Conservation and Drought Contingency as follows:

“Chapter 46

Utilities

Article VII – Water Conservation and Drought Contingency

Sec. 46-325. – Declaration of Policy, Purpose, and Intent.

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protections, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the city hereby adopts the regulations and restrictions on the delivery and consumption of water as identified in the Water Conservation and Drought Contingency Plan (the Plan).

Water uses regulated or prohibited under the Plan are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in section 46-332.

Sec. 46-326. – Authorization.

The City Manager, or his/her designee, is hereby authorized and directed to implement the applicable provisions of the Plan upon determination that such implementation is necessary

to protect public health, safety, and welfare. The City Manager, or his/her designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in the Plan.

Sec. 46-327. – Application.

The provisions of the Plan shall apply to all persons, customers, and properties that utilize water provided by the City of Tomball. The terms “person” or customer”, as used in the Plan, include individuals, corporations, partnerships, associations, and all other legal entities.

Sec. 46-328. – Implementation and Evaluation.

The City Manager, or his/her designee, will authorize and implement the applicable provisions of the Plan upon determining that the emergency condition triggers of the Plan are present, and that implementation is necessary to protect the public health, safety, and welfare. The City Manager will oversee the execution and implementation of all elements of the program and monitor water supply and demand conditions on a regular basis to determine if the trigger conditions are met to initiate or terminate each stage of the Plan.

The City Manager shall determine when conditions warrant the implementation and termination of the drought response stages in accordance with the criteria established by the Plan and he/she shall have the authority to initiate or terminate the water supply emergency response measures as described in the Plan.

Sec. 46-329. – Notices.

The City will educate the public and provide an opportunity for public involvement through the established communication methods used to provide information about the Plan, including conditions under which each stage of the Plan is to be implemented or terminated, and the drought response measures to be implemented in each stage.

The City Manager, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant the initiation or termination of each stage of the Plan. The City shall notify the public by means of press releases, social media, radio announcements, utility bill inserts, direct mailing, and the City website.

The City Manager, or his/her designee, shall notify directly, or cause to be notified directly, the following individuals or entities: Mayor, City Council, and Texas Commission on Environmental Quality (required when mandatory restrictions are imposed).

Sec. 46-330. – Drought Response Stages.

The City Manager, or his/her designee, may initiate any response stage in the Plan if the conditions indicate there will be insufficient water supply or delivery to protect public health, safety, and welfare, and meet regulatory requirements. The Plan identifies multiple stages of drought response, each with specific triggers for initiation and termination, and responses to be implemented.

The triggering criteria and/or trigger levels are based on statistical analysis of the vulnerability of the water source under records of drought conditions, demand increases that strain production capacity, major infrastructure repairs, known system capacity limits, loss of production or delivery capacity, or failure from acts of nature.

The Stages to be implemented are as follows:

- (a) *Stage 1 – Mild Drought Conditions.* Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses when the total daily demand exceeds 60% of production capacity for three consecutive days or other causes as determined the City Manager, or his/her designee.

- (b) *Stage 2 – Moderate Drought Conditions.* Customers shall be required to adhere to water use restrictions for demand reduction under threat of penalty for violation when the total daily demand exceeds 70% of production capacity for three consecutive days or others causes as determined by the City Manager, or his/her designee.
- (c) *Stage 3 – Severe Drought Conditions.* Customers shall be required to adhere to water use restrictions for demand reduction under threat of penalty for violation when the total daily demand exceeds 80% of production capacity for three consecutive days or others causes as determined by the City Manager, or his/her designee.
- (d) *Stage 4 - Critical Drought Conditions.* Customers shall be required to adhere to water use restrictions for demand reduction under threat of penalty for violation when the total daily demand exceeds 90% of production capacity for three consecutive days or others causes as determined by the City Manager, or his/her designee.
- (e) *Stage 5 – Emergency Water Conditions.* Customers shall be required to adhere to water use restrictions for demand reduction under threat of penalty for violation when the total daily demand exceeds 95% of production capacity for three consecutive days, natural or man-made contamination of the water supply source, system outage due to failure of major water system components, or if the City Manager, or his/her designee deems it necessary.

Sec. 46-331. – Enforcement.

Any city employee designated by the City Manager, or his/her designee, that may issue a citation to a person he/she reasonably believes has committed a violation of this Ordinance. The alleged violator shall be served a copy of the citation containing the name and

address of the violator, if known, the offense charged, and shall direct him/her to appear in municipal court on the date shown on the citation. The alleged violator shall appear in municipal court to enter a plea to the charge for the violation of the Plan. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued in accordance with standard court procedures. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in municipal court before all other cases.

Any person, including a water customer of the City, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation. Parents shall be presumed to be responsible for violations of their children under the age of 18 and proof that a violation committed by a child on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation.

Sec. 46-332. – Penalties for violation of this article.

Any person who intentionally, knowingly, recklessly or with criminal negligence violates any provision of this ordinance shall be deemed guilty of a misdemeanor offense, and upon conviction, shall be punished by a fine in an amount not to exceed \$2,000.00. Each day that one or more of the provisions of the Plan is violated shall constitute a separate offense.

If a person is convicted of three or more distinct violations of the Plan, the City Manager, or his/her designee, shall, upon due notice to the person, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a reconnection fee as established in the Master Fee Schedule, as amended from time to time, criminal penalties, and reimbursement to the City for any and all costs incurred by the City, including reasonable attorney's fees

incurred for enforcement of the Plan. In addition, suitable assurance must be given to the City that the same action shall not be repeated while the Plan is in effect. Compliance with the Plan may also be sought through injunctive relief in the district court.

Sec. 46-333. – Variances.

The City Manager, or his/her designee, may, in writing, grant a temporary variance for existing water uses otherwise prohibited under the Plan, if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the conditions identified in the Plan are met.

Persons requesting a variance from the provisions of this Ordinance shall file a petition for variance with the City of Tomball within five (5) days after the Plan or a particular drought response stage has been initiated, with required information as specified in the Plan. All petitions for variances shall be reviewed by the City Manager, or his/her designee. Variances granted by the City shall be subject to the conditions outlined in the Plan, unless waived or modified by the City Manager, or his/her designee.

Sec. 46-334. Public involvement.

Opportunity for the public to provide input into the preparation of the Plan was provided by the City by means of scheduling and providing public notice of a public meeting to accept input on the Plan. Public input on the plan was addressed in preparation of the Plan.

Sec. 46-335. – Adoption of Water Conservation and Drought Contingency Plan.

The City of Tomball hereby adopts the City of Tomball Water Conservation and Drought Contingency Plan as set forth in Exhibit A to Ordinance No. 2024-12, a copy of which is incorporated by reference as if fully set forth herein, and which shall be referred to herein as the “Plan” for the City of Tomball. A full copy of the Plan shall be on file at the Office of the City Secretary of the City of Tomball.

Sec. 46-336. – Severability and Amendment.

It is hereby declared to be the intention of the City of Tomball that the sections, paragraphs, sentences, clauses, and phrases of the Plan are severable and, if any phrase, clause, sentence, paragraph, or section of the Plan shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Plan, since the same would not have been enacted by the City of Tomball without the incorporation into the Plan of any such unconstitutional phrase, clause, sentence, paragraph, or section. The City of Tomball reserves the right to review, change, amend, or alter any provision of the Plan at any time. The City shall review and update the Plan, as appropriate, at least every five years in consideration of new or updated information.

Section 3. That all ordinances or resolutions or parts of ordinances or resolutions in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section 4. That should any section or part of any section, paragraph or clause of this ordinance be declared invalid or unconstitutional for any reason, it shall not invalidate or impair the validity, force or effect of any other section or sections or part of a section or paragraph of this ordinance.

Section 5. That the Code of Ordinances of the City of Tomball, Texas, as amended, shall remain in full force and effect, except as amended by this ordinance.

Section 6. This Ordinance shall take effect immediately from and after its passage and the publication of the caption according to law.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 6TH DAY OF MAY, 2024.

COUNCILMAN FORD	_____
COUNCILMAN STOLL	_____
COUNCILMAN DUNAGIN	_____
COUNCILMAN TOWNSEND	_____
COUNCILMAN PARR	_____

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 20TH DAY OF MAY, 2024.

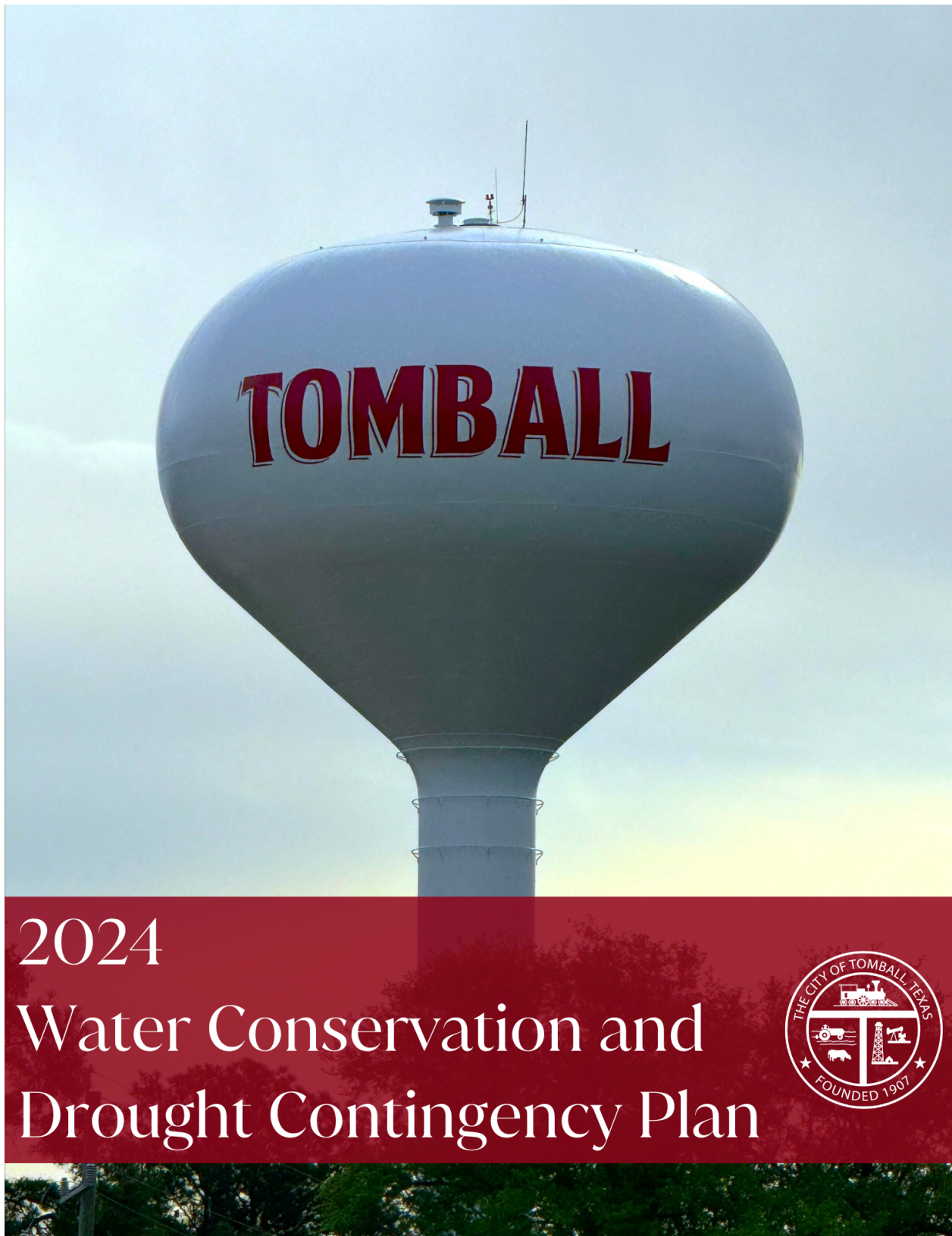
COUNCILMAN FORD	_____
COUNCILMAN STOLL	_____
COUNCILMAN DUNAGIN	_____
COUNCILMAN TOWNSEND	_____
COUNCILMAN PARR	_____

Lori Klein Quinn, Mayor

ATTEST:

Tracylynn Garcia, City Secretary

EXHIBIT A



2024

Water Conservation and Drought Contingency Plan



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Definitions

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by the City of Tomball.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Foundation watering: an application of water to the soils directly abutting (within 2 feet) the foundation of a building, structure.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;

- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection.
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

History

The original settlers of the area now called Tomball began arriving from Europe in the mid-1800s with filled dreams, hope for a better life, and a desire for true freedom in a new home. These pioneers were pleased to find the thick, lush forest around Spring Creek to be much like the Black Forest of Germany and prime property for a soon-to-be thriving lumber industry. They also found the rich soil throughout the area to be perfect for farming and livestock. Just after the turn of the 20th century this simple railroad stop and surrounding community was named Peck, Texas, but soon that all changed. In ceremonies held on December 2, 1907, at the now historic downtown depot, Peck was renamed Tomball in honor of the man responsible for routing the railroad and its operations through the small town...his name was Thomas Ball.

Thomas Ball was a former congressman, practice law in Houston, was three-time mayor of Huntsville, Texas and is known as the “Father of the Port of Houston”. By bringing rail service to the community, Ball virtually ensured the growth that would follow for years to come.

As the City continued to grow and prosper over the next 25 years, residents had little idea of the economic boom that was about to gush into their lives. It was on May 27th, 1933, when the Humble Oil Company struck oil southwest of town earning Tomball the nickname “Oiltown USA”. Humble Oil Company, now known as Exxon, and more than 20 other energy companies worked in the fields around the City for many years producing more than 100 million barrels of oil and 316 billion cubic feet of natural gas.

In the decades to follow, Tomball has continued to grow into a diverse and vibrant community near to the big City while retaining its small-town history and hometown sensibilities.

Section 1: Declaration of Policy, Purpose, and Intent

To conserve the available water supply and protect the integrity of water supply facilities, with regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the City of Tomball hereby adopts the following regulations and restrictions on the delivery and consumption of water by City Ordinance:

Sec. 46-325. - Declaration of policy, purpose, and intent.

(a) In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the City hereby adopts the following regulations and restrictions on the delivery and consumption of water.

(b) Water uses regulated or prohibited under this water conservation and drought contingency plan, hereafter referred to as the "plan," are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offenders to penalties as defined in section 46-333.

Water uses regulated or prohibited under this Water Conservation Drought Contingency Plan (the Plan) are non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section 28 of this Plan.

Section 2: Authorization

The City Manager or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The City Manager or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section 3: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the City of Tomball. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Section 4: Public Education

The City of Tomball will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of press releases, radio announcements, utility bill inserts, direct mailing, and posted on the City website.

Section 5: Location

Tomball is located in the San Jacinto River Basin within 13.321 square miles of Harris County. The City is located with the Region H Regional Water Planning Group and TCEQ Region 12.

Climate

The average annual rainfall for Tomball is 49 inches of rain. June is the wettest month in Tomball with 5.1 inches of rain, and the driest month is February with 3.3 inches. The wettest season is winter with 29% of yearly precipitation and 21% occurs in spring, which is the driest season.

Water Resources

The City of Tomball obtains 100% of its water from the Gulf Coast Aquifer and is within the boundaries of the Harris-Galveston Subsidence District.

Section 6: Objective

The objective of Tomball’s Water Conservation and Drought Contingency Plan is to increase efficiency of water use and reduce water demands without adversely affecting the population and economic growth of the City. The fundamental strategy for this Plan is to promote and publicize water conservation activities and drought management strategies in order to meet our water conservation goals and respond appropriately to water supply concerns or emergencies.

The City of Tomball recognizes that the amount of water available to the City and its water utility customers may be limited and subject to depletion during period of extended drought. Representing the best interests of the citizens of Tomball, Texas, the City deems its expedient and necessary to establish and maintain certain rules and policies for the ongoing conservation of water and the orderly and efficient management of limited water supplies during drought and other water supply emergencies.

Section 7: Statutory and Rule Requirements

TX Water Code § 13.146 (2022) Sec. 13.146. WATER CONSERVATION PLAN. The commission shall require a retail public utility that provides potable water service to 3,300 or more connections to:

- (1) submit to the executive administrator of the board a water conservation plan based on specific targets and goals developed by the retail public utility and using appropriate best management practices, as defined by Section 11.002, or other water conservation strategies.
- (2) designate a person as the water conservation coordinator responsible for implementing the water conservation plan; and
- (3) identify, in writing, the water conservation coordinator to the executive administrator of the board.

“Title 30 Texas Administrative Code, Chapter 288.30(5)(A). For retail public water suppliers providing water service to 3,300 or more connections, the drought contingency plan must be submitted to the executive director not later than May 1, 2005. Thereafter, the retail public water suppliers providing water service to 3,300 or more connections shall submit the next revision of the plan not later than May 1, 2009, and every five years after that date to coincide with the regional water planning group. Any revised plans must be submitted to the executive director within 90 days of adoption by the community water system. Any new retail public water suppliers providing water service to 3,300 or more connections shall prepare and adopt a drought contingency plan within 180 days of commencement of operation and submit the plan to the executive director within 90 days of adoption”.

Texas Water Code §11.1272. Additional Requirement: Drought Contingency Plans for certain applicants and water right holders. (a) The commission shall by rule require wholesale and retail public water suppliers and irrigation districts to develop drought contingency plans consistent with the appropriate approved regional water plan to be implemented during periods of water shortages and drought.

Figure 1 City of Tomball Location

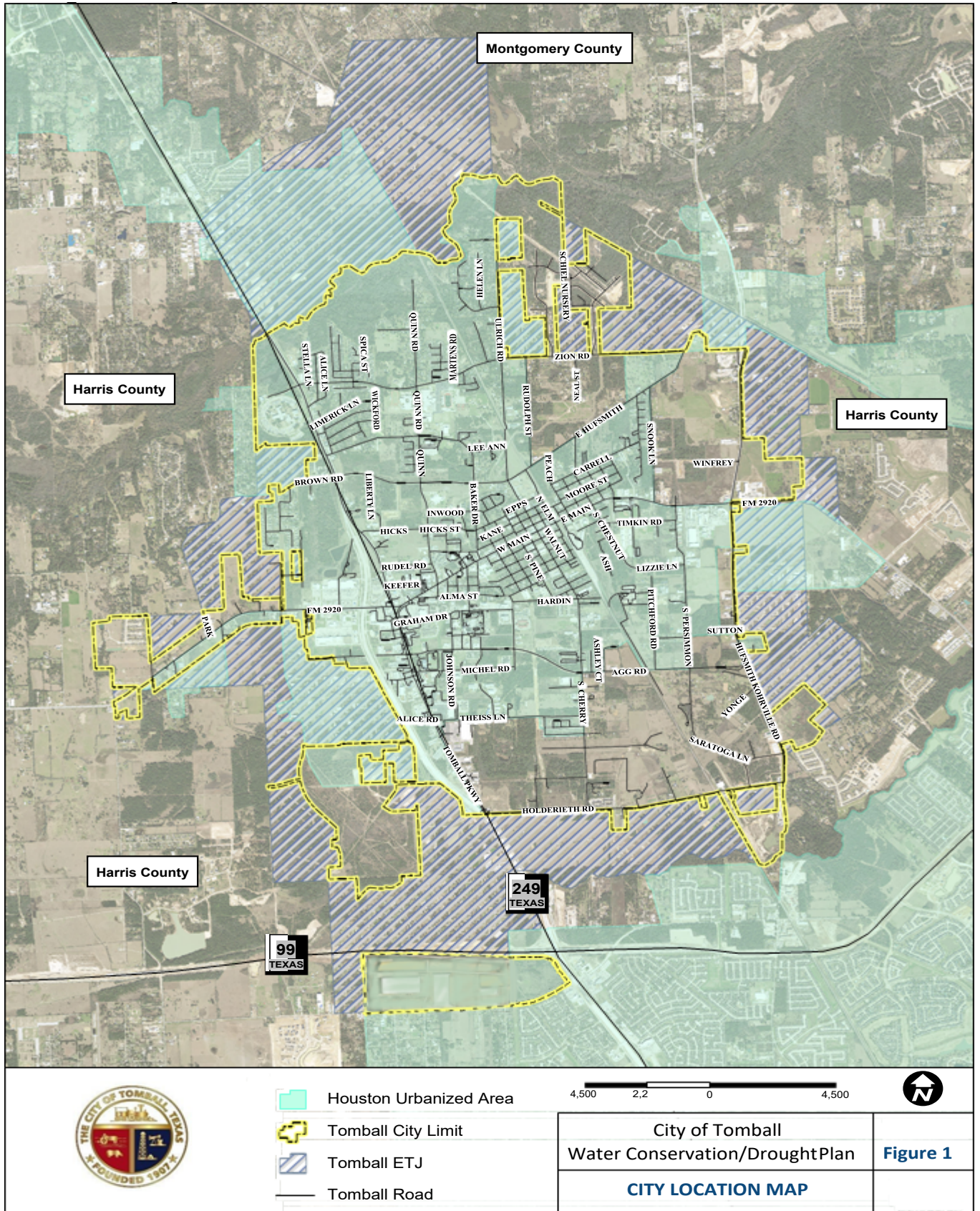


Figure 2 City of Tomball Water Service Area

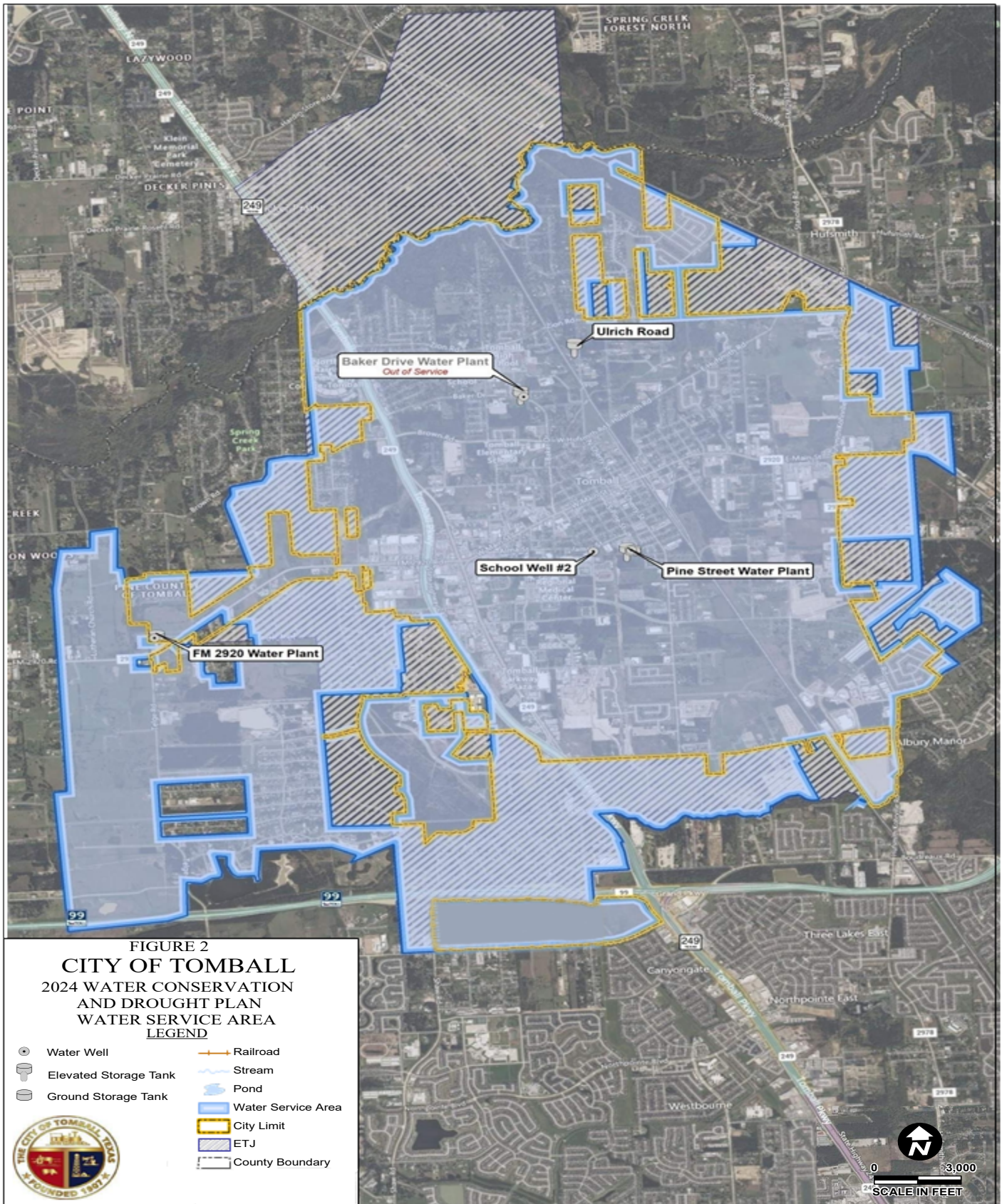


FIGURE 2
CITY OF TOMBALL
2024 WATER CONSERVATION
AND DROUGHT PLAN
WATER SERVICE AREA
LEGEND

- Water Well
- ⊕ Elevated Storage Tank
- ⊕ Ground Storage Tank
- Railroad
- ~ Stream
- ▭ Pond
- ▭ Water Service Area
- ▭ City Limit
- ▭ ETJ
- ▭ County Boundary



Section 8: Reporting Requirements

The Texas Water Development Board (TWDB) requires that the City submit a Water Conservation Plan every five years to coincide with the Regional Water Planning Cycle. The TWDB also requires that the City submit the following information annually:

- (1) Water Use Survey, March 1
- (2) Water Loss Audit, May 1
- (3) Annual Report, May 1

The Texas Commission on Environmental Quality (TCEQ) also requires that the City submit a Water Conservation and Drought Contingency Plan every five years to coincide with the Regional Water Planning Cycle.

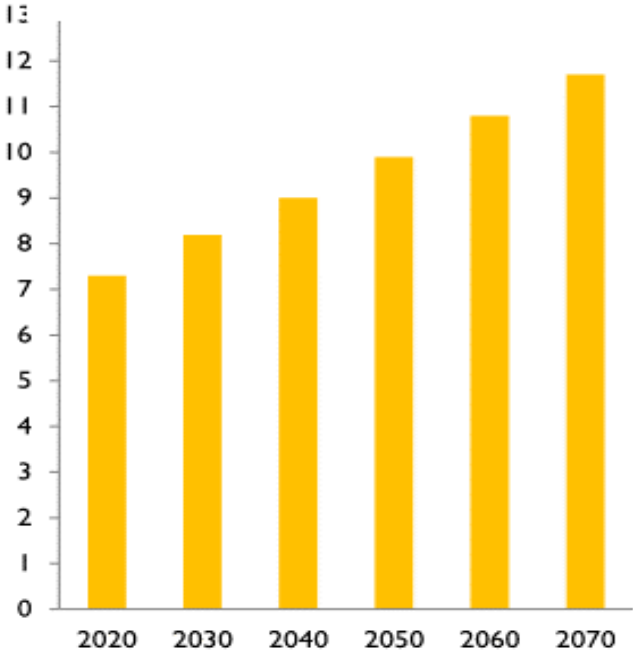
Section 9: Utility Profile

This section contains a description of the City of Tomball's utility profile. A completed TWDB Utility Profile form is attached as Appendix A. Data is managed by utility staff on a daily basis and organized to be able to track water production and deliveries to the highest practicable levels.

Section 10: Population

The population of the City has steadily increased at a rate of 3.4% annually and its population has increased by 16.96% since the most recent census in 2020. Currently the City has a population of over 14,000 and is projected to double in the next 25 years. The TWDB and Region H population projections, shown below, project a 60% increase

Figure H.2 - Projected population for 2020–2070 (in millions)



by 2070. Figure H.2 from the TWDB Region H water plan summary shown above. Population data was calculated based on 2020 census data and projections.

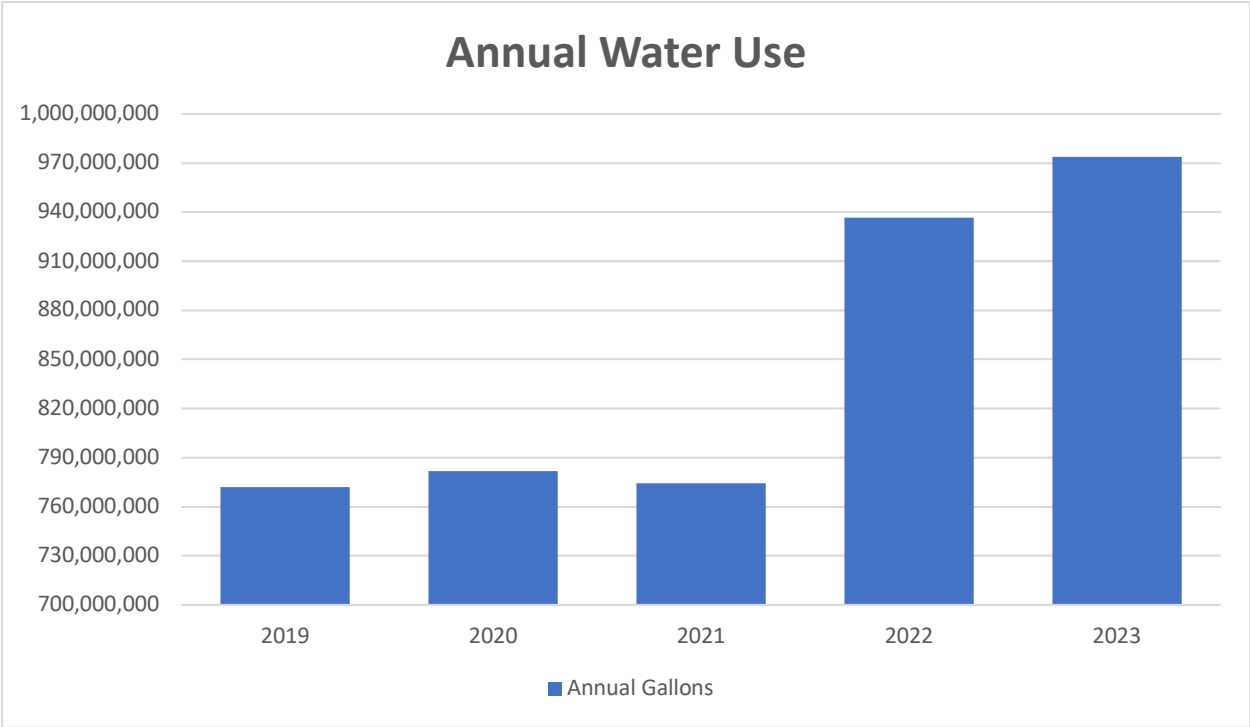
Section 11: Water System Supply and Demand

The Water Utility System has a designed daily capacity of 5,721,120 gallons, consists of over 142 miles of distribution lines, and has more than 5,800 metered connections. The City maintains four ground/elevated storage tanks, which when full, contain 2,150,000 gallons of water.

The City of Tomball obtains 100% of its water from five groundwater wells in the Gulf Coast Aquifer.

Water Demands

Over the previous 5 years, the City has averaged 847 million gallons of water use annually. In 2018 the City began wholesale service with the Red Oak Terrace System.



Water Use Sectors

The distribution of retail utility connections within Tomball is driven mainly by single family residential use and commercial use. The City will pursue adopting Best Management Practices (BMPs) to improve water use efficiency for our operations and our customers by promoting awareness of water conservation initiatives and monitor water conservation progress toward established goals. Residential use for single family accounts for 70% of connections, 5% are for multifamily residential use, and 24% are for commercial use. The City has one industrial connection and no agricultural connections.

Per Capita Water Use

Per Capita Water use is generally expressed in gallons per customer per day (GPCD) and is the average of water used by each person in the population served by a water utility. Variables that can influence GPCD include relative amount of non-residential water uses, the rate and type of growth, economics, climatic conditions, and demographics. Residential GCPD is a superior metric for understanding how much water each resident is actually using and does not include commercial and industrial uses.

Over the past five years residential water users have historically used approximately 80.76 GPCD. The five-year goal for water use reduction for the City is to reduce per capita use by 4 gallons per day per user and the 10-year goal for the City is to reduce

per capita use by 9 gallons per day. These 5 and 10-year goals are in line with the overall water conservation goals to reduce water loss.

Section 12: Water Waste

It shall be a violation of this plan at any time of the year for any person, firm, corporation, business, or other entity to:

- Fail to repair a controllable leak, including a broken sprinkler head, a leaking valve, leaking or broken pipes, or a leaking faucet.
- Operate permanently installed irrigation system with a broken head, a head that is out of adjustment, or a head that is misting due to high water pressure.
- Operate an automated in-ground irrigation system or hose-end sprinkler on any day of the week between 5:00 a.m. and 7:00 p.m.
- Irrigate or water landscape during any form of precipitation.
- Allow water to run off a property and form a stream of water in a street for fifty (50) feet or greater.
- Allowing water to pond in a street or parking lot to a depth of greater than one quarter (1/4) of an inch.

Non-Essential and Discretionary Uses of Water

The following uses of water are considered non-essential, or discretionary uses of water.

- Irrigation of landscape areas, including parks, and athletic fields.
- Use of water to wash any motor vehicle, boat, trailer, airplane, or other vehicle.
- Use of water to wash down any sidewalks, walkways, driveways, parking lots, athletic courts, or other hard surfaced areas.
- Use of water to wash down buildings or other structures for purposes other than immediate fire protection.
- Use of water for dust control

Water Waste and Non-Essential Uses

- Flushing gutters or permitting water to run or accumulate in any gutter or street.
- Use of water to fill, refill, or add to any swimming pool or jacuzzi type pools.
- Use of water in an outside fountain or pond for aesthetic or scenic purposes, except where necessary to support aquatic life.

Section 13: Implementation and Evaluation

The City Manager will authorize and implement the applicable provisions of this drought contingency plan upon determining that the emergency condition triggers of this plan are present, and that implementation is necessary to protect the public health, safety, and welfare. The City Manager will oversee the execution and implementation of all elements of the program, monitor water supply and demand conditions on a regular basis to determine if the trigger conditions are met to initiate or terminate each stage of

the plan. The City Manager shall determine when conditions warrant the implementation and termination of the drought response stages in accordance with the criteria established by this plan and he/she shall have the authority to initiate or terminate the water supply emergency response measures as described in the drought contingency plan.

The City will evaluate this Water Conservation and Drought Contingency Plan on an annual basis and monitor the progress of the Plan, using information from water utility records and staff to compile data for the TWDB Annual Report.

Section 14: Universal Metering and Records Management

The City employs metering devices on all source water connections capable of measuring the amount of water to within plus or minus 5%. The City requires all retail connections to be metered. All water metered and billed is recorded using the City’s billing system.

Meter Testing, Repair and Replacement

The City’s meter testing, repair, and replacement program:

Master meters are tested and calibrated periodically to within an accuracy of plus or minus 5%.

- All retail meters are tested and calibrated or replaced as necessary.
- Meters that have abnormally high or low water usage are changed out as they are identified.

Leak Detection, Repair, and Water Loss Control

Tomball operates and maintains the water transmission system within the City. In order to maintain water delivery service and to reduce and control of unaccounted for water, Tomball staff routinely visually inspect the distribution system to identify abnormal conditions indicating leaks. The staff is equipped to respond to and repair equipment and pipeline breaks or employ contracted assistance as needed. As a result of these measures, water loss has ranged from 14% to 18%. The City’s goal for water loss for the next 5 and 10 years is to maintain less than 15% water loss.

The City’s utility billing system flags residential and commercial customers where monthly usage exceeds forty percent (40%) differential from average, thereby allowing Public Works to confirm accuracy and meter replacement or repairs as needed. The Public Works staff department investigates any idle water meters that indicate a usage, regardless of the amount, reviewed monthly. A stuck meter report generated by the Utility accounting department provides Public Works with a listing of all active meters that had no monthly volumes recorded. These meters are investigated and are replaced or repaired as required.

The City has a continuous leak detection, location, and repair program. Monthly audits of consumption and production volumes are utilized to determine trends for water loss and more immediate action steps to locate water leaks. Continuous surveillance by meter readers and City servicemen provides immediate response to water leaks.

All water meters two inches (2") and larger are compound meters except for irrigation purposes. These meters provide more accurate use volumes for all ranges of flow. In addition, the City has implemented an Automatic Meter Reading (AMR) system.

Section 15: Water Rate Structure

Tomball has a non-promotional rate structure for water service that is cost based and does not encourage the excessive use of water. An escalating base rate from residential through large commercial customers (51,000+ gallons), along with a constant volume rate, provide a uniform rate structure so that all customer classes (residential, small, medium, and large commercial) are equally encouraged to conserve.

Section 16: Plumbing Fixtures

The State of Texas has adopted more stringent water saving performance measures for plumbing fixtures, found in the Health & Safety Code Chapter 372. Maximum flow standards are subsequently listed in the Texas Administrative Code Title 30 Chapter 290 Subchapter G. Customers in existing buildings that do not have water saving plumbing fixtures are encouraged to retrofit their old plumbing fixtures. New construction, including remodeling of existing structures, must comply with City and State plumbing fixture standards. There are a wide assortment of water efficient fixtures, clothes and dish washers that provide the same performance, but use less water. A water efficient home can save more than 20% of annual indoor water use.

Section 17: Water-conserving Landscaping

Water-conserving landscaping is a development concept that encourages residents to adopt low-water-using landscaping principles and methods for use around the home. The same concepts can be applied to other landscaping areas as well, including parks and other public places. A popular method of reducing water use for landscape irrigation is to encourage residents to use the following techniques for landscaping. The following are generally accepted principles when planning a water efficient yard.

- Planning and design. During this step an appropriate plan is developed considering such variables as climate, existing vegetation, intended use of the space, and topographic features.
- Soil analysis. Examine the soil types covering the whole site.

- Appropriate plant selection. Plants should be selected which are native to the area or are adaptive to the site.
- Practical turf areas. Plan where turf areas should be located and consider increasing the area of decks, porous paving, paths and mulched planting beds to reduce turf.
- Efficient irrigation. Landscaped areas should only be watered as needed and then usually during the early morning or late evening to avoid water lost due to evaporation, keeping in mind some plant species may experience mold and/or fungus growth if watered at night.
- Use of mulches. A three-to-four-inch layer of mulch should cover all exposed soil areas and be replenished twice a year.
- Appropriate maintenance. Keep the yard well maintained to reduce the use of fertilizer, chemicals, and water.

Section 18: Customer Service Inspections

A customer service inspection certification as required by the Texas Commission on Environmental Quality (TCEQ), 30 Texas Administrative Code, Chapter 290, §290.46, shall be completed prior to providing continuing water service to new construction or any existing service when the City has reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any material improvement, correction, or addition to the private plumbing facilities. The existence of a serious threat to the integrity of the public water supply shall be considered sufficient grounds for immediate termination of water service.

Section 19: Backflow Assembly Testing and Installation

All backflow prevention assemblies shall be tested upon installation by a recognized backflow assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against high health hazards must also be tested and certified to be operating within specification at least annually by a recognized backflow prevention device tester. Backflow assembly testing and installation shall be completed as required by the Texas Commission on Environmental Quality (TCEQ), 30 Texas Administrative Code, Chapter 290, §290.44.

It shall be the duty of the customer at any premise where backflow prevention assemblies are installed to have a certified inspection and operational tests conducted annually. In those instances where the City deems the hazard to be deleterious to human health, customer service inspection certifications may be required semiannually. Inspections and tests shall be at the expense of the customer or customer representative and shall be performed by a certified backflow technician.

Assemblies shall be repaired, overhauled, or replaced at the expense of the customer whenever said assemblies are found to be defective. Records of such tests, repairs, and overhaul shall be kept and submitted to the City within ten (10) business days of the test, repairs, or overhaul of each backflow prevention assembly.

No device or assembly shall be removed from use, relocated, or other device or assembly substituted without the approval of the City. Whenever the existing assembly is moved from the present location, requires more than minimum maintenance, or when the City finds that the maintenance constitutes a hazard to health, the unit shall be replaced by a backflow prevention assembly complying with requirements of this sections and the current adopted plumbing code of the City.

A test report must be completed by the recognized backflow prevention assembly tester for each assembly tested. The signed and dated original must be submitted to the Public Works division of the City within five days of the test.

A recognized backflow prevention assembly tester must have completed a Texas Commission on Environmental Quality (TCEQ) approved course on cross connection control and backflow prevention and pass an examination administered by the TCEQ or it's designated agent.

Section 20: Potential Additional Conservation Strategies

The City will select any combination of the following strategies, in addition to those strategies listed above, in order to expand its current water conservation efforts. The TCEQ may also require that any of the following strategies be implemented by the City if the TCEQ determines that the strategy is necessary to achieve the goals of this Water Conservation Plan. The additional strategies that may be implemented include:

- Revision of water rates to promote increased water conservation.
- Additional programs to encourage the retrofit of water conserving plumbing fixtures in existing structures.
- A program for pressure control and/or reduction in the distribution system and/or for customer connections.
- Any other conservation practice, method, or technique to conserve water, reduce loss and improve water management in which the City shows to be appropriate for achieving the stated goal or goals of the Water Conservation Plan.
- Increase water use communication with customers.
- Rain barrel distribution to encourage rainwater harvesting.
- Landscape irrigation incentives.

Section 21: Water Conservation Goals

The City of Tomball continues to pursue and evaluate new technologies to implement that will conserve water and reduce overall per capita water use. The following actions

were taken to develop the Plan to meet water conservation savings and water loss reduction. An evaluation of water utilities and factors that affect water loss was conducted. Attainable goals for water conservation and ways in which to measure these goals were determined and five- and ten-year targets were established. Implementation guidelines through the Texas Water Development Board (TWDB) water conservation best management practices were evaluated and the City will adopt new BMPs with this Plan. Plans for reevaluation of the Water Conservation Plan will be looked at on a yearly basis but may change from year-to-year dependent on available funding, economic conditions, and workload.

Section 22: Drought Planning and Response to Droughts

Drought planning and response in Texas is regulated in Title 30 of the Texas Administrative Code, under Section 288.20, the TCEQ requires municipal water suppliers to develop and implement a drought contingency plan. The City will educate the public and provide an opportunity for public involvement through the established communication methods used to provide information about this Plan, including conditions under which each stage of the Plan is to be implemented or terminated, and the drought response measures to be implemented in each stage.

Authorization

The City Manager, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant the initiation or termination of each stage of the Plan.

Notification of the Public:

The City Manager or his/her designee shall notify the public by means of press releases, social media, radio announcements, utility bill inserts, direct mailing, and posted on the City website.

Additional Notification:

The City Manager or his/her designee shall notify directly, or cause to be notified directly, the following individuals and entities: Mayor, City Council and TCEQ (required when mandatory restrictions are imposed).

Coordination with Regional Water Planning Groups

Coordination with the Regional Water Planning Group has been established and the City has provided a copy of the Plan to the Region H Water Plan Group. The City has also submitted a copy to the Texas Water Development Board and the Texas Commission on Environmental Quality (TCEQ).

Application

This Plan applies to all persons, customers, and properties that utilize water provided by the City of Tomball. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Section 23: Drought Triggers and Responses

The City Manager may initiate any response stage in this Plan if the conditions indicate there will be insufficient water supply or delivery to protect public health, safety, and welfare and meet regulatory requirements. This plan identifies multiple stages of drought response, each with specific triggers for initiation and termination, and responses to be implemented. This plan also includes notification procedures, means for enforcement, and variances.

The triggering criteria and/or trigger levels are based on statistical analysis of the vulnerability or the water source under records of drought conditions, demand increases that strain production capacity, major infrastructure repairs, known system capacity limits, loss of production or delivery capacity, or failure from acts of nature.

Stage 1 - Triggers Mild Drought Condition

Last Digit of Street Address	Allowed Landscape Watering Days
0, 2, 4, 6, 8	Sundays and Thursdays
1, 3, 5, 7, 9	Saturdays and Wednesdays

Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses when the total daily demand exceeds 60% of production capacity for three consecutive days or other causes as determined by the City Manager, or his/her designee.

Stage 1 Response for Mild Water Shortage Conditions

- a. Water customers are requested to voluntarily limit the irrigation of landscape areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of 7:00 p.m. to 5:00 a.m. on designated watering days.
- b. All operations of the City of Tomball shall adhere to water use restrictions prescribed for Stage 1 of the Plan.
- c. Water Customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes. The City will reduce waterline flushing.

Requirements for Termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days or a time period the City Manager designates.

Stage 2 - Triggers Moderate Drought Condition

Total daily demand exceeds 70% of production capacity for three consecutive days. Other causes as determined by the City Manager, or his/her designee. Water Use Restrictions for Demand Reduction Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- a. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 7:00 p.m. to 5:00 a.m. on designated watering days. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

Last Digit of Street Address	Allowed Landscape Watering Days
0, 2, 4, 6, 8	Sundays and Thursdays
1, 3, 5, 7, 9	Saturdays and Wednesdays

- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is prohibited except on designated watering days between the hours of 7:00 p.m. to 5:00 a.m. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- c. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, is prohibited except on designated watering days between the hours of 7:00 p.m. to 5:00 a.m.
- d. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- e. Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except

that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the City of Tomball.

- f. Use of water for the irrigation of fairways is prohibited except on designated watering days between the hours 7:00 p.m. to 5:00 a.m.
- g. The following uses of water are defined as non-essential and are prohibited:
 - 1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
 - 2. use of water to wash down buildings or structures for purposes other than immediate fire protection.
 - 3. use of water for dust control.
 - 4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - 5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Requirements for Termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days or a time period the City Manager designates. The City will attempt to achieve the target reductions in daily water demand. Upon termination of Stage 2, Stage 1 becomes operative.

Stage 3 - Triggers Severe Drought Condition

Total daily demand exceeds 80% of production capacity for three consecutive days. Other Causes as determined by the City Manager, or his/her designee. All requirements of Stage 2 shall remain in effect during Stage 3 except:

- a. Customers are required to limit the irrigation of landscape areas to one day per week. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 7:00 p.m. to 5:00 a.m. and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.

Last Digit of Street Address	Allowed Landscape Watering Days
0, 2, 4, 6, 8	Thursdays
1, 3, 5, 7, 9	Wednesdays

- b. The use of water for construction purposes from designated fire hydrants under a special permit is to be discontinued. The City will eliminate flushing of waterlines.

Requirements for Termination

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days or a time period the City Manager designates. The City will attempt to achieve the target reductions in daily water demand. Upon termination of Stage 3, Stage 2 becomes operative.

Stage 4 - Triggers Critical Drought Condition

Total daily demand exceeds 90% of production capacity for three consecutive days. Others causes are as determined by the City Manager, or his/her designee. All requirements of Stage 3 shall remain in effect during Stage 4 except:

- a. Irrigation of landscaped areas shall be limited to designated watering days between the hours 7:00 p.m. to 5:00 a.m. and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.

Last Digit of Street Address	Allowed Landscape Watering Days
0, 2, 4, 6, 8	Thursdays
1, 3, 5, 7, 9	Wednesdays

- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10 p.m.
- c. The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi type pools is prohibited.
- d. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- e. No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Stage 5 - Triggers Emergency Water Condition

Total daily demand exceeds 95% of production capacity for three consecutive days, natural or man-made contamination of the water supply source, system outage due to failure of major water system components, or if the City Manager, or his/her designee

deems it necessary. All requirements of Stage 3, and Stage 4 shall remain in effect during Stage 5 except:

- a. Irrigation of landscaped areas is absolutely prohibited.
- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is absolutely prohibited.
- c. Non-essential commercial operations that primarily utilize water such as car washes, water parks, splash pads, etc. Shall be prohibited. Wholesale water contracts suspended.

Section 24: Watering Schedule

The City of Tomball watering schedule is shown below. During the mandatory stages of this plan, watering with irrigation system or hose-end sprinklers is prohibited between the hours of 5:00 a.m. and 7:00 p.m. Landscape watering is permitted at any time or day with a bucket or watering can.

Drought Stage	Compliance	Odd Addresses	Even Addresses
1	Voluntary	Wednesday, Saturday	Thursday, Sunday
2	Mandatory	Wednesday, Saturday	Thursday, Sunday
3	Mandatory	Wednesday Only	Thursday Only
4	Mandatory	Wednesday Only	Thursday Only
5	Prohibited	Prohibited	Prohibited

Section 25: Emergency Responses

In the event of an identified water shortage declaration, the City will distribute water to wholesale customers according to the Texas Water Code §11.039* and initiate water allocation to municipal water customers.

In the event of a contamination event, appropriate emergency procedures will be implemented, and appropriate emergency response officials will be notified immediately. In the event of a backflow incident, loss of pressure, or an active maximum contaminant level coliform violation, a Boil Water Notice will be implemented as prescribed in Title 30 of the Texas Administrative Code Chapter 290.

In the event of a catastrophic failure due to natural causes or man-made events, appropriate emergency procedures will be implemented, and appropriate emergency response officials will be notified.

In the event of an emergency loss of water supply, the City will consider purchases of water by the truckload or in bottles for the health and public safety of the City’s residents.

Section 26: Variances

The City Manager, or his/her designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to

grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- a. Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b. Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the City of Tomball within five (5) days after the Plan or a particular drought response stage has been initiated. All petitions for variances shall be reviewed by the City Manager, or his/her designee, and shall include the following:

- a. Name and address of the petitioner(s).
- b. Purpose of water use.
- c. Specific provision(s) of the Plan from which the petitioner is requesting relief.
- d. Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- e. Description of the relief requested.
- f. Period of time for which the variance is sought.
- g. Alternative water uses restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- h. Other pertinent information.

Variances granted by the City shall be subject to the following conditions, unless waived or modified by the City Manager:

- Variances granted will include a timetable for compliance.
- Variances granted will expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements; and
- No variance will be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section 27: Wholesale Contracts

The City of Tomball will include a requirement in every water supply contract entered into or renewed after official adoption of the Water Conservation and Drought Contingency Plan, and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements of this chapter. If the customer intends to resell the water, then the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation

requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with applicable provisions of Title 30 of the Texas Administrative Code, Chapter 288.

The City of Tomball will include a provision in every wholesale water contract entered into after adoption of the plan, including contract extensions, that in case of shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code, §11.039.

Section 28: Enforcement

- a. No person shall knowingly or intentionally allow water to be used for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the water distress response stage in effect at the time.
- b. Any person who violates this Plan shall be deemed guilty of a misdemeanor offense, and, upon conviction, shall be punished by a fine as established in the City's Master Fee Schedule, and as amended from time to time. Each day that one or more of the provisions of this Plan is violated shall constitute a separate offense.

If a person is convicted of three or more distinct violations of this Plan, the City Manager, or his/her designee, shall, upon due notice to the person, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a reconnection fee, as established in the City's Master Fee Schedule, as amended from time to time, criminal penalties, and reimbursement to the City for any and all costs incurred by the City, including reasonable attorney's fees incurred for enforcement of this Plan. In addition, suitable assurance must be given to the City that the same action shall not be repeated while the Plan is in effect. Compliance with this Plan may also be sought through injunctive relief in the district court.

- c. Any person, including a water customer of the City, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation. Parents shall be presumed to be responsible for violations of their children under the age of 18 and proof that a violation committed by a child on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation.
- d. Any city employee designated by the City Manager, or his/her designee, may issue a citation to a person he/she reasonably believes has committed a violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name

and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in municipal court on the date shown on the citation. The alleged violator shall appear in municipal court to enter a plea to the charge for the violation of this Plan. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in municipal court before all other cases.

Section 29: Severability and Amendment

It is hereby declared to be the intention of the City of Tomball that the sections, paragraphs, sentences, clauses, and phrases of this Plan are severable and, if any phrase, clause, sentence, paragraph, or section of this Plan shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Plan, since the same would not have been enacted by the City of Tomball without the incorporation into this Plan of any such unconstitutional phrase, clause, sentence, paragraph, or section. The City of Tomball reserves the right to review, change, amend, or alter any provision of this Plan at any time. The City shall review and update this Plan, as appropriate, at least every five years in consideration of new or updated information.

APPENDIX A
UTILITY PROFILE

The following appendix contains the form TCEQ-10218 (Rev. 04/2022)



Texas Commission on Environmental Quality

Water Availability Division
MC-160, P.O. Box 13087 Austin, Texas 78711-3087
Telephone (512) 239-4600, FAX (512) 239-2214

Utility Profile and Water Conservation Plan Requirements
for Municipal Water Use by Retail Public Water Suppliers

This form is provided to assist retail public water suppliers in water conservation plan assistance in completing this form or in developing your plan, please contact the Conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4600.

Water users can find best management practices (BMPs) at the Texas Water Development Board's website http://www.twdb.texas.gov/conservation/BMPs/index.asp. The practices are broken out into sectors such as Agriculture, Commercial and Institutional, Industrial, Municipal and Wholesale. BMPs are voluntary measures that water users use to develop the required components of Title 30, Texas Administrative Code, Chapter 288. BMPs can also be implemented in addition to the rule requirements to achieve water conservation goals.

Contact Information

Name of Water Supplier: City of Tomball
Address: 501 James Street
Telephone Number: (281) 290-1400 Fax: ()
Water Right No.(s): N/A
Regional Water Planning Group: Region H
Water Conservation Coordinator (or person responsible for implementing conservation program): Nadia Fuller Phone: (972) 890-7408
Form Completed by: Nadia Fuller
Title: Environmental Coordinator
Signature: Date: 4/26/2024

A water conservation plan for municipal use by retail public water suppliers must include the following requirements (as detailed in 30 TAC Section 288.2). If the plan does not provide information for each requirement, you must include in the plan an explanation of why the requirement is not applicable.

Utility Profile

I. POPULATION AND CUSTOMER DATA

A. *Population and Service Area Data*

1. Attach a copy of your service-area map and, if applicable, a copy of your Certificate of Convenience and Necessity (CCN).
2. Service area size (in square miles): 13
(Please attach a copy of service-area map)
3. Current population of service area: 14,000
4. Current population served for:
 - a. Water 14,401
 - b. Wastewater 14,145

5. Population served for previous five years:

<i>Year</i>	<i>Population</i>
2019	11,840
2020	12,474
2021	12,966
2022	13,684
2023	14,401

6. Projected population for service area in the following decades:

<i>Year</i>	<i>Population</i>
2030	13,457
2040	14,110
2050	14,677
2060	15,182
2070	15,644

7. List source or method for the calculation of current and projected population size.
 2021 Region H Water Plan Population Projections; Census data (2020 census and projections).

B. Customer Data

Senate Bill 181 requires that uniform consistent methodologies for calculating water use and conservation be developed and available to retail water providers and certain other water use sectors as a guide for preparation of water use reports, water conservation plans, and reports on water conservation efforts. A water system must provide the most detailed level of customer and water use data available to it, however, any new billing system purchased must be capable of reporting data for each of the sectors listed below. More guidance can be found at: <http://www.twdb.texas.gov/conservation/doc/SB181Guidance.pdf>

1. Quantified 5-year and 10-year goals for water savings:

	<i>Historic 5-year Average</i>	<i>Baseline</i>	<i>5-year goal for year 2029</i>	<i>10-year goal for year 2034</i>
Total GPCD	179	140	175	170
Residential GPCD	81	90	77	72
Water Loss GPCD	49	60	45	40
Water Loss Percentage	9.43%	13%	10%	8%

Notes:

Total GPCD = (Total Gallons in System ÷ Permanent Population) ÷ 365

Residential GPCD = (Gallons Used for Residential Use ÷ Residential Population) ÷ 365

Water Loss GPCD = (Total Water Loss ÷ Permanent Population) ÷ 365

Water Loss Percentage = (Total Water Loss ÷ Total Gallons in System) x 100; or (Water Loss GPCD ÷ Total GPCD) x 100

2. Current number of active connections. Check whether multi-family service is counted as Residential or Commercial?

<i>Treated Water Users</i>	<i>Metered</i>	<i>Non-Metered</i>	<i>Totals</i>
Residential	4,470		4,470
Single-Family	4,365	0	4,365
Multi-Family	105	0	105
Commercial	1,255	0	1,255
Industrial/Mining	1	0	1
Institutional	71	0	71
Agriculture	0	0	0
Other/Wholesale	0	0	0

3. List the number of new connections per year for most recent three years.

<i>Year</i>	<i>2021</i>	<i>2023</i>	<i>Total New Connections</i>
<i>Treated Water Users</i>			
Residential	3,898	4,470	569
Single-Family	3,794	4,365	568
Multi-Family	104	105	1
Commercial	1,158	1,255	97
Industrial/Mining	1	1	0
Institutional	74	71	-3
Agriculture	0	0	0

Other/Wholesale _____

4. List of annual water use for the five highest volume customers.

<i>Customer</i>	<i>Use (1,000 gal/year)</i>	<i>Treated or Raw Water</i>
Tomball ISD	23,229	Treated
Lone Star College	12,067	Treated
Tomball Regional Medical Center	11,956	Treated
Oak Bend Apartments	10,891	Treated
Tomball Creek, LLC	8,342	Treated

II. WATER USE DATA FOR SERVICE AREA

A. Water Accounting Data

1. List the amount of water use for the previous five years (in 1,000 gallons).

Indicate whether this is diverted or **X** treated water.

<i>Year</i>	2019	2020	2021	2022	2023
<i>Month</i>					
January	45,903	48,581	48,615	5,266.9	51,754
February	44,026	43,548	59,934	46,318	48,020
March	52,848	53,516	53,106	54,376	67,025
April	56,756	50,491	61,855	66,868	65,197
May	63,042	64,431	59,895	83,634	73,108
June	70,434	74,049	67,637	112,830	91,876
July	71,691	87,500	66,397	125,188	116,030
August	92,175	92,321	87,739	107,549	130,616
September	86,616	73,927	78,749	94,244	110,246
October	80,555	77,156	71,963	106,208	86,497
November	54,241	61,622	58,450	66,498	71,458
December	53,563	50,578	56,397	62,015	62,027
Totals	771,850	777,720	770,737	930,995	973,854

- Describe how the above figures were determined (e.g, from a master meter located at the point of a diversion from the source or located at a point where raw water enters the treatment plant, or from water sales).

The water accounting data was determined from water sales.

- Amount of water (in 1,000 gallons) delivered/sold as recorded by the following account types for the past five years.

<i>Year</i>	2019	2020	2021	2022	2023
<i>Account Types</i>					
Residential	353,580	388,584	360,417	493,274	490,283
Single-Family	264,872	316,632	286,481	417,599	424,337
Multi-Family	88,708	71,952	73,936	75,675	65,946
Commercial	286,242	296,789	302,881	378,457	343,499
Industrial/Mining	1,547	513	775	1,090	23
Institutional	18,196	7,255	7,072	8,772	6,512
Agriculture	0	0	0	0	0
Other/Wholesale					

- List the previous records for water loss for the past five years (the difference between water diverted or treated and water delivered or sold).

<i>Year</i>	<i>Amount (gallons)</i>	<i>Percent %</i>
2019	95,856,402	12.35%
2020	55,891,586	7.15%
2021	95,221,298	12.28%
2022	44,456,835	4.74%
2023	105,571,050	10.66%

B. Projected Water Demands

- If applicable, attach or cite projected water supply demands from the applicable Regional Water Planning Group for the next ten years using information such as population trends, historical water use, and economic growth in the service area over the next ten years and any additional water supply requirements from such growth.

III. WATER SUPPLY SYSTEM DATA

A. Water Supply Sources

- List all current water supply sources and the amounts authorized (in acre feet) with each.

<i>Water Type</i>	<i>Source</i>	<i>Amount Authorized</i>
Surface Water	N/A	
Groundwater	Yes	7,165
Other	N/A	

B. Treatment and Distribution System (if providing treated water)

- Design daily capacity of system (MGD): 5.95
- Storage capacity (MGD):
 - Elevated 1.25
 - Ground .90
- If surface water, do you recycle filter backwash to the head of the plant?

Yes No If yes, approximate amount (MGD): N/A

IV. WASTEWATER SYSTEM DATA

A. Wastewater System Data (if applicable)

- Design capacity of wastewater treatment plant(s) (MGD): 3
- Treated effluent is used for on-site irrigation, off-site irrigation, for plant wash-down, and/or for chlorination/dechlorination.

If yes, approximate amount (in gallons per month): 500
- Briefly describe the wastewater system(s) of the area serviced by the water utility. Describe how treated wastewater is disposed. Where applicable, identify treatment plant(s) with the TCEQ name and number, the operator, owner, and the receiving stream if wastewater is discharged.

The City of Tomball owns and operates the north wastewater treatment plant WQ0010616001 (RN102177763) and the south wastewater treatment plant WQ0010616002 (RN101609899). The treated effluent is discharged to Harris County Flood Control District (HCFCD) ditch M121-00-00, to Spring Creek and Willow Creek in Segment 1008 of the San Jacinto River Basin.

B. Wastewater Data for Service Area (if applicable)

- Percent of water service area served by wastewater system: 99%
- Monthly volume treated for previous five years (in 1,000 gallons):

<i>Year</i>	2019	2020	2021	2022	2023
<i>Month</i>					
January	61,346	40,605	45,477	42,021	49,291
February	42,179	34,766	43,403	40,245	60,633
March	42,998	40,012	39,966	38,153	47,304
April	44,242	34,183	39,963	42,383	42,507
May	62,657	40,641	41,169	40,558	48,547
June	53,084	41,955	71,365	44,926	64,258
July	52,092	39,682	54,449	38,943	45,502
August	45,251	37,144	61,481	42,612	44,227
September	42,684	42,843	43,372	49,130	42,146
October	45,349	42,820	43,773	47,437	40,678
November	39,394	36,421	48,768	44,625	47,219
December	36,196	40,279	40,587	46,874	46,829
Totals	567,472	471,351	573,773	517,907	579,141

Water Conservation Plan

In addition to the utility profile, please attach the following as required by Title 30, Texas Administrative Code, §288.2. Note: If the water conservation plan does not provide information for each requirement, an explanation must be included as to why the requirement is not applicable.

A. Record Management System

The water conservation plan must include a record management system which allows for the classification of water sales and uses in to the most detailed level of water use data currently available to it, including if possible, the following sectors: residential (single and multi-family), commercial.

B. Specific, Quantified 5 & 10-Year Targets

The water conservation plan must include specific, quantified five-year and ten-year targets for water savings to include goals for water loss programs and goals for municipal use in gallons per capita per day. Note that the goals established by a public water supplier under this subparagraph are not enforceable. These goals must be updated during the five-year review and submittal.

C. Measuring and Accounting for Diversions

The water conservation plan must include a statement about the water suppliers metering device(s), within an accuracy of plus or minus 5.0% in order to measure and account for the amount of water diverted from the source of supply.

D. Universal Metering

The water conservation plan must include and a program for universal metering of both customer and public uses of water, for meter testing and repair, and for periodic meter replacement.

E. Measures to Determine and Control Water Loss

The water conservation plan must include measures to determine and control water loss (for example, periodic visual inspections along distribution lines; annual or monthly audit of the water system to determine illegal connections; abandoned services; etc.).

F. Continuing Public Education & Information

The water conservation plan must include a description of the program of continuing public education and information regarding water conservation by the water supplier.

G. Non-Promotional Water Rate Structure

The water supplier must have a water rate structure which is not “promotional,” i.e., a rate structure which is cost-based and which does not encourage the excessive use of water. This rate structure must be listed in the water conservation plan.

H. Reservoir Systems Operations Plan

The water conservation plan must include a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin in order to optimize available water supplies.

I. Enforcement Procedure and Plan Adoption

The water conservation plan must include a means for implementation and enforcement, which shall be evidenced by a copy of the ordinance, rule, resolution, or tariff, indicating official adoption of the water conservation plan by the water supplier; and a description of the authority by which the water supplier will implement and enforce the conservation plan.

J. Coordination with the Regional Water Planning Group(s)

The water conservation plan must include documentation of coordination with the regional water planning groups for the service area of the public water supplier in order to ensure consistency with the appropriate approved regional water plans.

K. Plan Review and Update

A public water supplier for municipal use shall review and update its water conservation plan, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. The public water supplier for municipal use shall review and update the next revision of its water conservation plan not later than May 1, 2009, and every five years after that date to coincide with the regional water planning group. The revised plan must also include an implementation report.

VI. ADDITIONAL REQUIREMENTS FOR LARGE SUPPLIERS

Required of suppliers serving population of 5,000 or more or a projected population of 5,000 or more within the next ten years:

A. Leak Detection and Repair

The plan must include a description of the program of leak detection, repair, and water loss accounting for the water transmission, delivery, and distribution system in order to control unaccounted for uses of water.

B. Contract Requirements

A requirement in every wholesale water supply contract entered into or renewed after official adoption of the plan (by either ordinance, resolution, or tariff), and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements in this chapter. If the customer intends to resell the water, the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with the provisions of this chapter.

VII. ADDITIONAL CONSERVATION STRATEGIES

Any combination of the following strategies shall be selected by the water supplier, in addition to the minimum requirements of 30 TAC §288.2(1), if they are necessary in order to achieve the stated water conservation goals of the plan. The commission may require by commission order that any of the following strategies be implemented by the water supplier if the commission determines that the strategies are necessary in order for the conservation plan to be achieved:

1. Conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;
2. Adoption of ordinances, plumbing codes, and/or rules requiring water conserving plumbing fixtures to be installed in new structures and existing structures undergoing substantial modification or addition;
3. A program for the replacement or retrofit of water-conserving plumbing fixtures in existing structures;
4. A program for reuse and/or recycling of wastewater and/or graywater;
5. A program for pressure control and/or reduction in the distribution system and/or for customer connections;
6. A program and/or ordinance(s) for landscape water management;
7. A method for monitoring the effectiveness and efficiency of the water conservation plan; and
8. Any other water conservation practice, method, or technique which the water supplier shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

VIII. WATER CONSERVATION PLANS SUBMITTED WITH A WATER RIGHT APPLICATION FOR NEW OR ADDITIONAL STATE WATER

Water Conservation Plans submitted with a water right application for New or Additional State Water must include data and information which:

1. support the applicant's proposed use of water with consideration of the water conservation goals of the water conservation plan;
2. evaluates conservation as an alternative to the proposed appropriation; and
3. evaluates any other feasible alternative to new water development including, but not limited to, waste prevention, recycling and reuse, water transfer and marketing, regionalization, and optimum water management practices and procedures.

Additionally, it shall be the burden of proof of the applicant to demonstrate that no feasible alternative to the proposed appropriation exists and that the requested amount of appropriation is necessary and reasonable for the proposed use.

APPENDIX B
LIST OF REFERENCES

1. Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter A, download from [https://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=30&pt=1&ch=288](https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=30&pt=1&ch=288)
2. Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter B downloaded from [https://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=30&pt=1&ch=288](https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=30&pt=1&ch=288)
3. Title 31 of the Texas Administrative Code, Part 10, Chapter 363, Subchapter A, Rule §363.15 [https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=31&pt=10&ch=363&rl=15](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=31&pt=10&ch=363&rl=15)
4. Freese and Nichols 2023 water and wastewater master plan for the City of Tomball.
5. Texas Water Development Board Water Conservation Planning Guide <https://www.twdb.texas.gov/conservationplanningusersguide.pdf>
6. Guidance and Methodology for Reporting on Water Conservation and Water Use developed by Texas Water Development Board and Texas Commission on Environmental Quality in consultation with Water Conservation Advisory Council.
7. Texas Water Development Board State Water Plan www.twdb.texas.gov/waterplanning/data/dashboard/index.asp
8. Texas Demographic Centers www.demographics.texas.gov
9. U.S. Census Bureau county-level population estimates and counts. <https://www.census.gov/programs-surveys/popest.html>

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: May 6, 2024

Topic:

Approve a Municipal Solid Waste Collection, Transportation, and Disposal Contract with Frontier Waste K2, LLC (RFP 2024-01) to provide solid waste and recycling collection for the City of Tomball, authorize the expenditure of funds therefor, and authorize the City Manager to execute the agreement. This amount is to be included in the proposed fiscal year 2024-2025 budget.

Background:

In order to obtain the most favorable pricing and desired level of service, the City released a Request for Proposals (RFP 2024-01) to select a company to provide solid waste and recycling collection within the city limits. The RFP process allows for interested parties to submit their qualifications and pricing to provide the requested service to the City. A total of 12 companies requested the RFP, and we received a total of five submitted proposals for consideration.

A review of the submissions was completed by a scoring committee comprised of six employees and staff interviewed the two top ranking companies. Following the interviews, a request for the Best and Final Offer for pricing was requested from both companies. Based on the proposal and references provided, staff entered into negotiations with Frontier Waste Solutions to finalize a five-year contract for solid waste and recycling services.

The table below shows the estimated billing cost for residential, unusual accumulation (anything outside normal bulk collection), small commercial, and commercial based on current accounts. The estimate is what will be charged by Frontier for providing the service and will be collected by the City on the monthly utility bills.

Service	Estimated Monthly Cost	Estimated Annual Cost
Residential	\$101,600	\$1,219,200
Unusual Accumulation	\$3,918	\$47,016
Small Commercial	\$6,613	\$79,356
Commercial	\$150,175	\$1,802,100
	Total Estimated Monthly Cost \$262,306	Total Estimated Annual Cost \$3,147,672

*Cost is estimated on residential and commercial service as of March 31, 2024.

The proposed contract is for an initial five-year term, beginning October 1, 2024, and expiring September 30, 2029, and has the option for five additional one-year renewals beginning October 1, 2029.

The proposed increase for residential and commercial customers will be approved as a separate agenda item and will include a five-year rate plan based on the approved pricing and proposed maximum annual increase.

Origination: Project Management

Recommendation:

Staff recommends approving Municipal Solid Waste Collection, Transportation, and Disposal Contract with Frontier Waste K2, LLC to provide solid waste and recycling collection for the City of Tomball.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: _____ If yes, specify Account Number: #100-155-6327

If no, funds will be transferred from account: # _____ To Account: # _____

Signed: Meagan Mageo **Approved by:** _____
Staff Member Date City Manager Date

**MUNICIPAL SOLID WASTE COLLECTION,
TRANSPORTATION AND DISPOSAL CONTRACT
(Residential, Commercial, Industrial, and Recycling)**

This **Solid Waste and Recyclable Materials Collection, Transportation, Disposal, and Processing Contract** (“**Contract**”), is entered as of the Effective Date by and between the **City of Tomball** (hereinafter called “**City**”), a Texas home rule municipality, and **Frontier Waste K2 LLC** (hereinafter called “**Contractor**”), a Texas Corporation, acting by and through their duly qualified representatives. (City and Contractor collectively referred to herein as “**Parties**” and individually as “**Party**.”)

RECITALS

WHEREAS, City has found and determined that the public health and safety of City will be promoted and preserved by establishing an arrangement for the collection, transportation, and disposal of Solid Waste kept and accumulated by residential and multi-family neighborhoods; and

WHEREAS Contractor is engaged in the business of collection and Recycling of Solid Waste and is familiar with City’s requirements and its Solid Waste services; and

WHEREAS, City has determined Contractor to be qualified to provide Solid Waste collection, transportation, and disposal service upon the terms and conditions and for the consideration set forth in this Contract; and

WHEREAS, City has determined through a competitive process in accordance with state law that Contractor provides the best value for Solid Waste services for City’s residents; and

WHEREAS City desires to grant to Contractor the exclusive right to operate and maintain the service of collection, transportation, and disposal of residential, commercial garbage and trash, and residential recycling, over, upon, along, and across City’s present and future streets, alleys, bridges, and public properties subject to the terms of this Contract; and

WHEREAS Contractor desires to operate and maintain the service of collection and transportation of residential and commercial garbage and trash, and residential recycling, over, upon, along, and across City’s present and future streets, alleys, bridges, and public properties subject to the terms of this Contract.

WHEREAS Contractor has agreed to reimburse City for the development of the RFP and other Contract Documents in accordance with Section 8.1(f) of this Contract.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises, and undertakings herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the Parties agree as follows:

I. GRANT OF CONTRACT AND FRANCHISE; TERM

1.1 **Grant of Contract and Franchise.** To the extent allowed by law, City hereby grants to Contractor:

- (a) The sole right, duty, and privilege within City’s Limits to conduct business for the purpose of collection and transportation, disposal and/or Processing of Waste Materials, Construction and Demolition Debris, and Recyclable Materials during the Term of this Contract from all Residential, Commercial, and Industrial Customers located within City’s incorporated limits; with the exceptions listed below; and

(b) The sole right, duty, and privilege to collect Waste Materials and Recyclable Materials during the Term of this Contract from all Municipal Facilities.

1.2 **Initial Term.** The Initial Term of this Contract shall commence on October 1, 2024 (the “**Commencement Date**”) and shall end on September 30, 2029 (the “**Expiration Date**”), unless otherwise terminated earlier or extended as provided herein.

1.3 **Extension Term.** City may extend, upon written mutual agreement by both parties, the Initial Term for five (5) additional one (1) year terms beginning October 1, 2029 (an “**Extension Term**”) upon the same terms and conditions set forth in this Agreement. Notice of the extension of the Term of this Contract for the first Extension Term must be delivered in writing by City to Contractor on or before November 1, 2028. Notwithstanding anything regarding City’s exercise of the Extension Terms, the Parties agree that City may, at any time prior to or after the expiration of the Initial Term and, if applicable, the first Extension Term, solicit bids or proposals for contracting for the collection of Waste Materials or such other services provided for herein for a period commencing after the Expiration Day, as original established and/or extended by the first Extension Term, if applicable.

II. DEFINITIONS

The words and phrases used in this Contract shall have the following meanings unless the context indicates a different meaning:

“**Bag**” means a plastic sack designed to store refuse with sufficient wall strength to maintain physical integrity when lifted by the top.

“**Brush**” means any cuttings or trimmings from trees, shrubs, lawns, and similar materials not exceeding four (4) feet in length or four inches (4”) in diameter. The term “Brush” specifically excludes debris resulting from the services of a Commercial Service Provider.

“**Bulky Waste**” means large rubbish items including, but not limited to, White Goods, bicycles, furniture, rugs, mattresses, televisions, fence material, auto parts, and other similar oversized items which are customary to ordinary housekeeping operations of a Residential Unit.

“**Business Day**” means a day that is not a Saturday, Sunday, or Holiday.

“**City Facility**” means a property owned, leased, and/or operated by City.

“**Collection**” means the act of removing from a Customer’s property (i) Waste in any form for transport to a Disposal Facility, and (ii) Recyclables for transport to a Recycling Facility.

“**Collection Area**” means that portion of City’s corporate limits in which Contractor provides collection services as described in the Contract Documents.

“**Commercial Unit**” means a commercial business or establishment, including, but not limited to, a store, office, restaurant, warehouse, and other nonmanufacturing facility, premises, location, or entity, public or private, within City’s corporate limits.

“**Commercial Waste**” means all types of Solid Waste generated by Commercial Units, excluding Residential Waste and Industrial Waste.

“Commercial Service Provider” means a person or business entity that provides for compensation tree limb cutting and removal, or complete tree and stump removal services.

“Compactor Unit” means a mechanical unit that receives, compacts, and reduces the volume of municipal waste, refuse, or garbage, whether stationary or mobile.

“Construction and Demolition Debris” means non-compatible waste building materials resulting from construction, remodeling, repair, or demolition operations at a Residential Unit, Municipal Facility, or large commercial and industrial unit, including but not limited to carpet, cartons, concrete, excelsior, gypsum board, metal, paper, plastic, rubber, and wood products. Construction debris does not include Hazardous Waste.

“CPI” means the Consumer Price Index, U.S. City Average, All Urban Consumers, Garbage and Trash Collection, Not Seasonally Adjusted. Base Period December 1983=100), <https://www.bls.gov/news.release/cpi.t02.htm>, published by the United States Department of Labor, Bureau of Labor Statistics (“**BLS**”); or, if the BLS ceases to publish the CPI, such other index the Parties agree provides an equally authoritative measure of inflation and the change in the purchasing power of the U.S. dollar as it relates to the provision of solid waste collection services in the United States.

“Container” means a receptacle with a capacity not greater than 96 gallons, constructed of plastic, metal, or fiberglass, having handles of adequate strength for lifting, the mouth of which has a diameter greater than or equal to that of the base.

“Contract Administrator” means City’s City Manager or the City Manager’s designee responsible for actively interacting with Contractor to achieve this Contract’s objectives; monitoring this Contract to ensure Contractor compliance; receiving and maintaining Contractor reports; addressing Contract related problems on behalf of City; incorporating necessary modifications or changes into this Contract; mediating and expediting timely resolution of customer/Contractor issues, and other duties necessary to implement this Contract.

“Contract Documents” means, collectively, (a) this Contract, all Exhibits attached hereto, and any amendments to this Contract; (b) the RFP, and (c) Contractor’s Proposal.

“Contract Year” means each twelve-month period during the Term of this Contract beginning on October 1st.

“Contractor’s Proposal” means Contractor’s response to the RFP dated and submitted February 22, 2024, and consisting of 161 pages, and supplemental submission dated March 26, 2024, and submitted Best and Final Offer, consisting of 2 pages, the original of which is retained in the office of City’s City Secretary in hardbound or electronic format and is incorporated herein by reference.

“Curbside” means (i) in the case of a street or highway with a defined asphalt or concrete curb establishing a vertical boundary separation between a roadway and an adjacent lot or tract, the area within three (3) feet of the curb that provides primary access to the Unit as designated by City; and (ii) in the case of a street or highway that is not constructed with a curb, the area within three (3) feet of the edge of the paved area of the street or highway that provides primary access to the Unit as designated by City; and (iii) with respect to a Unit where the placement of Waste for collection at defined in (i) or (ii), whichever is applicable, interferes with or endangers the movement of vehicles or pedestrians, such other place as close to the Unit’s adjacent roadway as approved by the Contract Administrator.

“Customer” means the owner or tenant of a Unit located within City and identified by City as being eligible for and in need of the services provided by Contractor under this Contract.

“Detachable Container” (also referred to as “dumpster”) means a watertight, all-metal container, equipped with a tight-fitting metal or plastic cover, and plugged to prevent drainage of leachate. The term shall also apply to containers of larger sizes (i.e., “roll-offs”) as well as plastic containers when it is found to be in the best interest of the City. Currently Roll-Off Containers are not required to have metal or plastic tarps while on a site. The business or residence renting the container will be responsible to provide any covering which could be required by any future regulation imposed by the City, the State, or a Federal Agency

“Disposal Facility” means a Class 1 Municipal Solid Waste landfill permitted by the TCEQ identified in Contractor’s response to the RFP or such other permitted C & D landfill as may be approved by City during the term of this Contract, which approval shall not be unreasonably withheld, delayed, or denied.

“Disaster Event” means an event or occurrence, including, but not limited to, wildfires, storms, floods, fires, tornados, earthquakes, train derailments, airplane crashes, and similar events determined by the City Manager to have caused widespread damage and destruction to personal property.

“Disaster Debris” means Waste Materials, including building materials, sediments, vegetative debris, personal property, and other materials resulting from a Disaster Event that are generated by anyone affected by a Disaster Event.

“Disaster Management Plan” means Contractor’s operational policies and procedures that will be implemented to collect, remove, and properly dispose of Disaster Debris when an event or occurrence is determined by City to be a Disaster Event, and when Contractor is selected to provide such additional services in accordance with the rates in Exhibit A.

“Disposal” means the disposition, injection, dumping, spilling, leaking, or placing of Solid Waste into or on the land or water in a manner that the Solid Waste or a constituent of the Solid Waste enters the environment, is emitted into the air, or is discharged to the waters of the State of Texas.

“Excluded Waste” means Large Dead Animals, Hazardous Waste, Offal Waste, Stable Matter, Vegetable Waste, Construction and Demolition Debris, Special Waste, and other types of Waste expressly excluded from this Contract.

“Food Waste” means vegetable and other food scraps, including meat, dairy products, grease, and bones; paper which has been contaminated with food, fat, or grease; and compostable paper including paper towels, paper plates, tissue, and waxed paper.

“Garbage” means Municipal Solid Waste (MSW) consisting of putrescible or animal and vegetable waste materials resulting from the handling, preparation, cooking, and consumption of food, including waste materials from markets, storage facilities, handling and sale of produce and other food products, and all Dead Animals of less than ten pounds (10 lbs.) in weight, except those slaughtered for human consumption.

“Generator” means a person or municipality that produces or creates Municipal Solid Waste.

“Hazardous Waste” means any Solid Waste identified or listed as hazardous waste by the administrator of the Environmental Protection Agency under the Federal Solid Waste Disposal Act as amended by RCRA, (42 U.S.C. S6901, et, seq., as amended).

“Holiday” means New Year’s Day, Thanksgiving Day, and Christmas Day.

“Industrial Unit” means an industrial business or establishment, including manufacturing facilities, premises, locations, or entities, public or private, within the corporate limits of City.

“Industrial Waste” means Solid Waste resulting from or incidental to any process of industry or manufacturing, mining, or agricultural operations.

“Large Dead Animals” means animals or portions thereof equal to or greater than 10 pounds in weight that have expired from any cause, except those slaughtered or killed for human use.

“Medical Waste” means Waste generated by healthcare-related facilities and associated with healthcare activities, not including Garbage or Rubbish generated from offices, kitchens, or other non-health-care activities. The term includes Special Waste from health care-related facilities which is comprised of animal waste, bulk blood, and blood products, microbiological waste, pathological waste, and sharps as those terms are defined in 25 TAC §1.132 (relating to Definitions).

“Municipal Solid Waste (MSW): means wastes consisting of everyday items such as product packaging, grass clippings, furniture, clothing, bottles and cans, food scraps, newspapers, appliances, consumer electronics, and batteries. These wastes come from homes; institutions such as schools and hospitals; and commercial sources such as restaurants and small businesses. Municipal Solid Waste does not include municipal wastewater treatment sludges, industrial process wastes, automobile bodies, combustion ash, or construction and demolition debris. The term does not include source-separated recyclable materials.

“Non-Recyclables” means any materials in Single Stream Materials or Recyclables that are not Recyclables.

“Offal Waste” means waste animal (land or marine) matter from establishments such as butcher shops, slaughterhouses, food processing, and packing plants, rendering plants, and fertilizer plants.

“Performance Bond” means a corporate surety bond that guarantees compensation to City if it must assume the obligations and/or duties of Contractor to continue the service as defined in the Contract Documents.

“Permit” means a permit issued by the State of Texas to operate a municipal solid waste landfill or processing facility, or to beneficially use municipal waste. The term includes a general permit, permit-by-rule, permit modification, permit reissuance, and permit renewal.

“Poly Cart” means a 95-gallon poly cart plastic container provided by Contractor, clearly marked for MSW or Recycling, equipped with wheels, handles, and a tight-fitting cover, capable of being mechanically unloaded into Contractor’s collection vehicles. The terms “Cart” and “Wheeled Container” shall be considered interchangeable.

“Processing” means recycling of Single Stream Materials at a properly permitted Recycling Facility.

“Recyclable Material” or **“Recyclables”** means a material that has been recovered or diverted from the non-hazardous waste stream for purposes of reuse, recycling, or reclamation, a substantial portion of which is consistently used in the manufacture of products that may otherwise be produced using raw or virgin materials. Recyclable Material is not Solid Waste. However, Recyclable Material may become Solid Waste at such time, if any, as it is abandoned or disposed of rather than recycled, whereupon it will be Solid Waste, with respect to the party abandoning or disposing of such material. “

“Recycling Bin” means the 18-gallon bin to be provided by the Contractor for the storage of comingled recyclables prior to collection.

“Residential Recyclables” include, but are not limited to, juice boxes, glass containers (clear, brown, green), tin-steel cans, paper board, cardboard, magazines, aluminum cans, newspapers, junk mail, phone books, office paper, and plastics all codes (#1 through #7, except for # 6, which is Styrofoam products).

“Recycle” or **“Recycling”** means the collection, separation, recovery, and sale or reuse of metals, glass, paper, leaf waste, or plastics, and other materials which would otherwise be disposed or processed as municipal waste or the mechanized separation and treatment of municipal waste and creation and recovery of reusable materials other than a fuel for the operation of energy.

“Recycling Facility” means a facility employing a technology that is a process that separates or classifies municipal waste and creates or recovers reusable materials that can be sold to or reused by a manufacturer as a substitute for or a supplement to virgin raw materials. The term “Recycling Facility” shall not mean transfer stations, municipal solid waste landfills, or resource recovery facilities.

“Refuse” means the same as Rubbish.

“Request for Proposal” or **“RFP”** means City’s “Request for Proposals for Solid Waste & Recycling Services” issued January 17, 2024, a true and correct copy of which is on file in the office of City Secretary and incorporated herein by reference.

“Residential Curbside Recycling” means the collection of Recyclable Materials placed at Curbside by Customers residing in Single-Family Structures for collection, the delivery of such materials to a Recycling Facility, and the subsequent recycling of the collected materials.

“Residential Unit” means a residential dwelling occupied by a person or group of persons comprising not more than four families. A Residential Unit shall be deemed occupied when either water or domestic light and power services are being supplied to the Residential Unit. Each condominium dwelling, whether of single or multi-level construction, consisting of four units, shall be treated as a separate Residential Unit.

“Residential Waste” means all Refuse, Garbage, Rubbish, Brush, and Bulky, and other Solid Waste generated by a Customer at a Residential Unit.

“Roll-off Container” means a Container provided to a Commercial Unit or Industrial Unit by Contractor measuring 20, 30, or 40 cubic yards, intended for high-volume refuse generating Commercial Units or Industrial Units, and capable of collection and transport to a Municipal Solid Waste Landfill by loading of the Container onto the rear of transporting vehicle, but excluding a Stationary Compactor.

“Rubbish” means non-putrescible Solid Waste (excluding ashes), consisting of both combustible and noncombustible waste materials. Combustible rubbish includes paper, rags, cartons, wood, excelsior, furniture, rubber, plastics, yard trimmings, leaves, or similar materials; noncombustible rubbish includes glass, crockery, tin cans, aluminum cans, metal furniture, and similar materials that will not burn at ordinary incinerator temperatures (1,600 degrees Fahrenheit to 1,800 degrees Fahrenheit).

“Small Business Garbage Generator” means a commercial business, which generates no more than one (1) cubic yard of Solid Waste per week.

“Solid Waste” means Garbage, Rubbish, Refuse, sludge from a wastewater treatment plant, water supply treatment plant, or air pollution control facility, and other discarded material, including solid, liquid, semi-solid, or contained gaseous material resulting from industrial, municipal, commercial, mining, and agricultural operations and from community and institutional activities. The term does not include: a) Solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows, or industrial discharges subject to regulation by permit issued under Texas Water Code, Chapter 26; b) Solid, dirt, rock, sand, and other natural or man-made inert solid materials used to fill land if the object of the fill is to make the land suitable for the construction of surface improvement; c) Waste materials that result from activities associated with the exploration, development, or production of oil or gas or geothermal resources and other substance or material regulated by the Railroad Commission of Texas under Natural Resources Code, §91.101, unless the waste, substance, or material results from activities associated with gasoline plants, natural gas liquids processing plants, pressure maintenance plants, or re-pressurizing plants and is hazardous waste as defined by the administrator of the EPA under the federal Solid Waste Disposal Act, as amended by RCRA, as amended (42 USC, SS6901 et seq.), or d) Unacceptable Waste.

“Special Waste” means Waste that requires special handling and management due to the nature of the waste, including, but not limited to, the following: (A) containerized waste (e.g. a drum, barrel, portable tank, box, pail, etc.), (B) waste transported in a bulk tanker, (C) liquid waste, (D) sludge waste, (E) waste from an industrial process, (F) waste from a pollution control process, (G) Residue and debris from the cleanup of a spill or release of a chemical, or (H) any other waste defined by Texas law, rule or regulation as "Special Waste".

“Stable Matter” means all manure and other waste matter normally accumulated in or about a stable, or any animal, livestock, or poultry enclosure, and resulting from the keeping of animals, poultry, or livestock.

“Structure” means all single-family homes, multi-family dwellings, and Small Businesses, included in the specifications, and City Facilities that City may at its sole discretion include in this Contract.

“Unacceptable Waste” means any Waste, the acceptance, and handling of which by Contractor would cause a violation of any permit, or any legal or regulatory requirement, substantial damage to Contractor's equipment or facilities, or present a danger to the health or safety of the public or Contractor's employees, including, but not limited to, Hazardous Waste, Special Waste (except as otherwise provided herein), untreated Medical Waste, Dead Animals weighing ten pounds (10 lbs.) or greater, solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows, or industrial discharges subject to regulation by permit, soil, dirt, rock, sand, and other natural or man-made inert solid materials used to fill land if the object of the fill is to make the land suitable for the construction of surface improvements.

“Unit” means, collectively, Residential Units, Commercial Units, and Industrial Units.

“Unusual Accumulation” means any Residential Unit Waste placed curbside for collection which does not meet the specifications defined by this Contract for regular garbage, bulky waste, and brush waste.

“Vegetable Waste” means putrescible solid waste resulting from the processing of plants for food by a commercial establishment such as canneries. This definition does not include waste products resulting from the preparation and consumption of food in food service establishments.

“Waste” or **“Waste Materials”** means all Residential Waste, Commercial Waste, and Industrial Waste to be collected by Contractor pursuant to this Contract. The term "Waste" specifically excludes Unacceptable Waste.

“**White Goods**” means refrigerators, stoves and ranges, water heaters, clothes washers and dryers, freezers, swing sets, bicycles (without tires) scrap metal, copper, and other similar domestic and commercial large appliances.

“**Yard Waste**” means accumulations of lawn, grass, or shrubbery cuttings or clippings, dry leaf rakings, small tree branches (not to exceed 4 feet in length), bushes or shrubs, green leaf cuttings, fruits, or other matter usually created by refuse in the care of lawns and yards, except large branches, trees, bulky or non-combustible materials not susceptible to normal loading and collection in “load packer” type sanitation equipment used for regular collections from domestic households. Notwithstanding the foregoing, all trees, shrubs, and brush trimmings must be cut, tied, and placed in Bundles or Brown Kraft Bags.

III. RATES

- 3.1 **Base Rates.** For the services provided by Contractor pursuant to this Contract, Contractor is authorized to charge and shall receive from City the rates set forth on Exhibit A attached hereto and incorporated herein by reference (“**Base Rates**”). The Base Rates are subject to adjustment from time to time as provided in Section 3.2., below.
- 3.2 **Modification of Rates.** Base Rates charged by Contractor for services will remain fixed and will not be adjusted until October 1, 2025. Commencing on October 1, 2025, and continuing annually on the first day of each Contract Year thereafter, Contractor may adjust the Base Rates (each an “**Annual Adjustment**”), subject to the following:
- (a) Not later than the later of (i) July 1st prior to the effective date of the Annual Adjustment, and (ii) the fifth (5th) business day after publication of the CPI described in Section 3.2(b)(1), below, Contractor must provide City written notice of the new schedule of Base Rates for the immediately following Contract Year based on the Annual Adjustment, which notice must include a copy of the new Base Rates schedule (the “**Adjustment Notice**”);
 - (b) Each Annual Adjustment shall not result in an increase in the Base Rates exceeding the lesser of:
 - (1) The percentage increase in the CPI for the twelve-month period ending on the May 31st immediately prior to the effective date of the Annual Adjustment; and
 - (2) Five Percent (5%) of the then current Base Rates.
 - (c) If the percentage change in the CPI for the twelve-month period ending on the May 31st before the effective date of the Annual Adjustment would result in a decrease in the Base Rates, the Base Rates shall remain unchanged for the immediately following Contract Year.
 - (d) If Contractor fails to timely deliver the Adjustment Notice as provided in Section 3.2(a), the Base Rates shall not be adjusted for the immediately following Contract Year; and
 - (e) If no Annual Adjustment is applied to a Contract Year following Contractor’s failure to timely deliver an Adjustment Notice to City, the Annual Adjustment for the following Contract Year shall continue to be based on the percentage change in CPI for the twelve-month period ending on the May 31st prior to the first day of the next Contract Year (i.e., there is not “catch-up” for the missed increase).

- 3.3 **Regulatory Rate Adjustment.** Contractor may petition City at any time for additional payment rate adjustments on the basis of certain unusual and unanticipated changes in the cost of operations, including, but not limited to, new or revised Federal or State laws, ordinances, or regulations that place a direct fee or tax per ton on municipal solid waste generated by City. The increase per month shall be calculated using the annual reported waste generation data per account in City. City shall have the right, as a condition for its approval, to demand inspections by itself or by an independent auditor of pertinent records that demonstrate the need for an adjustment to the payment rates. If City shall fail to approve such requested increase within thirty (30) days after receipt of such request, Contractor shall have the right to terminate the Contract not earlier than 180 days after providing written notice to City.

IV. SERVICE SPECIFICATIONS

- 4.1 **General/ Service Contracts.** The work to be performed by Contractor pursuant to this Contract consists of collection, transportation, and disposal, at its own expense, of Waste and Recyclable Materials collected from Residential Units, and Commercial Waste and Industrial Waste collected from Commercial Units and Industrial Units, within the corporate limits of City as the present and future boundaries exist, and the furnishing of all labor, methods or processes, tools, equipment and transportation necessary to meet the requirements of this Contract.
- 4.2 **Residential Solid Waste Collection.** Contractor will provide collection of Acceptable Waste from Residential Customer two (2) times per week subject to the following:
- (a) Subject to the limitations set forth in Section 4.15, Contractor will collect the Acceptable Waste placed Curbside within a Rented Poly Cart or up to seven (7) bags of Acceptable Waste placed by the Residential Customer for collection.
 - (b) The collection from each Residential Customer shall be on a regular schedule, Monday-Thursday or Tuesday - Friday, and at approximately the same time on such collection day.

Residential Unit and Municipal Facilities collection routes shall be established by Contractor. Contractor shall submit a map designating the Residential Unit and Municipal Facilities collection routes to City at least two (2) weeks in advance of the commencement date for such route collection activity. Contractor shall communicate route day changes via direct mailings at its own expense, a map of the Residential Unit collection routes of such size to clearly show all pertinent information. Contractor may from time to time make changes in routes or days of collection affecting Residential Units or municipal facilities provided such changes in routes or days of collection are submitted to City at least two (2) weeks in advance of the commencement date for such changes. Contractor shall properly give written notice to the affected Residential Units.

- 4.3 **Residential Collection not covered under the Base Rates.** The following are not covered under the Base Rates:
- (a) The collection or disposal of Excluded Materials, and
 - (b) The collection or disposal of any increased volume resulting from a flood, hurricane, tornado, ice storm, or similar or different Act of God over which Contractor has no control. In the event of such a flood, hurricane, tornado, ice storm, or other Act of God, Contractor and City may negotiate the work to be performed by Contractor under the Disaster Management Plan provided by Contractor, utilizing the rates for equipment, labor, and disposal rates provided in Exhibit A to this Contract.

- 4.4 **Residential Collection of Recyclable Materials.** Contractor shall provide one collection each week, on one of the days that MSW is collected, of Recyclable Materials placed in the Residential Unit's Rental Recycling Cart, or 18-gallon bin. Contractor shall not be required to collect any Recyclable Materials from a Residential Unit that are not placed in the Residential Unit's designated Recycling Container. Contractor may, but is not required to, treat as trash any Recyclable Materials placed at the Curbside but not in the Recycling Container.
- 4.5 **Changes in Recycling Market Conditions.** If market conditions develop that limit or inhibit Contractor from selling some or all of the collected Contractor may give written notice to City of (i) a need to redefine Acceptable Recycling Material and Non-Recyclables, (ii) update the Processing facility's Average Commodity Mix, (iii) suspend or discontinue any or all Recycling services, or (iv) dispose of Acceptable Recycling Material (as currently defined) at the Disposal Facility and update the pricing to City accordingly. Such actions may be reversed, upon approval from City, if market conditions dictate.
- 4.6 **Acceptable Recycling Material.** Recyclables that are eligible for collection ("**Acceptable Recycling Materials**") must be dry, loose (not bagged), un-shredded, and empty, and shall include only the following:

Aluminum cans	Newspaper
PET bottles with the symbol #1 – with screw tops only	Mail
HDPE plastic bottles with the symbol #2 (milk, water bottles detergent, shampoo bottles, etc.)	Uncoated paperboard (ex. cereal boxes; food and snack boxes)
PP plastic bottles and tubs with symbol # 5 - empty	Uncoated printing, writing, and office paper
Steel and tin cans	Old corrugated containers/cardboard (uncoated)
Glass food and beverage containers – brown, clear, or green	Magazines, glossy inserts, and pamphlets
Plastics not listed above including but not limited to those with symbols #3, #4, #7	Cartons, Aseptic Containers

- 4.7 **Non-Recyclables.** Waste that is not eligible for recycling and shall not be treated and collected as Acceptable Recycling Materials ("**Non-Recyclables**") include, but are not limited, to the following:

Plastic bags and bagged materials (even if containing Recyclables)	Microwavable trays
Porcelain and ceramics	Mirrors, window, or auto glass
Light bulbs	Coated cardboard
Soiled paper, including paper plates, cups, and pizza boxes	
Expanded polystyrene and #6 plastics	Coat hangers
Glass and metal cookware/bake ware	Household appliances and electronics
Hoses, cords, wires	Yard waste, construction debris, and wood
Flexible plastic or film packaging and multi-laminated materials	Needles, syringes, IV bags, or other medical supplies
Food waste and liquids, containers containing such items	Textiles, cloth, or any fabric (bedding, pillows, sheets, etc.)

Excluded Materials or containers which contained Excluded Materials	Napkins, paper towels, tissue, paper plates, paper cups, and plastic utensils
Any paper Recyclable materials or pieces of paper Recyclables less than 4" in size in any dimension	Propane tanks, batteries

- 4.8 **Recycling Contamination:** Recyclable Materials collected within City and delivered by Contractor to the Recycling Facility may not contain more than 25% Non-Recyclables or Unacceptable Waste. For Non-Recyclables exceeding the allowable percentage, City may pay a contamination charge for additional handling, processing, transporting, and/or disposing of Non-Recyclables. A report of each non-conforming load detailing the composition of the load and including photographic evidence of the load will be provided to City not later than one (1) business day after the load is transported to the Disposal Facility.
- 4.9 **Residential Brush/Bulk Collection:** Contractor will collect (i) Brush and (ii) Bulky Materials once per week on the second collection day the Residential Unit receives MSW collection. Contractor shall not be obligated to collect Brush Materials set out for collection that:
- (a) Contains limbs exceeding four (4) feet in length or four (4") in diameter.
 - (b) Is not stacked at the curb in such a manner that Contractor's employee can reasonably and safely lift the material into the collection vehicle;
 - (c) Is not Debris resulting from the services of a Commercial Tree Service Provider;
 - (d) Does not consist of more than two (2) cubic yards of Brush and Bulky materials per collection;
 - (e) Is a White Good or other appliance designed to contain freon or other refrigerant materials that has not been tagged certifying that all refrigerants have been removed by a certified refrigerant technician prior to their placement for collection as required by Section 4.12.
- 4.10 **White Goods.** White Goods such as a freezer, refrigerator, water cooler, dehumidifier, air conditioner, and any other appliances containing refrigerants must be tagged certifying that all refrigerants have been removed by a certified refrigerant technician prior to their placement for collection. Contractor shall not accept for collection refrigerators or other devices known to contain chlorofluoro-carbons (CFCs) unless the Residential Customer establishes the item is free of CFCs by providing a written certification of CFC removal and may be lawfully disposed or recycled at Disposal Facilities.
- 4.11 **Residential Unusual Accumulation Collection.** When a Customer desires a collection of more material than the weekly limit for MSW or Brush and Bulk, the Customer may request an Unusual Accumulations Collection, which Contractor may perform subject to Customer's payment of a fee for such collection to Contractor reflecting a cost per hour for the use of the Collection vehicle, plus applicable disposal, as set forth in Exhibit A hereto. Any additional fees that might be charged by Contractor to a Customer for services that will be rendered over and above the requirements of the Contract will be determined after visual inspection by Contractor's supervisor, and such fees must be approved by the Customer prior to commencing work.

4.12 Disaster Debris Collection. When City determines that an event or occurrence is a Disaster Event, City may request Contractor to collect Disaster Debris placed for collection from Single Family Residential Units and City Facilities within the Collection Area. Notwithstanding Section 1.1 to the contrary, City shall have the right to contract with a third-party to provide Disaster Debris Collection in addition to or in lieu of Contractor providing collection services. If City elects to use the services of Contractor to collect these additional materials resulting from the Disaster Event, City shall grant Contractor variances in routes and Exhibits, as deemed necessary.

4.13 Residential Rental Carts and Recycling bins. When a Residential Unit requests a Rental Cart, Contractor agrees to provide one (1) new Poly Cart for placement of MSW Waste ("**Waste Cart**"). Contractor agrees to provide one (1) new Cart for Recyclable Materials ("**Recycling Cart**"), or 18-gallon bin, to each Residential Unit. Both Rental MSW Waste Carts and Contractor-provided Recycling Carts, and 18-gallon bins, shall be delivered (per list from the City) not later than five (5) days prior to the Commencement Date. Upon written notice from City, Contractor agrees to provide one (1) new Waste Cart and one (1) new Recycling Cart to new Residential Units constructed within City during the Term of the Contract. New Carts will be delivered to the Residential Unit with written instructions for proper use, including information regarding any actions taken by a Resident that may void manufacturer warranties, such as the placement of hot ashes in the Cart. New Recycling Carts and replacement lids for existing Recycling Carts will have recycling guidelines heat molded on the top of the lid determined by Contractor subject to City's approval, which approval shall not be unreasonably withheld or delayed.

- (a) Contractor shall not be required to collect any Waste or Recyclable Materials that are not placed in the designated Cart or within bags as provided in Section 4.2, bags of Waste Materials exceeding ten (10) placed for collection on a single collection day, any Waste or Recyclable Materials from a Cart that weighs more than 170 pounds, or a Cart and/or bags that are not properly placed Curbside; provided, however, prior to refusing to collect any Waste from a Residential Customer because such Waste is not properly prepared (i.e. placed in a Poly Cart or bagged) and/or placed at Curbside, Contractor shall notify the Residential Customer and then the City Manager if it believes the Waste is not prepared and/or located correctly by the Residential Customer, in which case the City Manager shall be the sole and final judge as to whether or not such Waste was properly placed for collection and should be collected; and
- (b) Carts shall remain at the location of the Residential Unit where delivered by Contractor. Should a Cart be lost or stolen from a Residential Unit, Contractor shall provide a replacement Cart. Contractor shall assess a \$75.00 charge to the Resident for new replacement carts and shall look solely to the Resident to pay such charge. If a Cart is damaged while at a Residential Unit, the Residential Customer shall contact Contractor directly to request a replacement Cart. Contractor shall replace a damaged Cart with a reconditioned Cart at no additional charge.

Contractor will be responsible for promptly responding to requests from and delivering Carts to Residential Customers who need a damaged Cart replaced. Contractor shall deliver a reconditioned Cart not later than five (5) business days after written notice from City or the Customer. Reconditioned Carts must be cleaned prior to delivery to the Customer. Damaged Carts shall be removed at the same time a reconditioned or replacement Cart is delivered.

4.14 Special Needs Waste Placement for Collection Assistance. If the City Manager determines that all residents of a Residential Unit are physically disabled or because of age or verified physical limitations cannot safely move their Carts to the curb for collection, Contractor personnel will

collect the Carts at the side yard or garage door and return to the same place once emptied (“**Special Needs Collection**”). All requests for Special Needs Collection will be considered by Contractor and the decision on whether to provide Special Needs Collection to a Customer forwarded by Contractor to the City Manager and Residential Customer. The City Manager may either approve or reject a Contractor’s determination to not provide Special Needs Collection for a qualified Residential Customer. The rate for Special Needs Collection shall be the same as a regular collection.

4.15 Right to Reject Unacceptable Waste. Contractor may, in its sole discretion, reject Unacceptable Waste placed curbside for collection by a Customer, in which case neither title to, nor liability for, such Unacceptable Waste shall pass to Contractor.

4.16 Adding Residential Customers. Contractor will establish New Residential Customer Service not later than the next collection day for the subject Residential Unit following receipt of the written request for such commencement of service from City.

4.17 Small Businesses Garbage Collection. Collections from all Small Business Garbage Generators shall be performed at least weekly on the same day and at approximately the same time each week using 95-gallon Carts provided by Contractor. If a Small Business Garbage Generator elects to receive Recycling Service, Contractor shall provide one 95-gallon Recycling Cart to be collected once per week on the same day as the collection of the Waste Cart. Contractor is not responsible for collecting Carts weighing more than 170 pounds from Small Business Garbage Generators. Contractor shall notify the Small Business Garbage Generator and the City Manager if Contractor believes the Small Business Garbage Generator’s Waste is not prepared and/or located in an area accessible to the Collection Vehicle; provided; however, the City Manager’s determination shall final as to such conditions and locations and whether the collection should proceed.

4.18 Detachable Containers-Generally.

- (a) Prior to the Commencement Date, Contractor shall provide Detachable Containers and, if applicable, Compactor Units, to all Commercial and Industrial Units receiving collection service under the Contract.
- (b) Detachable Containers will be standard Containers capable of being serviced by front load, collection vehicles, and/or roll-off vehicles compatible with compactor and open-top containers.
- (c) Detachable Containers shall be painted a uniform color, bear Contractor’s name and telephone number, and bear a serial number coded for Container size.
- (d) Detachable Containers (Dumpsters) placed for the collection of wet or odorous wastes shall be painted or changed out at least once every 2-1/2 years. This only applies to requirements from the City’s Health Department for certain establishments such as daycares, assisted living homes and facilities, food service facilities, etc. The change-out may be performed at the request of the City’s Health Department per the requirement of area facilities.
- (e) Roll-Off Compactor containers shall be steam cleaned at least once each year or as directed by City.
- (f) Detachable Containers shall be located on the Customer’s property at a location approved by the City Manager and convenient for collection by Contractor. The City Manager,

whose decision shall be final and binding, shall mediate any disagreements over Detachable Container placement and collection.

- (g) Contractor is not required to collect from Detachable Containers if access across the Customer's private property is blocked.

4.19 Commercial Unit Collection. Subject to the limitations of collection days and times in Section 5.2, Contractor shall make at least two (2) weekly collections at all Commercial Units on a regular schedule on the same days and approximately the same times each week subject to the terms of the Contract Documents and at sufficient additional intervals necessary to perform adequate services and to protect the environment unless otherwise approved in advance by City. If a Commercial Unit's Waste is exclusively non-putrescible and of sufficiently low volume such that the Waste generated by the Commercial Customer does not exceed the volume of the Commercial Customer's Containers between collections, once-a-week collection is permitted. Contractor shall not be required to perform the collection of Commercial Units during emergencies resulting from Acts of God or when the Commercial Customer has failed to pay Contractor for the services received. Dumpsters will be located at a place convenient and safely serviceable to the Contractor and the Commercial Unit Customer.

4.20 Detachable Container Maintenance.

- (a) Contractor shall be responsible for the maintenance and repair of Contractor's Detachable Containers damaged due to Contractor's negligence.
- (b) Contractor shall repair or replace not later than one (1) business day any Detachable Container after the City Manager notifies Contractor of a determination that the Detachable Container does not comply with ordinance standards or constitutes a health or safety hazard.
- (c) Contractor shall remove graffiti from its Detachable Containers not later than five (5) business days after notification by City or a Customer of the existence of the graffiti. Contractor shall keep a record of the locations of Detachable Containers containing graffiti, take a photograph of the graffiti prior to its removal, and provide such location information and photographs to City as part of the Monthly Report.
- (d) Each Detachable Container to be placed at a City Facility is subject to inspection by City and approval as to appearance and condition before placement at any City Facility. A Detachable Container shall be reconditioned and repainted, if necessary, before being located at a City Facility that has not used it earlier. Contractor shall clean and/or repaint a Detachable Container showing excessively damaged paint and/or an accumulation of waste residue within the Detachable Container not later than thirty (30) days after delivery of a written request by City.

4.21 Overloaded Containers. No commercial container, dumpster, or roll-off container should be overloaded to the point where the lid or covers will not close, or the tarp will not properly cover the load. Contractor may decline to empty an overloaded container until the Customer unloads the dumpster or roll-off container to the point where the lid(s) will close, or where the load may be safely tarped prior to transport.

4.22 Stationary Compactor Units. The purchase, lease, installation, maintenance, and repair of Stationary Compactor Units or any related parts or accessories, as well as the Detachable Container,

will be by agreement between Contractor and the property owner and/or authorized property manager of the property where the Stationary Compactor Unit(s) will be placed. Contractor's agreement with Customers using Stationary Compactor Units shall provide for the collection and transport of the Compactor Unit's Detachable Container. The rental of a Detachable Container shall be in accordance with the Roll-Off Rates set forth in Exhibit A attached hereto.

4.23 Excluded Waste.

- (a) Contractor has no obligation to collect Excluded Waste pursuant to this Contract. Unless otherwise provided in this Contract, City has no obligation to pay Contractor for the collection of Excluded Waste.
- (b) If Excluded Waste is discovered before it is collected by Contractor, Contractor may refuse to collect the entire bin, container, bag, or bundle of waste containing the Excluded Waste. Contractor shall contact City upon the discovery of Excluded Waste that has been placed for collection. City shall be responsible for taking any appropriate action to ensure that such Excluded Waste is removed and properly disposed of by the depositor or generator of the Excluded Waste.
- (c) If any Excluded Waste is not discovered by Contractor before it is collected, Contractor may, in its sole discretion, remove, transport, and dispose of such Excluded Waste at a location authorized to accept such Excluded Waste in accordance with all applicable laws and charge the generator of such Excluded Waste all direct and indirect costs incurred due to removal, remediation, handling, transportation, delivery, and disposal of such Excluded Waste. City will reasonably assist Contractor in determining the identity of the depositor or generator of the Excluded Waste to enable Contractor to collect from the depositor or generator the cost incurred by Contractor in connection with such Excluded Waste.
- (d) Contractor releases and holds City harmless from any liability for any cost incurred by Contractor in connection with such Excluded Waste, except to the extent that such Excluded Waste is determined to be deposited or generated by City.

V. COLLECTION OPERATIONS – GENERAL PROVISIONS

5.1 Disposal: Contractor shall deliver all Waste collected pursuant to this Contract to a Disposal Facility.

5.2 Hours of Collection.

- (a) Unless otherwise agreed by the Contract Administrator in accordance with Section 5.2(c), collection of Waste from Residential Customers shall not start before 7:00 A.M. Central Time or continue after 7:00 P.M. Central Time on the same day in any residentially zoned area of City's corporate limits or otherwise within 500 feet of a Residential Unit Collection from Residential Units shall not occur on Sundays unless authorized in writing by the Contract Administrator following a weather-related event (e.g. winter storm event) or other circumstance that has resulted in Contractor being unable to perform regular collections on scheduled days.
- (b) Unless otherwise agreed by the Contract Administrator in accordance with Section 5.2(c), collection of Waste from Commercial and Industrial Customers shall be performed on a regular schedule on the same days and approximately the same times each week, Monday

through Saturday between the hours of 5:00 A.M. Central Time and 7:00 P.M. Central Time; provided, however, unless otherwise approved by the Contract Administrator, which approval shall not be unreasonably withheld, collection from a Commercial or Industrial Customer shall not occur before 7:00 A.M. Central Time if the location where the collection will occur is within 500 feet of a Residential Unit.

- (c) Notwithstanding the foregoing to the contrary, collection on all routes will be completed no later than 7:00 P.M. Central Time each service day unless:
 - (1) Contractor provides written notice to the City Manager with a description and justification of the unusual circumstances prior to the collection that justifies a later completion time for the route or Customer identified in the request; and
 - (2) The City Manager determines that the collection will not result in a violation of City's ordinances, including those regarding excessive noise; and
 - (3) The City Manager approves the later completion time in writing.

5.3 Collection Routes. Contractor shall work with City staff to develop routes prior to the Commencement Date. Contractor may request changes to collection routes that are determined to be more efficient than those that would otherwise be in effect on the Commencement Date or to which the Parties later agree; provided, however, no change in collection routes shall be made unless:

- (a) such change has been approved in writing by the City Manager, which shall not be unreasonably withheld or delayed; and
- (b) if the change will require a change in the days Waste Materials and/or Recyclable Materials are collected from a Residential Customer, Contractor has provided written notice to each Residential Customer whose collection dates will change not later than fifteen (15) days prior to the date the new collection dates become effective.

5.4 Holidays. Contractor may, at Contractor's option, suspend collection on a Holiday. If Contractor elects not to provide collection services on a Holiday, Contractor shall notify City not less than two (2) weeks in advance of the Holiday of the dates that collection will occur for those Customers whose regular collection day falls on the Holiday on which a collection did not occur, provided such delayed collection shall be not later than the next business day following the Holiday unless otherwise agreed by the Contract Administrator. Contractor will observe the following Holidays: Thanksgiving and Christmas Day. If either of these Holidays falls on a service day, i.e., Thursday-Thanksgiving Day, the service will be provided on the next scheduled service day. When Christmas falls on a scheduled service day, Contractor will service on the next scheduled service day. Contractor will supply a calendar showing all expected service interruptions and when the service will resume.

5.5 Complaints. Customer complaints, including complaints for missed collections, shall be directed to Contractor. At the end of each business day (and, in the case of complaints received on a Saturday, Sunday, or a Holiday, on the immediately following business day), Contractor shall email to City a summary of Customer complaints received on that day setting forth at least the following relating to each complaint:

- (a) The address of the Customer making the complaint;
- (b) The time the call or e-mail was received from the Customer;
- (c) Whether the Customer is a Residential, Commercial, or Industrial Customer;
- (d) A summary of the follow-up action taken by Contractor to resolve open complaints from the same or prior days, including the date of the original complaint, the date(s) and time(s) of subsequent communications with the Customer regarding the complaint, the name of Contractor's employee(s) who interacted with the Customer regarding the complaint, a summary of the contents of the communications between Contractor's employee(s) and the Customer, and the date when Contractor has deemed the complaint to be resolved and closed.

5.6 Collection Vehicles. All vehicles, facilities, equipment, and property used in the performance of this Contract shall be provided by Contractor and comply with the following:

- (a) All vehicles shall be not older than four (4) model years on the Commencement Date and not older than ten (10) model years at any time during the term of this Agreement;
- (b) All vehicles shall be kept in good operating order and a clean and sanitary condition with the interior of the cab free of clutter;
- (c) All collection equipment shall be operated and maintained in compliance with all applicable state and federal safety standards;
- (d) Contractor shall obtain and maintain current all required operating permits and registrations for the collection vehicles;
- (e) Collection vehicles shall be painted in Contractor's color schemes. Vehicle numbers, at least six-inch (6.0") high shall be painted on each side of the rear of the vehicle in a contrasting color from the body color;
- (f) No advertising shall be permitted on the collection vehicle other than the name and address of Contractor;
- (g) Contractor shall place the appropriate customer service telephone number on all collection trucks;
- (h) The type, number, and capacity of collection vehicles shall be sufficient to service all Structures at the frequency and level of collection specified in the Contract and capable of handling, in the safest and most efficient method available, the Carts, Containers, and material specified for each structure on its route;
- (i) All vehicles shall be operated in conformity with applicable federal and state laws and regulations;
- (j) All vehicles used by Contractor's management personnel, including route supervisors, shall be equipped with cell phones with voice mail so they can be contacted by City;

- (k) Collection vehicles will be equipped with two-way communication devices so that Contractor's staff and the driver may communicate during the route collection; and
- (l) All collection vehicles shall be equipped with Global Position System ("GPS") tracking equipment to allow for tracking and locating collection vehicles, which tracking information can be stored and retrieved by Contractor and is provided to City upon written request

Contractor shall furnish to City an inventory of all equipment and vehicles to be used pursuant to this Contract (the "Equipment Inventory"). Contractor shall provide City with an updated Equipment Inventory not later than ten (10) business days after Contractor adds and/or deletes a vehicle or piece of equipment that is being used in City unless the addition or deletion is only for a temporary period to allow for the repair of a vehicle or piece of equipment on the Equipment Inventory that has been temporarily removed from service. Contractor may use replacement and/or additional equipment and vehicles for a period not exceeding fifteen (15) consecutive days or sixty (60) days during any Contract Year without updating the Equipment Inventory if the use of such equipment and/or vehicles is reasonably necessary to maintain a consistent level of collection services as required by this Contract during a period of an abnormally high volume of Waste needing to be collected or to cover extra collections as the result of a Holiday collection schedule. Contractor may include on the Equipment Inventory equipment or vehicles Contractor intends to regularly use for collection during such temporary periods of high volume or during Holiday collection schedules provided such equipment and/or vehicles are identified as "standby" or "reserve" equipment or vehicles on the Equipment Inventory.

5.7 Spillage: Contractor shall not litter premises in the process of making collections. In the event of spillage by Contractor, Contractor will be responsible for the cleanup of any spills including, but not limited to, garbage, fuel, oil, and other fluids from Contractor's vehicles or resulting from the collection of Waste Material. Contractor shall not be responsible for the collection of any scattered Waste that has not been caused by Contractor's employees.

5.8 Point of Contact: All dealings and contacts between Contractor and City shall be directed between the Public Sector representative of Contractor, or such other individual identified by Contractor, and the Contract Administrator.

5.9 Contractor's Employees.

- (a) Contractor's officers, employees, or agents assigned to perform collection services to Customers pursuant to this Contract shall:
 - (1) at all times when collecting Waste Materials and/or Recyclable Materials, wear uniforms and carry identification cards and/or badges bearing the name and photo of the officer or employee and identifying the person as an officer or employee of Contractor;
 - (2) possess at all times the appropriate State of Texas operator's license for the vehicle being operated when driving any vehicles used in connection with the performance of this Contract;
 - (3) never identify themselves, or in any way represent themselves, as being employees or agents of City;

- (4) not possess or consume alcoholic beverages or controlled substances while on duty or in the course of performing duties under this Contract, and Contractor shall maintain and enforce a policy consistent with this prohibition;
 - (5) interact with Customers and other members of the public in a neat, orderly, courteous, helpful, and impartial manner and refrain from belligerent behavior and/or profanity when interacting with Customers;
 - (6) conduct collection serves with as little noise and as little disturbance to Customer as reasonably possible taking into consideration the noise customarily generated by the normal operation of Collection Vehicles and other collection equipment;
 - (7) not disturb or otherwise unreasonably interfere with a Customer's property that is adjacent to where the Customer's container(s) are located for collection; and
 - (8) take reasonable precautions to prevent damage to property, including lawns, shrubs, flowers, and other plants while performing Collection Services.
- (b) Contractor shall be solely responsible for managing and disciplining Contractor's employees. If Contractor receives a report alleging one or more of Contractor's employee(s) was wanton, discourteous, belligerent, profane, or in any way intimidating, either physically or verbally, or appeared to be under the influence of drugs or alcohol, Contractor shall submit a written report to City providing the details of the incident, which report shall include: the nature of the incident, time, date, and location of the incident; name, address, and telephone number of the person alleging the violation; the name and title Contractor's officer(s) and/or employee(s) involved in the incident; and what disciplinary action, if any, was taken by Contractor. If an employee of Contractor is the subject of repeated allegations or a single egregious allegation of the type described above, such employee shall be removed from an assignment from providing Collection Services under this Contract not later than ten (10) days after receipt of City's written request for such removal, which removal shall continue for the duration of the Term of this Contract (including Initial Term and any Extended Term) unless otherwise agreed in writing by the Contract Administrator.

VI. REPORTING REQUIREMENTS

- 6.1 Reports Generally; Format.** Contractor shall provide to City the reports or notifications to the City's Contract Administrator described in this Article VI in addition to any daily reports required by this Contract. If not established by an outside authority, the Parties shall agree on the required report format, provided each report contains at least the information required by Article VI. All information provided in the reports delivered by Contractor to City pursuant to this Article VI becomes the property of City. City shall have the right to use the data from the reports provided by Contractor for whatever purposes City deems appropriate.
- 6.2 Monthly Reports.** Not later than the tenth (10th) of each month during the term of this Contract, Contractor shall deliver to the City Manager in the agreed format a report relating to the collection activity during the prior calendar month ("Monthly Reports"). Monthly Reports shall include route-by-route information regarding Participation Rates, Recycling Rates, and Tonnage Collected and contain, as a minimum, the following information:
- (a) Number of Residential Units served.

- (b) Number of Commercial Units served.
- (c) Tonnage of Waste collected during the month and delivered to the Disposal Facility, broken down by collection from Residential Units, Commercial Units, and Industrial Units.
- (d) Tonnage of Residential Recycling Materials collected and delivered to the Recycling Facility.
- (e) Tonnage of Residential Bulk and Brush collected.
- (f) Tonnage of Waste collected from Commercial Units.
- (g) Tonnage of Waste collected from Roll Off Units.
- (h) Residential Recycling Participation Rate, being the percentage of Residential Units participating in recycling collection services.
- (i) Summary of motor vehicle accidents or moving violations involving Contractor's vehicles occurring while providing services under the Contract during the month.
- (j) Summary of property damage claims or personal injury claims received by Contractor during the month as a result of providing services under the Contract, even if the events giving rise to such claim occurred in a prior month; and
- (k) List of Customer complaints received by Contractor either directly or forwarded by City, arranged and listed by category, including the date the complaint was received, the address of the complainant, the address of the property about which the complaint was made (if different than Customer's address, name of the complainant, nature of the complaint, how the complaint was resolved, the date the complaint was resolved when the complainant was contacted about the resolution of the complaint, and if the complaint has not been resolved as of the date of the Monthly Report, when and how Contractor expects the complaint to be resolved.

6.3 Annual Reports. No later than November 1st after the end of each Contract Year, Contractor shall submit to the Contract Administrator an annual report (the "**Annual Report**") covering the immediately preceding Contract Year and include at least the following information:

- (a) A collated summary of the information contained in the monthly reports, including reconciliation of any and/or adjustments from prior reports.
- (b) A discussion of highlights and other noteworthy experiences, along with measures to resolve problems, increase efficiency, and increase participation.
- (c) A description of all public information programs undertaken with audiences reached and media used; and
- (d) With respect to the final Annual Report, including all information required for the Monthly Report relating to the last calendar month prior to the date of termination of the Contract.

The obligation to submit the Annual Report for the last Contract Year shall survive the termination or expiration of this Contract. City may withhold payment of balances due to Contractor at the end of the Contract until such final report is received and accepted by City. Contractor shall cooperate fully with providing information relevant to reporting requirements. The reporting requirements are part of the material consideration and failure to comply with reporting requirements shall constitute a material default and shall be subject to penalties and/or termination of this Contract.

VII. PUBLIC EDUCATION CAMPAIGN SERVICE AND CITY FACILITY SERVICE

- 7.1 **Public Education Campaign.** To inform and educate Residential Customers regarding Contractor's commencement of services under this Contract, Contractor shall, at Contractor's cost:
- (a) Distribute a professionally prepared brochure to each Residence at least one (1) time approximately four (4) weeks before the commencement of collection by Contractor, which brochure shall, as a minimum, describe the upcoming changeover in the provider of Waste Material, Recyclable Material, Bulk and Brush collection services to Residential Customers, the date Contractor will start providing such services, Contractor's contact information to be used by Residential Customers wishing to ask questions or lodge complaints, and any other relevant information necessary to enhance community education;
 - (b) Provide to City a sufficient number of additional copies of the above-described brochure to allow City to provide to people requesting such information; and
 - (c) Coordinate with and supply all information reasonably requested by City's Director of Marketing & Communication and Public Works Director to facilitate City's efforts to notify Residential Customers of this transition.
 - (d) Contractor shall provide an annual contribution of five Thousand Dollars (\$5,000) to promote optimum participation in all environmental programs. Payment shall be made on February 1 of each year of the contract term.
- 7.2 **City Facilities and Special Events.** Contractor agrees to provide Dumpster(s) and/or Roll-Offs for the Special Events and at City Facilities set forth in Exhibit B attached hereto and incorporated herein by this reference. The type of equipment and frequency of collection is set out in Exhibit B and may be adjusted as agreed to by City and Contractor. Necessary increases in service as agreed to between City and Contractor to existing City Facilities will be added to the Exhibit and serviced at no charge. Any additional events not listed in Exhibit B or necessary increases in service to events listed in Exhibit B will be serviced by Contractor at a charge.

VIII. CONTRACTOR RESPONSIBILITIES

- 8.1 **Generally.** In providing the Collection Services required by this Contract, Contractor's responsibilities shall include:
- (a) Furnishing all skill, labor, equipment, materials, supplies, and utility services required for providing all services in accordance with this Contract.
 - (b) All actions and activities of its subcontractors.
 - (c) Supplying all records and information required by this Contract.

- (d) Securing at Contractor's expense all governmental permits and licenses and required regulatory approvals, including those required by City ordinances.
- (e) Paying all applicable taxes and Franchise fees.
- (f) Paying to City not later than the thirtieth (30th) day after the Effective Date the one-time reimbursement of City's costs for the development of the RFP and the Contract Documents including, but not limited to, this Contract, the estimated total of which is \$39,940.
- (g) Complying with applicable laws and regulations.
- (h) Performing all work in a timely, thorough, and professional manner.
- (i) Disposing of all collected MSW at a permitted MSW Landfill.
- (j) Processing and marketing Recyclable Materials collected by Contractor from Residential Units.
- (k) All wage increases for Contractor's collectors or other employees, any benefits or added costs resulting from changes in technology, laws, and regulations, labor practices, availability of equipment, and other business risks that may affect the performance of this Contract; and
- (l) Collecting all missed collections for any service provided within 24 hours after being notified of the missed collections, including picking up on Saturday if notified of a missed collection on a Friday; provided, however, missed pick-ups for which Contractor receives a notification on a Saturday will be collected on the immediately following Monday.

8.2 Contractor's Office. Contractor shall maintain an office or such other facilities through which it can be contacted by direct visit or by local (toll-free) call from anywhere in the City on regular collection days, as follows: (i) Monday through Friday between 7:00 A.M. and 7:00 P.M. Central Time; and (ii) Saturday between 9:00 A.M. and 3:00 P.M. Central Time. Such office shall be staffed by a responsible person in charge and an adequate number of additional staff available to answer the phone from 7:00 a.m. to 7:00 p.m. on regular collection days. When the collection is postponed one day for scheduled or unscheduled reasons, Contractor's customer service personnel must be available to answer phones on all days during which collection service is provided. An informative recording answering frequently asked questions shall be available at all other hours, thereby providing a 24-hour, 7-day per week customer service line. Contractor's Operations Office is located at Contractor's Jersey Village office. Contractor's Customer Service Center is located at Contractor's Pearland office (with a backup at Contractor's Corpus Christi office). Contractor will provide four (4) different ways for 24 hour, 7-day access for all residents and businesses to contact Contractor. Normal Customer Service hours are 8 am to 5 pm Monday through Friday. Contractor also provides the Frontier Waste APP for the residents to stay in touch with Contractor and confirm schedules, set up alerts for weather and service reminders and learn more about recycling. A 1-800 toll-free number is also available 24/7 and Contractor has email available 24/7. Contractor's website is also available to access information. All Businesses have access to a portal where they can review the service schedule and access the information about the services provided and the standards for commercial business. Contractor's Customer Service number is on all Contractor's vehicles, carts, and dumpsters/ roll-off s with contact information.

8.3 Newsworthy and Emergency Notifications. Contractor must contact Contract Administrator as soon as reasonably practical and, in no case, later than 24 hours after the occurrence of one of the following:

- (a) any news coverage or sudden event that could impact the service Contractor provides to City pursuant to this Contract.
- (b) any news coverage or sudden event that is reasonably anticipated to result in Customer phone calls to City.
- (c) an environmental emergency or incident, including spills, that involves Contractor, a related business of Contractor, or one or more of Contractor's employees that occurs within City.
- (d) a motor vehicle accident that occurred while providing services under the Contract.
- (e) personal injury accidents which occurred while providing services under the Contract; and/or
- (f) property damages that occurred while providing services under the Contract.

8.4 Street Damages. Contractor shall be responsible for the repair of damage to paved surfaces on public streets, alleys, bridges, or easements when such damage is caused by Contractor's negligent or inappropriate operation of its collection equipment. Contractor shall not be responsible for normal wear and tear of public rights of way or regular maintenance of such rights of way. Substantiation of cause shall be determined by the mutual agreement of City and Contractor. At no time shall Contractor operate a vehicle in City's Limits that:

- (a) is loaded to the extent that the load exceeds the weight allowed by law for the rating of said vehicle; or
- (b) is loaded to the extent that the combined weight of the load and vehicle exceeds the weight allowed on the public streets, alleys, thoroughfares, bridges, or easements on which the vehicle is traveling if such street, alley, or bridge has received a weight limitation rating.

Contractor shall, not later than forty-five (45) days following written demand, reimburse City for all costs related to City's repair of damages determined to be Contractor's responsibility. Notwithstanding anything in this Section 8.4 to the contrary, Contractor shall not be responsible for damage which is not negligently or willfully caused by Contractor to any private pavement or accompanying sub-surface, or any drive approach connecting said private pavement to a public street or alley, of any route reasonably necessary to perform the services in the Contract.

8.5 City Facilities. Contractor shall not charge City for collection services from City Facilities as described in Exhibit "A" or from any additional City Facilities that City may add.

8.6 Enforcement. In order to maintain the exclusive franchise in favor of the Contractor contained herein, the City shall take any and all appropriate legal action against any company, customer, or third-party infringing upon the exclusive rights of the Contractor. In the event that the City fails to pursue appropriate legal action in order to remedy an infringement on the Contractor's exclusive-franchise rights, the Contractor may retain a subrogation right from the City against any and all

violations of the exclusive-franchise grant described herein and shall be entitled to any and all actual and consequential damages arising from the City's failure to enforce this Contract. Contractor has the right to seek an injunction against any third party which is believed to be infringing upon the rights of Contractor to this Contract, including Contractor's right to be the sole provider of Waste and Recyclable Materials collection within City per this Contract.

- 8.7 **Damage to Property.** Contractor shall take all necessary precautions to protect public and private property during the performance of this Contract. Contractor shall repair or replace any private or public property which is damaged by Contractor's officers or employees. Such property damages shall be resolved by Contractor either by repair or replacement, at no charge to the property owner, within forty-eight (48) hours of the earlier of knowledge of or notice to Contractor of such damage unless a longer period of time is approved in writing by the City Manager and any replacement of property shall be accomplished with property of the same or equivalent value at the time of the damage. If Contractor fails to address the repair and replacement of damaged property within forty-eight (48) hours of earlier knowledge of or notice to Contractor of such damage or the longer period of time approved in writing by the City Manager, the City Manager may, but shall not be obligated to, cause the repair or replacement of such damaged property and the cost of doing so shall be deducted from any payment to be made to Contractor by City. Notwithstanding anything to the contrary, Contractor shall not be liable for any damages to pavement, curbing, or other driving surfaces to the extent that such damages result solely from the normal and legally allowable weight of its trucks and equipment on the surfaces as necessary to perform the Services.

IX. LIQUIDATED DAMAGES

- 9.1 **Generally.** Acceptable performance standards pursuant to this Contract include the provision of daily services¹ on a timely basis with minimal interruptions, Contractor being environmentally responsible while providing such daily services, and Contractor responding promptly to both residential and commercial Customers and resolving any complaints relating to the failure to promptly and correctly providing such daily services. For failure in meeting acceptable performance standards, Contractor will be liable to City for Liquidated Damages as set forth in Section 9. City may charge Liquidated Damages to Contractor as set forth in Section 9.2 on a monthly basis and shall, at the end of each month during the term of the Contract, notify Contractor in writing of the amount of Liquidated Damages assessed for such month, if any. If Contractor wishes to contest any Liquidated Damages assessment, Contractor will request in writing a meeting with the City Manager or designee to attempt to resolve the issue. The decision of the City Manager shall be final. Liquidated damages shall not start before the 61st day after the commencement date of Solid Waste and Recycling Services.
- 9.2 **Liquidated Damages Assessed.** City may assess liquidated damages to Contractor as follows:
- (a) Missed collection: \$100 per missed collection in excess of five (5) missed collections on the same collection day. A missed collection occurs when a Customer reports a missed collection, the address was not reported by Contractor as an unacceptable set-out, and Contractor cannot provide data demonstrating the collection vehicle traveled on the street and collections occurred on the street on the day on which the complaint relates;
 - (b) If a missed collection has not been collected within the time required by Section 8.1(k): \$100 per occurrence per day;
 - (c) \$500 per incident for Contractor failing to collect Waste on a block containing Residential Units. A missed Residential Unit block is where three (3) Residential Units on one side of

a street between cross streets, or an entire cul-de-sac, report a missed collection. A missed Residential Unit block occurs when the addresses reporting missed collections were not reported by Contractor as unacceptable setouts, and Contractor cannot provide data demonstrating the collection vehicle traveled on the block during the day of the complaint:

- (d) Commencement of residential collection prior to 7:00 a.m., or operating within City after 7:00 p.m. except as expressly permitted: \$250 per route per occurrence;
- (e) Commencement of commercial collection within 500 feet of a Residential Unit prior to 7:00 a.m., commencement in other areas prior to 5:00 a.m., or operating within City after 7:00 p.m. except as expressly permitted: \$250 per route per occurrence;
- (f) Failure to complete a majority (50%) of the collections on a given day: \$5,000 for each incident (unless Contractor has reported to City that collections cannot be made due to unsafe conditions (roadway freezing, etc.);
- (g) Failure to maintain a vehicle in a manner consistent with the Contract: \$100 for each incident;
- (h) Failure to clean up spilled Solid Waste or Recyclables resulting from Contractor loading and/or transporting within two (2) hours of notification: \$250 per impacted address;
- (i) Failure to resolve properly reported bona fide Customer complaints within one business day: \$200 for each incident;
- (j) Failure to submit an accurate Monthly or Annual report in the specified format, as required by the Contract: \$250 per report per calendar day delinquent;
- (k) Failure to submit accurate accounting invoices and/ or complaint reports in the specified format: Non-payment until an accurate accounting is submitted;
- (l) Failure to return carts and containers to approximately original collection location: \$50 each incident, for each affected address;
- (m) Failure to leave a public education notice when material that is inappropriately prepared is not collected: \$50 each incident;
- (n) Failure to be prepared to perform services on or after the Commencement Date: \$ 3,000 per calendar day on and after the Commencement Date the services are not being performed by Contractor;
- (o) Failure to deliver or replace carts for any reason within five (5) business days of written notification: \$50 per incident per affected address;
- (p) Contractor commingling Recyclable Materials with MSW: \$ 1,000 for each incident.
- (q) Disposal of Recyclable Materials to a site other than a proper recycling facility: \$ 2,000 for each incident.

9.3 Liquidated Damages and Not Penalty. Because Contractor's failure to perform the specific tasks described in Section 9.2 and the damages that would be incurred by City being required to assist

Customers in handling and resolving complaints (which Residential Customers are citizens and/or property owners located in City's Limits), cannot be reasonably estimated and calculated by the Parties, and because the precise nature and amount of damages that may be incurred cannot be reasonably foreseen by the Parties, City and Contractor agree that the amount assessed in accordance with Section 9.2 constitute liquidated damages and not a penalty.

X. CITY'S REPRESENTATIONS AND WARRANTIES

City hereby makes the following representations and warranties to and for the benefit of, Contractor:

- (a) City is a home rule municipality duly organized and validly existing under the Constitution and laws of the State of Texas, with full legal right, power, and authority to enter into and perform its obligations under this Contract.
- (b) City has duly authorized the execution and delivery of this Contract, and this Contract constitutes a legal, valid, and binding obligation of City that is enforceable against City according to its terms.
- (c) To the best of City's knowledge, information, investigation, or belief, no action, suit, or proceeding, at law or in equity, before or by any court or governmental authority, commission, Council, agency, or instrumentality is pending against City wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Contractor of its obligations hereunder or in connection with the obligations, undertakings, and transactions contemplated hereby, or which, in any way, would adversely affect the validity or enforceability of this Contract or any other contract or instrument entered into by City in connection with the obligations, undertakings, transactions contemplated hereby; and
- (d) To the best of City's knowledge, information, investigation, or belief, as of the Commencement Date, City has the legal right and authority to grant this exclusive franchise and shall defend, and use reasonable efforts to uphold this Contract, and City's right to adopt and/or enforce this exclusive franchise if City's right to adopt and/or enforce this exclusive franchise or enter into this Contract is ever challenged, litigated or disputed during the term of the Contract. City acknowledges that this is an essential term of the Contract that Contractor is relying upon in entering into the Contract. Contractor's sole and exclusive remedy with respect to a determination after the Effective Date that City's legal rights and authority as set forth in this paragraph (d) are not accurate shall be as set forth in Section 17.05, below.

XI. CUSTOMER BILLING AND PAYMENTS TO CONTRACTOR

11.1 Residential Customer Billing; Payment for Service. City shall provide billing and bill collection services for Residential Customers during the term of this Contract. Not later than the 5th day of each calendar month during the Term of this Contract, Contractor shall obtain from City a count of Residential Units billed for collection services in the prior calendar month with a subtotal of Residential Customers. Based on the number of Residential Customers, Contractor shall deliver to City an invoice setting forth sums due by City to Contractor for services rendered to Residential Customers under this Agreement

City shall remit to Contractor payment for such services not later than thirty (30) days after receipt of invoice.

- 11.2 Non-Paying Customers.** City shall notify Contractor in writing of any Residential Customer that has failed to pay City for waste collection services. Upon written direction from City, Contractor shall cease servicing such delinquent Residential Unit until notified by City to resume service. Contractor shall have the right to cease servicing any Commercial Unit or Industrial Unit that is delinquent in payment to Contractor.
- 11.3 Commercial Customer Billing.** City shall be solely responsible for billing and bill collection services to Commercial Units. City shall be obligated to pay Contractor for Commercial Collection services provided by Contractor to Commercial Units or Industrial Units. Not later than the tenth (10th) day of each calendar month during the Term of this Contract, City shall provide to Contractor a report showing the billings to Commercial Units or collection and other services provided to Commercial Customers within the City during the immediately prior calendar month, including the services rendered, the rate for such service, and Contractor shall reconcile Contractor's billing to the City to match that amount shown in the report.
- 11.4 Industrial Customer Billing.** Contractor shall be solely responsible for billing and bill collection services to Industrial Units. City shall not be obligated to pay Contractor for Industrial Collection services provided by Contractor Industrial Units. Not later than the tenth (10th) day of each calendar month during the Term of this Contract, Contractor shall provide to City a report showing the billings to Industrial Units for collection and other services provided to Industrial Customers within the City during the immediately prior calendar month, including the services rendered, the rate for such service, and the amount of payments received by Contractor for such services during the calendar month covered by the report.

XII. TITLE TO WASTE MATERIAL

Title to Waste Materials and Recyclable Materials shall pass to Contractor when placed in Contractor's collection vehicle. Title to and liability for any Unacceptable Waste shall remain with the Customer, Generator, or depositor of such waste and shall at no time pass to Contractor. City will provide all reasonable assistance to Contractor to investigate and determine the identity of the depositor or Generator of the Unacceptable Waste and to collect the costs incurred by Contractor in connection with such Unacceptable Waste. City is not responsible for costs associated with Unacceptable Waste, except to the extent that such Unacceptable Waste was placed for collection by City in violation of this Contract.

XIII. CONTRACTOR'S PROPERTY

All containers, trucks, and any other equipment that Contractor furnishes under this Contract shall remain Contractor's property.

XIV. RECORDKEEPING / RIGHT TO INSPECT

Contractor shall maintain all records generated in connection with the performance of its obligations and/or provision of Services under this Contract for a period of at least four (4) years after submission of the last Monthly Report. City retains the right to examine, inspect, audit, and copy, regardless of location, all documents, records, files, data, and information generated or utilized by Contractor in the performance of its obligations and/or provision of Services under this Contract. In addition to the Monthly Reports and Annual Reports, City may request periodic reports pursuant to services rendered regarding information not contained in the Monthly Reports or Annual Reports. Such reports must be provided in a reasonable and timely manner, but in no case later than fifteen (15) business days following receipt of the written request unless the request specifies a later deadline. City may withhold making payments due to Contractor pursuant to this Contract if any report required to be made pursuant to this Contract has not been delivered to City on or before the fifth (5th) day following the date that such report is required to be delivered to City pursuant to this Contract and may continue to be withheld until the second business day after such report is delivered.

XV. TERMINATION OF CONTRACT

- 15.1 Termination by Default.** If City notifies Contractor of a failure of Contractor to perform a material provision of this Contract and Contractor has failed to cure such failure on or before the thirtieth (30th) day following such notice, or if such failure can be cured, but cannot be reasonably cured within said thirty (30) days, then by the date such failure should reasonably be cured, but in no case later than ninety (90) days after delivery of the notice from City, City may terminate this Contract by delivery of written notice to Contractor. Upon such termination under this section 15.1, in the event such termination occurs during the Initial Term, City, as its sole and exclusive remedy, may exercise its rights under Contractor's performance bond, if applicable, and procure the services of another waste collection services provider to complete the work covered under this Contract for the remainder of the time period covered by the Initial Term. Except for such right during the Initial Term, following any such termination, neither Party shall have any further obligation under this Contract, but the Parties expressly reserve all claims for damages resulting from said uncured default and claims for personal injuries or property damage and the right to be indemnified therefor as expressly provided in this Contract and arising prior to such termination date.
- 15.2 Termination for Insolvency, Bankruptcy, Assignment to Creditors.** City may, without further notice, terminate this Contract immediately if Contractor (i) petitions for reorganization under the Bankruptcy Code or is adjudged bankrupt; (ii) becomes insolvent or a receiver is appointed due to insolvency; (iii) makes a general assignment or sale of its assets or business for the benefit of creditors if Contractor ceases providing the collection of Waste Materials pursuant to this Contract and Contractor (if Contractor is a debtor-in-possession) or the trustee of the bankruptcy estate fails to ratify and continue performance of this Contract within the required period set forth in the Bankruptcy Code.
- 15.3 Termination by Mutual Agreement.** If City and Contractor mutually agree in writing, this Contract may be terminated on the terms and date stipulated in the writing.
- 15.4 Termination for Non-Appropriation of Funds.** Contractor acknowledges and understands that City is prohibited by law from entering into contractual obligations for the expenditure of funds beyond the current fiscal year. City may, upon written notice to Contractor, terminate this Contract on any September 30th occurring during the Term of this Contract if City fails to appropriate funds in City's Annual Budget for the immediately following fiscal year commencing October 1st for the purpose of providing residential solid waste collection services to Residential Customers. This Contract is not, and shall not be construed, as (a) an obligation payable in any fiscal year beyond

the fiscal year for which funds are lawfully appropriate; or (b) an obligation creating a pledge of, or a lien on, City's tax or general revenues resulting in the creation of a debt.

15.6 Right of Contractor to Terminate. If City is temporarily or permanently enjoined by a court of competent jurisdiction from entering this Contract or otherwise granting to Contractor an exclusive contract and franchise for the Residential Waste Collection services to be provided herein, or an amendment to State law makes this Contract unlawful to the extent that the Contract grants an exclusive contractual right to Contractor to perform Residential Waste Collection services, Contractor may, upon not less than ten (10) days written notice to City:

- (a) to terminate this Contract, in which case Contractor shall refund to City any installment of the fees paid by City in advance of the provision of services, if any, prorated for the remaining portion of the month after the date of termination; or
- (b) to continue to perform the services pursuant to this Contract, in which case the Parties will negotiate in good faith an equitable adjustment in the Annual Contract Fee.

If such injunction is applicable to any services provided under this Contract other than Residential Waste Collection services, Contractor shall have the right to terminate the provision of such other services pursuant to this Contract but shall not be authorized to terminate the provision of Residential Waste Collection services or continue providing such services on a non-exclusive basis. Following any termination pursuant to this Section 17.05, neither Party shall have any further obligation under this Contract other than for claims for personal injuries or property damage and the right to be indemnified therefor as expressly provided in this Contract and arising prior to such termination date.

XVI. INSURANCE

16.1 Insurance Types and Limits. During the Term of this Contract, Contractor shall maintain in full force and effect insurance coverage with the minimum limits as follows:

- (a) Commercial General Liability insurance for bodily injury, death, and property damage insuring against all claims, demands or actions relating to Contractor's performance of services pursuant to this Contract, with a minimum combined single limit of not less than \$1,000,000 per occurrence and not less than \$2,000,000 aggregate, for injury to persons (including death), and for property damage via blanket form endorsement;
- (b) Automobile liability insurance with not less than \$1,000,000 combined single limit, covering any vehicles owned and/or operated by Contractor, its officers, agents, and employees, and used in the performance of this Contract via blanket form endorsement; and
- (c) Statutory Worker's Compensation Insurance or equivalent or other State-approved program covering all of Contractor's employees involved in the provision of services under this Contract

All insurance companies providing the required insurance shall either be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service or approved by the City Manager.

Provided Contractor maintains at least the types of coverage and minimum coverage limits described above, Contractor shall secure and maintain throughout the Term of this Contract insurance of such types and in such amounts as may be necessary to protect itself and the interest of City against all hazards or risks of loss as hereinafter specified. It shall be the responsibility of the Contractor to

maintain adequate insurance coverage at all times. Failure of the Contractor to maintain adequate coverage shall not relieve Contractor of any contractual responsibility or obligation.

16.2 Required Endorsements. All insurance and certificate(s) of insurance shall be endorsed to contain the following:

- (a) Name City, its officers, agents, and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance.
- (b) Provide for a waiver of subrogation against City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance; and
- (c) No insurance policy shall not be canceled, non-renewed, or coverage thereunder reduced unless City has received notice of cancellation, non-renewal, or reduction in coverage, in each such case (except for notice of cancellation due to non-payment of premiums) such notice to be sent to City not later than thirty (30) calendar days (or the maximum period of calendar days permitted under applicable law, if less than thirty (30) calendar days) prior to the effective date of such cancellation, non-renewal, or reduction in coverage, as applicable. If any insurance policy required to be carried by or on behalf of Contractor pursuant to this Contract is to be canceled due to non-payment of premiums, the requirements of the preceding sentence shall apply except that the notice shall be sent to City on the earliest possible date but in no event less than ten (10) calendar days prior to the effective date of such cancellation.

A certificate of insurance evidencing the required insurance shall be submitted to City prior to the Commencement Date and not later than thirty (30) days prior to the commencement of each Extension Term.

XVII. PERFORMANCE BOND

Contractor shall deliver to City a performance bond in the amount equal to one hundred percent (100%) of the annual value of the Contract, executed by a good and sufficient corporate surety eligible to conduct business in Texas, and conditioned that Contractor shall well, truly, and faithfully perform its obligations under this Contract and shall satisfy all claims and demands of any kind incurred under the Contract, including, but not limited to, the payment of all amounts owed by Contractor to City or landfills, and Contractor shall fully indemnify and save harmless City from all costs and damage which City may suffer by Contractor's failure to pay such amounts owed and shall reimburse and repay City all outlay and expense which City may incur in making good any such payment default, then the obligation shall be void; otherwise, to remain in full force and effect. Said performance bond will be renewed annually for the term of the Contract. The performance bond shall be in a form reasonably acceptable to City. Contractor shall pay any and all premiums for the bond. A certificate from the surety showing that the bond premiums are paid in full shall be submitted to City on an annual basis for the Term of the Contract.

XVII. INDEMNITY

CONTRACTOR AGREES TO AND SHALL INDEMNIFY, DEFEND, AND HOLD CITY AND CITY'S ELECTED AND APPOINTED OFFICERS, EMPLOYEES, AND AGENTS(COLLECTIVELY, THE "CITY INDEMNITEES"), FREE AND HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, DEMANDS, LOSSES, DAMAGES, COSTS OR EXPENSE OF ALL TYPES TO ANY PERSON OR ENTITY (INCLUDING, BUT NOT

LIMITED TO, ALL CLAIMS FOR MONETARY DAMAGES, CLAIMS AT LAW, CLAIMS IN EQUITY, AND REASONABLE ATTORNEYS' FEES) ARISING OUT OF, RESULTING FROM, OR OCCURRING IN CONNECTION WITH CONTRACTOR'S PERFORMANCE OF THE SERVICES UNDER THIS CONTRACT WHICH ARE CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT, STRICT LIABILITY OR OTHER ACT OR OMISSION OF CONTRACTOR, ANY SUBCONTRACTOR OR SUPPLIER OF CONTRACTOR, THEIR RESPECTIVE AGENTS OR EMPLOYEES OR ANY OTHER PARTY FOR WHOM ANY OF THEM MAY BE LIABLE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS CONTRACT, TO THE EXTENT THAT ANY EMPLOYEE OR CONTRACTOR ASSERTS A CLAIM AGAINST ONE OR MORE OF THE CITY INDEMNITEES THAT WOULD HAVE BEEN BARRED UNDER WORKERS' COMPENSATION INSURANCE, CONTRACTOR SHALL BE SOLELY RESPONSIBLE FOR AND SHALL DEFEND, INDEMNIFY AND HOLD THE CITY INDEMNITEE(S) FREE AND HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, DEMANDS, LOSSES, DAMAGES, COSTS OR EXPENSE FOR ANY SUCH CLAIMS NOTWITHSTANDING THE FACT THAT CONTRACTOR IS A NON-SUBSCRIBER TO WORKERS' COMPENSATION INSURANCE IN THE STATE OF TEXAS. THE INDEMNITY AND HOLD HARMLESS PROVISIONS OF THIS CONTRACT SHALL ALSO APPLY TO CLAIMS ARISING FROM ACCIDENTS TO CONTRACTOR, ITS AGENTS, OR EMPLOYEES, WHETHER OCCASIONED BY CONTRACTOR OR ITS EMPLOYEES. IN THE EVENT OF JOINT OR CONCURRENT NEGLIGENCE OF BOTH CONTRACTOR AND ONE OR MORE OF THE CITY INDEMNITEES, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CONTRACTOR OR CITY UNDER TEXAS LAW, IT BEING THE INTENT THAT CITY SHALL BE RESPONSIBLE FOR THE NEGLIGENCE APPORTIONED TO THE CITY INDEMNITEE(S) AND CONTRACTOR SHALL HAVE NO INDEMNIFICATION OBLIGATIONS UNDER THIS CONTRACT TO THE EXTENT OF THE CITY INDEMNITEE'S NEGLIGENCE. CONTRACTOR'S INDEMNIFICATION OBLIGATION PURSUANT TO THIS ARTICLE XVII SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE UNDER THE WORKERS' OR WORKMEN'S COMPENSATION ACTS, DISABILITY ACTS OR OTHER EMPLOYEE BENEFIT ACTS OR TO THE LIMITS OF ANY INSURANCE COVERAGE.

XVIII. MISCELLANEOUS

- 18.1 Entire Agreement; Priority of Documents.** This Contract, along with the Contract Documents, constitutes the sole and only agreement between the Parties and supersedes any prior understandings and/or written or oral agreements between the Parties with respect to this subject matter of this Contract. Any irreconcilable conflict between or among any of the Contract Documents shall be resolved in the following order of priority from first to last unless the provision in the lower priority Contract Document indicates otherwise by use of the phrase "notwithstanding anything in the Contract Documents to the contrary" or similar phrase: (i) this Contract, including any subsequent amendments to this Contract, (ii) the RFP; and (iii) Contractor's Response to the RFP.
- 18.2 Assignment.** Contractor may not assign this Contract without City's prior written consent. In the event of an assignment by Contractor to which City has consented, the assignee shall agree in writing with City to personally assume, perform, and be bound by all the covenants, and obligations contained in this Contract. Notwithstanding the foregoing, Contractor may assign this Contract upon written notice, but without the City's consent, to a parent company or any of Contractor's subsidiaries or to any person or entity who purchases any operations from Contractor, but only so

long as such person or entity agrees to assume all of Contractor's obligations and liabilities regarding the performance of this Contract. In addition, Contractor may make a collateral assignment of this Contract to any lender as security for a loan made by a lender to Contractor without the consent of City.

- 18.3 **Successors and Assigns.** Subject to the provisions regarding assignment, this Contract shall be binding on and inure to the benefit of the Parties to it and their respective successors and assigns.
- 18.4 **Governing Law.** The laws of the State of Texas shall govern this Contract; and the venue for any action concerning this Contract shall be in the state district courts of Harris County, Texas. The Parties agree to submit to the personal jurisdiction of said Court.
- 18.5 **Amendments.** This Contract may be amended only by the written agreement of the Parties.
- 18.6 **Severability.** If any one or more of the provisions contained in this Contract, inclusive of the Contract Documents, shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.
- 18.7 **Independent Contractor.** All services to be performed by Contractor pursuant to this Contract shall be in the capacity of an independent contractor, and not as an agent or employee of City. Contractor shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Contract.
- 18.8 **Notice.** Any notice required or permitted to be delivered hereunder may be sent by first-class mail or overnight courier to the address specified below, or to such other address as either Party may designate in writing, and shall be deemed received three (3) days after being placed in the U.S. mail, first-class postage prepaid or on the date of confirmed delivery by overnight courier as evidenced on the receipt therefor:

If intended for City:	With Copy to:
<u>401 Market Street</u> <u>Tomball, Texas 77375</u>	<u>501 James Street</u> <u>Tomball, Texas 77375</u>

If intended for Contractor:

Frontier Waste
5959 S Sam Houston Parkway E
Houston, Texas 77048
_ ATTN: General Manager

- 18.9 **Counterparts.** This Contract may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties.

- 18.10 Compliance with Federal, State & Local Laws.** The Parties shall comply in the performance of Services under the terms of this Contract with all applicable laws, ordinances and regulations, judicial decrees or administrative orders, ordinances, and codes of federal, state, and local governments, including all applicable federal clauses.
- 18.11 Force Majeure.** No Party will be liable for any default or delay in the performance of its obligations under this Contract, including any obligation of Contractor to pay liquidated damages pursuant to Sections 9.01 and 9.02, if and to the extent such default or delay is caused, directly or indirectly, by a Disaster Event, riots, civil disorders, acts of terrorism, compliance with laws or governmental orders, inability to access a container, fires, inclement weather, acts of God, epidemic or pandemic, or any similar cause beyond the reasonable control of such Party, provided the non-performing Party is without fault in causing such default or delay. The non-performing Party agrees to provide written notice of the Force Majeure delay to the other Party as soon as possible but in no event later than 24 hours after the earlier of the Party's first knowledge of or the first occurrence of the Force Majeure and further agrees to use commercially reasonable efforts to recommence performance as soon as possible.
- 18.12. Proposal Representations.** Contractor expressly acknowledges that City has entered this Contract in express reliance on the truth of the statements and representations set forth in the Proposal (response to RFP) submitted to City by Contractor and agrees that the representations made by Contractor in the Proposal are true and correct as of the Effective Date.
- 18.13 Confidentiality Regarding Waste Material.** Contractor has no confidentiality obligation with respect to any Waste Materials or Recyclable Materials collected pursuant to this Contract.
- 18.14 No Waiver for Delay.** The failure or delay on the part of either Party to exercise any right, power, privilege, or remedy under this Contract shall not constitute a waiver thereof. No modification or waiver by either Party of any provision shall be deemed to have been made unless made in writing. Any waiver by a Party for one or more similar events shall not be construed to apply to any other events whether similar or not.
- 18.15 Effective Date.** The effective date of this Contract is the date upon which it is signed by the authorized representatives of both Parties (the "Effective Date").
- 18.16 Non-discrimination.** In the provision of services hereunder or the performance of this Contract, Contractor shall not discriminate against any person because of race, sex, age, creed, color, religion, or national origin.
- 18.17 Compliance with Federal Immigration Laws.** Contractor agrees at all times to comply with Federal Immigration laws with respect to employment and to make available during Contractor's regular business hours on request of City, employee documentation verifying an employee's status to be employed by an employer in the United States. Contractor agrees to verify current and future employee's status by utilizing the E-Verify internet-based system as operated by the United States Department of Homeland Security, or I-9 verification.
- 18.18 Boycott Israel; Boycott Energy Companies; and Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations.** Contractor verifies that:
- (a) Contractor does not boycott Israel and agrees that during the term of the Contract it will not boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended;

- (b) Contractor does not boycott Energy Companies and agrees that during the term of this Contract it will not boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended; and
- (c) Contractor does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and will not discriminate during the term of this Contract against a firearm entity or firearm trade association.

This Section 18.18 does not apply if Contractor is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Contractor has ten (10) or more full-time employees and (ii) this Contract has a value of \$100,000.00 or more to be paid under the terms of this Contract.

Signatures on Following Page

SIGNED AND AGREED on _____, 2024.

CITY OF TOMBALL, TEXAS

By: _____
_____, City Manager

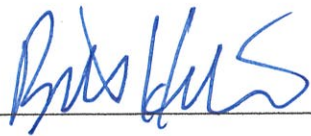
ATTEST:

_____, City Secretary

APPROVED AS TO FORM AND LEGALITY:

_____, City Attorney

SIGNED AND AGREED on _____, 2024.

By:  _____

Name: Bill Killian

Title: VP & South Texas District Manager

EXHIBIT A

RATES

RESIDENTIAL RATES – Option 1 (4-day collection)	
Service 1	2 x week MSW Collection of up to 7 bags or a RENTED Poly Cart
Service 2	1 x week Recyclables Collection in a Rented Poly Cart or Bin
Service 3	1 x week Brush/Bulky Materials Collection (max 2 cubic yards per collection)
Total Price per home per month before Rental Fees	
	\$19.98
Monthly Rental Rate for Poly Carts (includes delivery, maintenance, and removal)	
95-gallon MSW Poly Cart Rate per Month per Cart	\$1.75
95-gallon Recycle Poly Cart per Month per Cart	\$1.75
Rate per Cart if not MSW and Recycling Carts are Rented – 95-gallon	\$1.75
65-gallon MSW Poly Cart Rate per Month per Cart	\$1.75
65-gallon Recycle Poly Cart per Month per Cart	\$1.75
Rate per Cart if not MSW and Recycling Carts are Rented – 65-gallon	\$1.75
18-gallon Recycling Bin rate per month per Bin	\$1.00
Replacement of MSW or Recycling Cart (one-time fee)	\$75.00

COLLECTION OF UNUSUAL ACCUMULATIONS	
Rate per hour for Vehicle (any type) and Crew	\$220.00
Disposal fee per yard collected	\$15.00
*Fee to be determined by estimated time servicing the home, not portal-to-portal for each home	

DISASTER MANAGEMENT RATES	
Rate per hour for Roll-Off Truck and Container	\$524.30
Rate per Hour for Grapple Truck	\$455.00
Rate per Hour for Rear Load Truck and Crew	\$220.00
Disposal Fee per ton collected	\$149.50

SMALL COMMERCIAL WITH 95-GALLON POLY CART RATES	
One Cart once per week	\$19.50
One Cart twice per week	\$29.50
Each Additional Cart(s) once per week	\$10.00
Each Additional Cart(s) twice per week	\$19.50
One Recycling Cart once per week	\$ 5.00

COMMERICAL FRONT LOAD RATES							
Size	1x	2x	3x	4x	5x	6x	Extra pick up
2 yard	\$80.43						
3 yard	\$102.15	\$162.08	\$245.16	\$306.44	\$382.71	\$458.99	\$114.41
4 yard	\$110.31	\$175.69	\$262.83	\$329.60	\$398.81	\$494.39	\$114.41
6 yard	\$143.01	\$224.73	\$339.14	\$423.58	\$529.30	\$633.33	\$114.41
8 yard	\$152.54	\$276.48	\$365.01	\$446.73	\$562.50	\$675.55	\$114.41

*All fees include disposal cost

Casters (fee per month per container) \$ 11.37 per month
 Locks (fee per collection per container) \$ 2.27 per collection
 Enclosures (fee per collection per container) No additional charge for this service

Roll-Off – Temporary EXCLUSIVE TO CONTRACTOR				
Size	Delivery	Daily Rental	Haul Rate	Disposal per Ton
20 yard	\$120.00	\$6.00	\$262.04	\$61.95
30 yard	\$120.00	\$6.00	\$283.30	\$61.95
40 yard	\$120.00	\$6.00	\$297.47	\$61.95

Roll-Off – Permanent EXCLUSIVE TO CONTRACTOR				
Size	Delivery	Daily Rental	Haul Rate	Disposal per Ton
20 yard	\$120.00	\$6.00	\$262.04	\$61.95
30 yard	\$120.00	\$6.00	\$283.30	\$61.95
40 yard	\$120.00	\$6.00	\$297.47	\$61.95

Roll-Off – Compactor EXCLUSIVE TO CONTRACTOR			
	Monthly Rental	Haul Rate	Disposal per Ton
30 yd SC**	\$550.00	\$273.00	\$61.95
35 yd SC**	\$550.00	\$273.00	\$61.95
40 cubic yard Receiving Container	\$550.00	\$389.53	\$61.95

Relocate/Block Fee \$ 65.00 per haul
 Wash Out \$ 175 per container

EXHIBIT "B"

Contractor shall provide the containers and collection of the Waste Materials from the following municipal facilities and Special Events at no charge to the City:

Facility Name	Address	Service	Frequency
Police Dept Garbage	400 Fannin	2-95 carts	2 x week
Police Dept Recycling	400 Fannin	2-95 carts	2 x week
Marketing Garbage	215 W. Main	2-95 carts	2 x week
Marketing Recycling	215 W. Main	1-95 carts	2 x week
IT Garbage	105 S. Cherry	1-95 carts	2 x week
It Recycling	105 S. Cherry	1-95 carts	2 x week
Matheson Pool Garbage	1240 Ulrich	3-95 carts	2 x week
City Hall	401 Market	1-8 yard	3 x week
Public Works	501 James St	1-8 yard	3 x week
Fire Station 1	1200 Rudel	1-8 yard	3 x week
Fire Station 2	11725 Holderrieth	1-8 yard	3 x week
Fire Station 4	10333 Mahaffey	1-8 yard	3 x week
Fire Station 5	19900 Telge	1-8 yard	3 x week
Community Center	221 Market	1-8 yard	3 x week
Treatment Plant	615 Hufsmith	1-8 yard	3 x week
Depot	201 S Elm	2-8 yard	3 x week
Juergens Park	1331 Ulrich	2-8 yard	3 x week
Broussard Park	1414 E Hufsmith	1-8 yard	3 x week
Tomball Little League	615 N. Cherry	3-8 yard	3 x week
Public Works	501 James	1- 40 yard	1 x week
Treatment Plant	614 Hufsmith	3-40 yards	Monthly
Landfill		2-40 yards	Monthly

City Events

Name of event	Quantity	Container
Tomball German Heritage Festival	5	40 yards
THS Booster Club Crawfish Boil	1	40 yard
Rotary Fish Fry	1	40 yard
Rails & Tails Mudbug Festival	1	40 yard
Recycling Day	Truck and Driver for 8 hours	One load – 1200 pounds
Clean Up Week	2	40 yards (in addition to the containers there)
July 4 th Celebration	1	40 yard
Groovfest	1	40 yard
Spooktacular	1	40 yard
Rotary Big Show	1	40 yard
Depot Day Fall Festival	1	40 yard
Tomball German Heritage Christmas Market	5	40 yards
Tomball FFA Project	1	8 yard
Tomball FFA Project	1	20 yard

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Approve Resolution 2024-21, a Resolution of the City Council of the City of Tomball, Texas, approving and establishing the 2024 to 2029 Solid Waste and Recycling Rate Plan; and Providing an Effective Date.

Background:

In order to obtain the most favorable pricing and desired level of service, the City released a Request for Proposals (RFP 2024-01) to select a company to provide solid waste and recycling collection within the city limits. Based on the proposal, interviews, and references provided, staff entered into negotiations with Frontier Waste K2, LLC to finalize a five-year contract for solid waste and recycling services.

The five-year contract with Frontier Waste includes an annual adjustment based on the Consumer Price Index (CPI) of a maximum of 5% annually, to be effective on October 1 each year of the. The proposed five-year rate plan includes the maximum price increase annually with increases beginning October 1, 2025, and concluding at the end of the contract term.

Resolution 2024-21 approves and establishes the 2024 to 2029 solid waste and recycling rate plan for residential and commercial customers. The proposed rate plan is included as Exhibit A to the resolution.

Origination: Project Management

Recommendation:

Staff recommends approving Resolution 2024-21 approving and establishing the 2024 to 2029 Solid Waste and Recycling Rate Plan

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed Meagan Mageo
Staff Member _____
Date _____

Approved by _____
City Manager _____
Date _____

RESOLUTION NO. 2024-21

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TOMBALL, TEXAS APPROVING AND ESTABLISHING THE 2024
TO 2029 SOLID WASTE AND RECYCLING RATE PLAN; AND
PROVIDING AN EFFECTIVE DATE.**

* * * * *

WHEREAS, the City of Tomball, Texas (the “City”), contracts with a service provider for residential and commercial solid waste and recycling services; and

WHEREAS, the City intends to award the contract for solid waste and recycling services to Frontier Waste K2, LLC for the term of October 1, 2024 to September 30, 2029; and

WHEREAS, the City intends to adopt and implement the solid waste and recycling rates as provided for in the contract, projected rate increases, and any additional fees needed to implement solid waste and recycling services; and

WHEREAS, the City Council desires to approve the 2024 to 2029 Solid Waste and Recycling Rate Plan, attached as Exhibit A, to address the City’s growth rate and need to adequately plan, prepare, and provide for the health, safety, and well-being of the City’s citizens; and

WHEREAS, The City Council has determined that it is in the best interest of the public and for the orderly financial and operational administration of the City that the 2024 to 2029 Solid Waste and Recycling Rate Plan be established by resolution and be updated as necessary; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS

Section 1. The findings set forth in the recitals of this Resolution are hereby found to be true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

Section 2. That the City Council of the City of Tomball hereby approves the 2024 to 2029 Solid Waste and Recycling Rate Plan, attached as Exhibit A, a copy of same being attached hereto and incorporated herein for all purposes.

Section 3. The City Council 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 and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Section 4. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED, AND RESOLVED this ____ day of May 2024.

Lori Klein Quinn
Mayor

ATTEST:

Tracylynn Garcia
City Secretary

EXHIBIT A

**CITY OF TOMBALL
RESOLUTION NO. 2024-21
OCTOBER 1, 2024 TO SEPTEMBER 30, 2029
SOLID WASTE AND RECYCLING RATE PLAN**

Monthly Customer Price					
Service	Oct. 1, 2024 to Sept. 30, 2025	Oct. 1, 2025 to Sept. 30, 2026	Oct. 1, 2026 to Sept. 30, 2027	Oct. 1, 2027 to Sept. 30, 2028	Oct. 1, 2028 to Sept. 30, 2029
Administrative Fee					
Residential Administrative Fee	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Commercial Administrative Fee	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Residential Services Fee					
Regular Residential Collection – Bag Service (7 bags)	\$19.98	\$20.98	\$22.03	\$23.13	\$24.29
Regular Residential Collection – Cart Service (before cart rental fees)	\$19.98	\$20.98	\$22.03	\$23.13	\$24.29
Residential Poly Cart Rental Fee					
95-gallon MSW cart	\$1.75	\$1.84	\$1.93	\$2.03	\$2.13
95-gallon recycling cart	\$1.75	\$1.84	\$1.93	\$2.03	\$2.13
95-gallon MSW cart and 95-gallon recycling cart	\$1.75	\$1.84	\$1.93	\$2.03	\$2.13
65-gallon MSW cart	\$1.75	\$1.84	\$1.93	\$2.03	\$2.13
65-gallon recycling cart	\$1.75	\$1.84	\$1.93	\$2.03	\$2.13
65-gallon MSW cart and 65-gallon recycling cart	\$1.75	\$1.84	\$1.93	\$2.03	\$2.13
18-gallon recycling bin	\$1.00	\$1.05	\$1.10	\$1.16	\$1.22
Special Collection of Unusual Accumulations					
Disposal Fee	\$15.00	\$15.75	\$16.54	\$17.36	\$18.23
Rate Per Hour for Vehicle and Crew	\$220.00	\$231.00	\$242.55	\$254.68	\$267.41

Disaster Management Rates						
Rate per hour for roll off truck and container	\$524.30	\$550.52	\$578.04	\$606.94	\$637.29	
Rate per hour for grapple truck	\$455.00	\$477.75	\$501.64	\$526.72	\$553.06	
Rate per hour for rear load truck and crew	\$220.00	\$231.00	\$242.55	\$254.68	\$267.41	
Disposal Fee per Ton	\$149.50	\$156.98	\$164.82	\$173.06	\$181.72	
Small Commercial Services with Cart						
1 collection per week for MSW	\$19.50	\$20.48	\$21.50	\$22.57	\$23.70	
2 collections per week for MSW	\$29.50	\$30.98	\$32.52	\$34.15	\$35.86	
Additional Cart – Once per week	\$10.00	\$10.50	\$11.03	\$11.58	\$12.16	
Additional Cart – Twice per week	\$19.50	\$20.48	\$21.50	\$22.57	\$23.70	
Weekly Recycling Collection (Cart)	\$5.00	\$5.25	\$5.51	\$5.79	\$6.08	
Front Load Container Rates						
Size	Frequency (per week)					
2 Yard	1	\$80.43	\$84.45	\$88.67	\$93.11	\$97.76
3 Yard	1	\$102.15	\$107.26	\$112.62	\$118.25	\$124.16
3 Yard	2	\$162.08	\$170.18	\$178.69	\$187.63	\$197.01
3 Yard	3	\$245.16	\$257.42	\$270.29	\$283.80	\$297.99
3 Yard	4	\$306.44	\$321.76	\$337.85	\$354.74	\$372.48
3 Yard	5	\$382.71	\$401.85	\$421.94	\$443.03	\$465.19
3 Yard	6	\$458.99	\$481.94	\$506.04	\$531.34	\$557.91
3 Yard Additional Collection/Pick Up		\$114.41	\$120.13	\$126.14	\$132.44	\$139.07
4 Yard	1	\$110.31	\$115.83	\$121.62	\$127.70	\$134.08
4 Yard	2	\$175.69	\$184.47	\$193.70	\$203.38	\$213.55
4 Yard	3	\$262.83	\$275.97	\$289.77	\$304.26	\$319.47
4 Yard	4	\$329.60	\$346.08	\$363.38	\$381.55	\$400.63
4 Yard	5	\$398.81	\$418.75	\$439.69	\$461.67	\$484.76

4 Yard	6	\$494.39	\$519.11	\$545.06	\$572.32	\$600.93
4 Yard Additional Collection/Pick Up		\$114.41	\$120.13	\$126.14	\$132.44	\$139.07
6 Yard	1	\$143.01	\$150.16	\$157.67	\$165.55	\$173.83
6 Yard	2	\$224.73	\$235.97	\$247.76	\$260.15	\$273.16
6 Yard	3	\$339.14	\$356.10	\$373.90	\$392.60	\$412.23
6 Yard	4	\$423.58	\$444.76	\$467.00	\$490.35	\$514.86
6 Yard	5	\$529.30	\$555.77	\$583.55	\$612.73	\$643.37
6 Yard	6	\$633.33	\$665.00	\$698.25	\$733.16	\$769.82
6 Yard Additional Collection/Pick Up		\$114.41	\$120.13	\$126.14	\$132.44	\$139.07
8 Yard	1	\$152.54	\$160.17	\$168.18	\$176.58	\$185.41
8 Yard	2	\$276.48	\$290.30	\$304.82	\$320.06	\$336.06
8 Yard	3	\$365.01	\$383.26	\$402.42	\$422.54	\$443.67
8 Yard	4	\$446.73	\$469.07	\$492.52	\$517.15	\$543.00
8 Yard	5	\$562.50	\$590.63	\$620.16	\$651.16	\$683.72
8 Yard	6	\$675.55	\$709.33	\$744.79	\$782.03	\$821.14
8 Yard Additional Collection/Pick Up		\$114.41	\$120.13	\$126.14	\$132.44	\$139.07
Casters		\$11.37	\$11.94	\$12.54	\$13.16	\$13.82
Locks		\$2.27	\$2.38	\$2.50	\$2.63	\$2.76
Enclosures		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Temporary or Permanent Roll Off Pricing						
Delivery Charge						
20 yard		\$120.00	\$126.00	\$132.30	\$138.92	\$145.86
30 yard		\$120.00	\$126.00	\$132.30	\$138.92	\$145.86
40 yard		\$120.00	\$126.00	\$132.30	\$138.92	\$145.86
Daily Rental Rate						
20 yard		\$6.00	\$6.30	\$6.62	\$6.95	\$7.29
30 yard		\$6.00	\$6.30	\$6.62	\$6.95	\$7.29
40 yard		\$6.00	\$6.30	\$6.62	\$6.95	\$7.29
Hauling Rate						
20 yard		\$262.04	\$275.14	\$288.90	\$303.34	\$318.51

30 yard	\$283.30	\$297.47	\$312.34	\$327.96	\$344.35
40 yard	\$297.47	\$312.34	\$327.96	\$344.36	\$361.58
Disposal per Ton					
20 yard	\$61.95	\$65.05	\$68.30	\$71.71	\$75.30
30 yard	\$61.95	\$65.05	\$68.30	\$71.71	\$75.30
40 yard	\$61.95	\$65.05	\$68.30	\$71.71	\$75.30
Self-Contained and Stationary Compactor					
Monthly Rental Charge					
30 Yard Self Contained	\$550.00	\$577.50	\$606.38	\$636.69	\$668.53
35 Yard Self Contained	\$550.00	\$577.50	\$606.38	\$636.69	\$668.53
40 Yard Receiving Container	\$550.00	\$577.50	\$606.38	\$636.69	\$668.53
Haul Rate					
30 Yard Self Contained	\$273.00	\$286.65	\$300.98	\$316.03	\$331.83
35 Yard Self Contained	\$273.00	\$286.65	\$300.98	\$316.03	\$331.83
40 Yard Receiving Container	\$389.53	\$409.01	\$429.46	\$450.93	\$473.48
Disposal Per Ton					
30 Yard Self Contained	\$61.95	\$65.05	\$68.30	\$71.71	\$75.30
35 Yard Self Contained	\$61.95	\$65.05	\$68.30	\$71.71	\$75.30
40 Yard Receiving Container	\$61.95	\$65.05	\$68.30	\$71.71	\$75.30
Additional Fees					
Washout Per Container	\$175.00	\$183.75	\$192.94	\$202.58	\$212.71
Relocate/Block Fee (per haul)	\$65.00	\$68.25	\$71.66	\$75.25	\$79.01

City Council Meeting Agenda Item Data Sheet

Meeting Date: May 6, 2024

Topic:

Executive Session: The City Council will meet in Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

Sec. 551.071 – Consultation with the City Attorney regarding a matter which the Attorney’s duty requires to be discussed in closed session.

Section 551.087 - Deliberation regarding Economic Development negotiations.

Background:

Origination: David Esquivel, City Manager

Recommendation:

Party(ies) responsible for placing this item on agenda: David Esquivel, City Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	<u>Tracylynn Garcia</u>	<u>05/02/2024</u>	Approved by	_____
	Staff Member	Date		City Manager
				Date