EST. 1955

SPRING VALLEY

VILLAGE

# Regular City Council Meeting

# March 26, 2019

# 6:00 p.m.

Tom S. Ramsey, Mayor
David Dominy
Joy McCormack

Allen Carpenter, Mayor Pro Tem
Tom Donaho
Marcus Vajdos

EST. 1955
SPRING VALLEY
VILLAGE

**Notice is Hereby Given of a Regular Meeting of the City Council City of Spring Valley Village, Texas, 1025 Campbell Road, Spring Valley Village, Texas, in the Council Chambers, Tuesday, March 26, 2019, beginning at 6:00 p.m., For the Purpose of Considering and Acting upon the Following Items of Business:**

**1. CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT**

**2. INTRODUCTIONS**

**3. PROCLAMATIONS / ANNOUNCEMENTS**

**4. PUBLIC COMMENTS**

At this time, any person with City-related business may speak to the Council. In compliance with the Texas Open Meetings Act, the City Council may not deliberate. **Comments from the public should be limited to a maximum of three (3) minutes per individual speaker.**

**5. CONSENT AGENDA**

All matters listed under consent agenda, are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

5.1 Minutes for Special Called City Council Meeting on February 26, 2019

5.2 Minutes for Regular City Council Meeting on February 26, 2019

5.3 Ordinance Number 2019-XX - AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.003 AND SUBSTITUTING THEREFOR A NEW SECTION 6.003; ESTABLISHING A SCHEDULE OF FEES FOR POTABLE WATER; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

5.4 Ordinance Number 2019-XX - AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.004; ESTABLISHING A SCHEDULE OF FEES FOR SANITARY SEWER SERVICES; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.

5.5 Resolution Number 19-XX - A RESOLUTION OF THE CITY COUNCIL OF

THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND SPRING BRANCH MEMORIAL SPORTS ASSOCIATION FOR CONSTRUCTION OF A WALKING TRAIL OR SIDEWALK ON THE PROPERTY LOCATED AT 9016 WESTVIEW DRIVE WITHIN THE CITY LIMITS; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

## OLD BUSINESS

6. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** February 2019 Police Department Staff Report (Chief Evans):
   1. Number of Calls for Service
   2. Number of Traffic Violations
   3. Number of K-9 Deployments

7. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Activities of the Village Fire Department Commissioners Meeting on February 27, 2019. (Council Member Carpenter / Mayor Ramsey)

8. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Activities of the Planning and Zoning Commission Meeting of March 12, 2019. (Council Member Vajdos / City Attorney Loren Smith)

9. **DISCUSSION AND DIRECTION CONCERNING:** Revised Draft Residential Neighborhood Traffic Calming/Control Policy.

## NEW BUSINESS

10. **PRESENTATION AND BRIEFING CONCERNING:** METRO Proposed Bond Projects (Don Elder and Cindy Siegel, METRO)

11. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Presentation and Acceptance of Fiscal Year 2017-2018 Audited Comprehensive Annual Financial Report Prepared by Belt, Harris Pechacek, LLLP, Certified Public Accountants. (Stephanie Harris, Belt Harris Pechacek LLLP)

12. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Award Of Bid Number 2019-01-01B For the New Production Well Project To W.W. Payton Corporation In An Amount Not To Exceed $3,150,000.00.

13. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution Number 19-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF CONTRACT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND W.W. PAYTON CORPORATION FOR THE NEW PRODUCTION

WELL PROJECT (BID #2019-01-01B); PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

14. **DISCUSSION AND DIRECTION CONCERNING:** Possibility of Requiring EMT Training for Police Department. (Council Member Carpenter)

15. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance Number 2019-XX - AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING SECTION 6.001, WATER METER CONNECTIONS, FROM APPENDIX "A," SCHEDULE OF FEES FOR THE CITY OF SPRING VALLEY VILLAGE, TEXAS; ESTABLISHING A SCHEDULE OF FEES FOR WATER METER CONNECTIONS; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.

16. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Request from Village Fire Commission To Retain the 4th Quarter 2018 Ambulance Revenues and Place Such Funds into Facility Fund 4.

17. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Briefing by City Administrator:
    1. Status of Hilldale, Bade & Cardwell Paving and Utility Improvements Project
    2. Status of Automated Meter Project
    3. Update on City of Houston Left Turn Lane on Westview Drive
    4. Status of Repairs to Ground Water Well #1
    5. Status of Update to Harris County Regional Hazard Mitigation Plan

18. **EXECUTIVE SESSION**: The City Council Will Now Hold A Closed Executive Meeting Pursuant To The Provision Of Chapter 551, Government Code, Vernon's Texas Codes Annotated, In Accordance With The Authority Contained In:

    18.1 Section 551.074 – Personnel Matter – Discussion to Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of the Police Chief.

19. **RECONVENE**

20. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Matters Discussed In Executive Session

21. **ADJOURNMENT**

Agenda items may not necessarily be considered in the order that they appear. With regard to any item, Council may take various actions, including but not limited to rescheduling an item in its entirety or for particular action at a future date or time.

The City Council reserves the right to convene in executive session from time to time as deemed necessary during this meeting to discuss any of the matters listed in the agenda, as authorized by

Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts & Donations), 551.074 (Personnel Matters), 551.076 (Deliberations Regarding Security Devices) or 551.087 (Deliberations Regarding Economic Development Negotiations).

I certify that a copy of the March 26, 2019 agenda of items to be considered by City Council was posted on or before the 21st day of March, 2019, at 9:30 a.m. pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code.

Attest: Roxanne Benitez

Roxanne Benitez, TRMC, CPM, CMC
City Secretary

In compliance with the Americans with Disabilities Act, this facility is wheelchair accessible and accessible parking spaces are available. To better serve attendees, requests for accommodations or interpretive services should be made 48 hours prior to this meeting. Please contact the City Secretary's office at 713-465-8308, Fax 713-461-7969, or Email secretary@springvalleytx.com for further information.

# Consent Agenda Items

**MINUTES OF THE SPECIAL CALLED CITY COUNCIL MEETING**
**CITY OF SPRING VALLEY VILLAGE, TEXAS**
**TUESDAY, FEBRUARY 26, 2019 AT 5:00 P.M.**
**IN THE COUNCIL CHAMBERS OF CITY HALL**
**1025 CAMPBELL ROAD, HOUSTON, TEXAS**

**1. CALL TO ORDER**

With a quorum of the Council Members present, the Special Called Meeting of the Spring Valley Village City Council was called to order by Council Member Marcus Vajdos at 5:10 p.m.

Members Present:
Mayor Tom Ramsey (arrived at 5:18 p.m.)
Council Member Tom Donaho
Council Member Joy McCormack
Council Member Marcus Vajdos

Members Absent:
Mayor Pro-Tem Allen Carpenter
Council Member David Dominy

**2. DISCUSSION AND POSSIBLE ACTION CONCERNING:** Plans for New Spring Branch Memorial Sports Association (SBMSA) Athletic Complex at 9016 Westview Drive and Possible Development of and Cost Sharing Related to a Perimeter Walking Trail.

City Administrator Julie Robinson advised that the special called meeting was a follow-up to the January 22, 2019 City Council meeting regarding the Spring Branch Memorial Sports Association ("SBMSA") Athletic Complex Project and specifically the issues of Spring Branch Independent School District's ("SBISD") position regarding the interior walking trail and public access once the project was complete. Joining the City Council for the Workshop were: Superintendent Dr. Scott Muri, Associate Superintendent of Talent and Operations Jennifer Blaine, Director of Planning and Construction Travis Stanford, and Executive Director of Athletics Paige Hershey with SBISD, and Keith Stubbs and Lewis Gissel with SBMSA. Dr. Muri confirmed for the Council that the interior walking trail would be reconstructed by SBMSA as part of the Athletic Complex Project.

There was extensive discussion concerning public access to the fields and interior walking trail and whether a fence would be installed around the interior walking trail as well as the entire athletic complex. Dr. Muri advised that the public would be restricted from using the interior walking trail and fields during school hours and all school functions as well as during SBMSA scheduled use. He also clarified that SBISD had first priority to the fields with SBMSA having second priority. Ms. Hershey with SBISD advised that the fields would not be accessible to the public during times outside of SBISD and SBMSA use, but the interior walking trail would be.

There was also discussion concerning the City's decision to fund the construction of a sidewalk that would run along the southern part of the property to connect the entry gate to the sidewalk that extends to Westview Drive and the impact of the additional impervious cover on drainage requirements for the project since the interior walking trail would in fact be reconstructed. Keith Stubbs with SBMSA advised that they had resubmitted the plans to Harris County Flood Control District ("HCFCD"), and HCFCD is requiring SBMSA to construct additional drainage infrastructure to offset the additional impervious cover. Ms. Robinson advised that the City Council had only approved contributing $17,500 for the additional sidewalk based on the representations of SBMSA during the January 22, 2019 Council meeting, and the additional cost of the drainage infrastructure would not be funded by the City. Ms. Robinson advised that the reconstruction of the interior walking trail changed the impervious cover calculations and therefore the City would have to reconsider any perimeter walking trail since the previous discussion about the perimeter walking trail was based on SBMSA's representation that the interior walking trail would not be reconstructed and consequently the previously-approved impervious cover calculations included enough for the proposed perimeter walking trail.

The Council and SBISD briefly discussed the possibility of a future walking trail that would connect to the greenspace to the east of the Vines Center, and both entities agreed that additional discussions were necessary, including discussions with the SBISD Board of Trustees, before proceeding with any project. It was the consensus of the Council not to proceed with any further development of a possible perimeter walking trail along the northern side of the SBMSA fields at this time.

**3**. **ADJOURNMENT**

Council Member Donaho made a motion to adjourn the meeting at 6:06 p.m., and Council Member Vajdos seconded the motion. Motion carried 3-0.

Signed: ______________________________
Tom S. Ramsey
Mayor

Attest: ______________________________
Roxanne Benitez, TRMC, CPM, CMCC
City Secretary

**MINUTES OF THE REGULAR CITY COUNCIL MEETING**
**CITY OF SPRING VALLEY VILLAGE, TEXAS**
**TUESDAY, FEBRUARY 26, 2019 AT 6:00 P.M.**
**IN THE COUNCIL CHAMBERS OF CITY HALL**
**1025 CAMPBELL ROAD, HOUSTON, TEXAS**

## 1. CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT

With a quorum of the Council Members present, the Regular Meeting of the Spring Valley Village City Council was called to order by Mayor Ramsey at 6:14 p.m.

Members Present:
Mayor Tom Ramsey
Council Member Tom Donaho
Council Member Joy McCormack
Council Member Marcus Vajdos

Members Absent:
Mayor Pro-Tem Allen Carpenter
Council Member David Dominy

## 2. INTRODUCTIONS

Julie Robinson, City Administrator (left at 8:07 p.m.)
Roxanne Benitez, City Secretary
Alex Trevino, Deputy City Secretary
Arthur Faiello, Director of Public Works
Michelle Yi, City Treasurer
Oscar Arevalo, Building Official
David Dixon, Police Commissioner
Mark Schulze, Police Captain
Loren Smith, City Attorney

## 3. PROCLAMATIONS / ANNOUNCEMENTS

3.1 Presentation of Life Saving Award to Commend Police Personnel for Swift Action in a Medical Crisis (Chief Evans)

Mayor Ramsey presented Life Saving Awards to Police Commissioner David Dixon, Officer Benito Alvarado, and Administrative Assistant to the Chief of Police Sandra Maldonado.

## 4. PUBLIC COMMENTS

4.1 Scott Luke, who lives at 8907 Echo Valley Drive, requested that an ordinance be created preventing houses to remain in the construction phase for long periods.

4.2 Will Neuhaus, who lives at 8925 Bace Drive, addressed Council concerning the ordinance establishing a No Parking zone on the south side of Bace Drive and requested that vehicles be allowed to park on both sides of Bace Drive.

## 5. CONSENT AGENDA

All matters listed under consent agenda, are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

5.1 Minutes for City Council Meeting on January 22, 2019

5.2 Ordinance Number 2019-XX - AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING THE CITY PERSONNEL MANUAL, AS ADOPTED BY ORDINANCE NUMBER 95-05 DULY PASSED AND APPROVED ON MARCH 29, 1995, BEING AMENDMENT NO. 10 TO THE PERSONNEL MANUAL, TO AMEND APPENDIX "A," "JOB ALIGNMENT AND SALARY RANGES FOR ALL CITY POSITIONS" TO INCLUDE A NEW POSITION HAVING THE JOB TITLE OF "ASSISTANT TO CITY ADMINISTRATOR" AND PLACED AT GRADE 9; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

Council Member McCormack made a motion to approve all items on the Consent Agenda, and Council Member Donaho seconded the motion. Motion carried 3-0.

## OLD BUSINESS

**6. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** January 2019 Police Department Staff Report (Chief Evans):

Police Commissioner Dixon provided the report on behalf of Chief Evans.

1. Number of Calls for Service – 1,409
2. Number of Traffic Violations – 1,155
3. Number of K-9 Deployments – 136

**7. UPDATE, DISCUSSION AND POSSIBLE ACTION CONCERNING:** Activities of the Village Fire Department Commissioners Meeting on January 23, 2019 and Status of Village Fire Commission's Reinstatement of Bunker Hill Village as a Full Member of the Village Fire Department. (Council Member Carpenter / Mayor Ramsey)

Mayor Ramsey advised the Council that four of the Memorial Villages were in favor of preventing Bunker Hill Village's reinstatement into the Village Fire Department for a period of four years and added that Spring Valley Village approved a resolution on January 22, 2019 to approve the reinstatement of Bunker Hill Village no later than January 1, 2020. Mayor Ramsey also advised that the next Village Fire Department Commissioners meeting would be on February 27. City Administrator Julie Robinson distributed copies of Piney Point Village's position concerning the reinstatement of Bunker Hill Village and the amendment to the Village Fire Department Interlocal Cooperation Agreement.

**8. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Activities of the Planning and Zoning Commission Meeting of February 12, 2019. (Council Member Vajdos / City Attorney Loren Smith)

City Attorney Loren Smith advised that the Planning & Zoning Commission at the last meeting recommended agenda items 12 and 13.

**9. DISCUSSION AND DIRECTION CONCERNING:** Possible Construction Parking Restrictions for Bace Drive and/or City-Wide.

City Administrator Julie Robinson advised that, during the December 11, 2018 meeting, the City Council directed staff not to remove the No Parking zone on the south side of Bace Drive, but discussed parking restrictions for contractor vehicles. . City Attorney Loren Smith advised that Bunker Hill Village had City-wide parking restrictions for contractor vehicles and added that contractor vehicles had to be parked on the lot or could be parked on the street for thirty minutes or less. Ms. Robinson advised that those restrictions would be difficult to enforce. Will Neuhaus, who lives at 8925 Bace Drive, advised that there were other streets in Spring Valley Village that were narrow and did not have parking restrictions. There was discussion concerning the Council's basis for deciding not to remove the No Parking zone on the south side of Bace Drive during the December meeting.

After discussion, it was the consensus of the Council not to proceed with establishing construction parking restrictions for Bace Drive or City-wide.

**10. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance Number 2019-XX - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, ARTICLE 1.800, RULES AND REGULATIONS OF PUBLIC PARKS, OF THE CODE OF ORDINANCES OF THE CITY, BY AMENDING SECTION 1.803, OFFENSES, OF ARTICLE 1.800, RULES AND REGULATIONS OF PUBLIC PARKS TO ALLOW DOMESTIC DOGS AND DOMESTIC CATS ON A LEASH IN PUBLIC PARKS; PROVIDING FOR SEVERABILITY, PROVIDING A SAVINGS CLAUSE AND EFFECTIVE DATE; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED $2,000 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF; AND PROVIDING FOR PUBLICATION.

Mayor Ramsey read the Ordinance by caption only. Council Member Vajdos made a motion to approve Ordinance No. 2019-04, and Council Member Donaho seconded the motion. Motion carried 3-0.

**11. DISCUSSION AND DIRECTION CONCERNING:** Draft Residential Neighborhood Traffic Calming/Control Policy.

City Administrator Julie Robinson presented the draft policy to the Council and advised that she, Director of Public Works Arthur Faiello, and Intern Forrest Williams worked on the policy. While no action was expected that evening, City staff wanted to give Council an opportunity to review it and then be able to discuss the policy and any revisions at the next meeting. After a short discussion, it was the direction of the Council to discuss the draft policy at the April 23 City Council meeting with possible action on the policy during the May 21 City Council meeting.

## NEW BUSINESS

**12. CONDUCT A PUBLIC HEARING CONCERNING:** Ordinance No. 2019-XX - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING EXHIBIT A OF CHAPTER 12, "PLANNING AND ZONING," OF THE CODE OF ORDINANCES OF THE CITY, BY AMENDING SECTIONS 03:C-01, 03:F, 03:G-02, AND 05:02.01, RELATED TO GARAGES, CARPORTS AND PORTE-COCHERES; PROVIDING FOR THE INCORPORATION OF

PREAMBLE; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED $2,000 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF; PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE; AND PROVIDING FOR PUBLICATION.

Mayor Ramsey opened the Public Hearing at 7:05 p.m.

A. Presentation of Proposed Ordinance by City Attorney

City Attorney Loren Smith presented the proposed zoning text revisions and advised that the proposed changes help clarify the regulations for carports and porte-cocheres.

B. Those In Favor

None.

C. Those Opposed

None.

D. Adjourn Public Hearing

Mayor Ramsey adjourned the Public Hearing at 7:07 p.m.

**13. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2019-XX - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING EXHIBIT A OF CHAPTER 12, "PLANNING AND ZONING," OF THE CODE OF ORDINANCES OF THE CITY, BY AMENDING SECTIONS 03:C-01, 03:F, 03:G-02, AND 05:02.01, RELATED TO GARAGES, CARPORTS AND PORTE-COCHERES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED $2,000 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF; PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE; AND PROVIDING FOR PUBLICATION.

Mayor Ramsey read the Ordinance by caption only. Council Member Vajdos made a motion to approve Ordinance No. 2019-05, and Council Member Donaho seconded the motion. Motion carried 3-0.

**14. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution No. 19-XX - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROPOSAL FOR CONCEPTUAL DESIGN SERVICES BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND CLARK CONDON AND ASSOCIATES, INC. FOR PHASE II PARK IMPROVEMENTS; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

Mayor Ramsey read the Resolution by caption only. Council Member Vajdos made a motion to approve Resolution Number 19-03, and Council Member McCormack seconded the motion. Motion carried 3-0.

**15. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2019-

XX: AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, DECLARING UNOPPOSED CANDIDATES IN THE MAY 4, 2019 GENERAL CITY ELECTION ELECTED TO OFFICE; PROVIDING FOR THE INCORPORATION OF PREAMBLE; CANCELING THE MAY 4, 2019 GENERAL CITY ELECTION; PROVIDING A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

Mayor Ramsey read the Ordinance by caption only. Council Member Vajdos made a motion to approve Ordinance No. 2019-06, and Council Member McCormack seconded the motion. Motion carried 3-0.

**16. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution No. 19-XX – Flood Mitigation Project Priorities from HCFCD 2018 Bond Election

Mayor Ramsey read the Resolution by caption only. City Administrator Julie Robinson briefed the Council on the activities that resulted in the proposed Resolution and advised that the Harris County Commissioners Court would be meeting on March 12, 2019 regarding the re-prioritization of bond projects that were approved at the August 2018 election. She advised that the proposed resolution would support the bond projects that were approved by the public. After discussion, Council Member Donaho made a motion to approve Resolution Number 19-04, and Council Member Vajdos seconded the motion. Motion carried 3-0.

**17. BRIEFING AND DISCUSSION CONCERNING**: Quarterly Investment Report For Period Ending December 31, 2018.

City Treasurer Michelle Yi presented the Quarterly Investment Report for the period ending December 31, 2018.

**18. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** New Performance Issues with Existing Ground Water Well #1 and Recommendation For Rehabilitation of the Well.

Director of Public Works Arthur Faiello briefed the City Council concerning mechanical problems with Ground Water Well #1 and advised that action needed to be taken immediately to prevent a total loss of the well. Mr. Faiello requested that up to $250,000 be approved for rehabilitation of water well #1 and that City staff had identified funding available in the current FY 2019 Budget to cover the costs of the rehabilitation. City Administrator Julie Robinson advised that though they were requesting up to $250,000, City staff anticipates that the rehabilitation cost will be more in the range of $150,000-$175,000. Council Member McCormack made a motion to approve the recommended rehabilitation of water well #1 in an amount not to exceed $250,000, and Council Member Vajdos seconded the motion. Motion carried 3-0.

**19. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Briefing by City Administrator:

1. Status of Hilldale, Bade & Cardwell Paving and Utility Improvements Project

   Director of Public Works Arthur Faiello advised that the notice to proceed was issued on Monday, February 25, staging and mobilization of equipment could start on March 5, and that a letter would be sent to affected residents in that area.

2. Status of New Water Well Project

City Administrator Julie Robinson advised that the bid closing was on February 19, and two bids were received – both of which were almost $1 million over the engineer's construction estimate. She added that the City's engineers for this Project are reviewing the reasons for the high bids, and approval recommendation on the bid would be on the March 26 City Council agenda.

3. Status of Automated Meter Project

   Director of Public Works Arthur Faiello advised that he was working on the first phase, which was communication, infrastructure, and software. Mr. Faiello also advised that the physical meter installation was scheduled to begin in early April.

4. Status of Series 2019 Certificates of Obligation

   City Administrator Julie Robinson advised that the closing on the certificates of obligation had occurred and that the funds had been transferred into the City's account. Ms. Robinson also advised that they were moving forward with all bond projects.

**20. EXECUTIVE SESSION**: The City Council Will Now Hold A Closed Executive Meeting Pursuant To The Provision Of Chapter 551, Government Code, Vernon's Texas Codes Annotated, In Accordance With The Authority Contained In:

20.1 Section 551.087 – Discuss or deliberate regarding commercial or financial information that the City of Spring Valley Village has received from a business prospect that the City of Spring Valley Village seeks to have locate, stay or expand in or near the City and which the City of Spring Valley Village is conducting economic development negotiations.

20.2 Section 551.074 – Personnel Matter – Discussion to Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of the Police Chief.

Council adjourned into the Executive Session at 7:36 p.m.

**21. RECONVENE**

The City Council meeting reconvened at 8:31 p.m.

**22. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Matters Discussed In Executive Session

No action was taken.

**23. ADJOURNMENT**

Council Member Vajdos made a motion to adjourn the meeting at 8:32 p.m., and Council Member McCormack seconded the motion. Motion carried 3-0.

Signed: ________________________________

Tom S. Ramsey
Mayor

Attest: ________________________________
Roxanne Benitez, TRMC, CPM, CMCC
City Secretary

| | |
|---|---|
| **MEETING DATE:** | March 26, 2019 |
| **TOPIC:** | **Ordinance Number 2019-XX**<br><br>**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.003 AND SUBSTITUTING THEREFOR A NEW SECTION 6.003; ESTABLISHING A SCHEDULE OF FEES FOR POTABLE WATER; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.** |
| **BACKGROUND:** | On March 19, 2019, the City of Houston notified the City of Spring Valley Village that the surface water rate paid by the City would be increasing by 2.8% as of April 1, 2019. A copy of the City of Houston's notice to the City is provided with this agenda item.<br><br>The proposed Ordinance would increase the City's water rates by 2.8% to recoup the increased charges from the City of Houston. If approved, the new water rates would be effective April 1, 2019. |
| **RECOMMENDATION:** | Staff recommends approval of the Ordinance. |
| **ATTACHMENTS:** | • Ordinance Number 2019-XX<br>• Copy of City of Houston Letter Dated March 7, 2019 |
| **FUNDING ISSUES:** | ☐ Not applicable – no dollars are being spent or received.<br>☐ Full amount already budgeted in Acct/Project# ___________<br>☐ Not budgeted, if approved, the following will be included in the next Budget Amendment:<br>☐ $_______ from Acct/Project# ___________ will be transferred to Acct/Project# ___________<br>☐ $_______ from unassigned fund balance will be used and added to Acct/Project# ___________<br><br>☒ Additional Revenue will be added to Revenue Acct# __20-01-5260_ |
| **FINANCE VERIFICATION OF FUNDING:** | [signature] |
| **SUBMITTING STAFF MEMBER:**<br><br>Michelle Yi, City Treasurer | **CITY ADMINISTRATOR APPROVAL:** [signature] |

## ACTIONS TAKEN

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

## ORDINANCE NO. 2019-XX

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.003 AND SUBSTITUTING THEREFOR A NEW SECTION 6.003; ESTABLISHING A SCHEDULE OF FEES FOR POTABLE WATER; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.**

* * * * * * * * * * * *

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, THAT:**

Section 1. The Code of Ordinances of the City of Spring Valley Village, Texas, is hereby amended by deleting all of Section 6.003 from Appendix "A" thereof, said Appendix "A" being a "Schedule of Fees for the City of Spring Valley Village, Texas, and substituting therefor a new Section 6.003 to provide as follows:

**6.003 Water Rates.** Fees and charges for the provision of potable water, based on monthly usage, shall be as follows:

(1) **Residential Water:**

(1.1) First Meter: Residential

**Inside City Rates**

| | |
|---|---|
| Base Fee | $ 24.12 for 0-3,000 gal |

Plus

| | |
|---|---|
| 3,001-10,000 gal | $ 4.65 per 1,000 gal |
| 10,001-15,000 gal | $ 4.76 per 1,000 gal |
| 15,001-20,000 gal | $ 4.88 per 1,000 gal |
| 20,001-30,000 gal | $ 5.00 per 1,000 gal |
| 30,001-40,000 gal | $ 5.10 per 1,000 gal |
| 40,001-50,000 gal | $ 5.22 per 1,000 gal |
| 50,001-60,000 gal | $ 5.34 per 1,000 gal |
| 60,001-70,000 gal | $ 5.76 per 1,000 gal |
| 70,001 and over | $ 6.90 per 1,000 gal |

**Outside City Rates**

| | |
|---|---|
| Base Fee | $ 48.23 for 0-3,000 gal |

Plus

| | |
|---|---|
| 3,001-10,000 gal | $ 9.30 per 1,000 gal |
| 10,001-15,000 gal | $ 9.51 per 1,000 gal |
| 15,001-20,000 gal | $ 9.76 per 1,000 gal |
| 20,001-30,000 gal | $ 10.00 per 1,000 gal |
| 30,001-40,000 gal | $ 10.21 per 1,000 gal |
| 40,001-50,000 gal | $ 10.44 per 1,000 gal |
| 50,001-60,000 gal | $ 10.67 per 1,000 gal |
| 60,001-70,000 gal | $ 11.52 per 1,000 gal |
| 70,001 and over | $ 13.80 per 1,000 gal |

(1.2) Second Meter: Residential Irrigation

**Inside City Rates**

| | |
|---|---|
| 0-10,000 gal | $ 4.65 per 1,000 gal |
| 10,001-15,000 gal | $ 4.76 per 1,000 gal |
| 15,001-20,000 gal | $ 4.88 per 1,000 gal |
| 20,001-30,000 gal | $ 5.00 per 1,000 gal |
| 30,001-40,000 gal | $ 5.10 per 1,000 gal |
| 40,001-50,000 gal | $ 5.22 per 1,000 gal |
| 50,001-60,000 gal | $ 5.34 per 1,000 gal |
| 60,001-70,000 gal | $ 5.76 per 1,000 gal |
| 70,001 and over | $ 6.90 per 1,000 gal |

**Outside City Rates**

| | |
|---|---|
| 0-10,000 gal | $ 9.30 per 1,000 gal |
| 10,001-15,000 gal | $ 9.51 per 1,000 gal |
| 15,001-20,000 gal | $ 9.76 per 1,000 gal |
| 20,001-30,000 gal | $ 10.00 per 1,000 gal |
| 30,001-40,000 gal | $ 10.21 per 1,000 gal |
| 40,001-50,000 gal | $ 10.44 per 1,000 gal |
| 50,001-60,000 gal | $ 10.67 per 1,000 gal |
| 60,001-70,000 gal | $ 11.52 per 1,000 gal |
| 70,001 and over | $ 13.80 per 1,000 gal |

(1.3) Minimum Residential Bill: $24.12 (inside city limits)
$48.23 (outside city limits)
(single charge applicable whether one or two meters)

(1.4) Out of City Users: Two hundred (200) percent of the rate

**(2) Master Metered Residential Communities:**

(2.1) First Meter(s): Master Metered Communities

**Inside City Rates**

| Meter Size | Meter(s) Base Rate (per meter) |
|---|---|
| 5/8” or 3/4” meter | $ 30.08 |
| 1’ meter | $ 41.65 |
| 1.5” meter | $ 57.84 |
| 2” meter | $ 80.97 |
| 3” meter | $ 112.21 |
| 4” meter | $ 155.01 |
| 6” meter | $ 214.00 |
| 8” meter | $ 294.98 |

Plus

| | |
|---|---|
| All Consumption | $ 5.37 per 1,000 gal |

**Outside City Rates**

| Meter Size | Meter(s) Base Rate (per meter) |
|---|---|
| 5/8” or 3/4” meter | $ 60.15 |
| 1’ meter | $ 83.30 |
| 1.5” meter | $ 115.68 |
| 2” meter | $ 161.94 |
| 3” meter | $ 224.42 |
| 4” meter | $ 310.02 |
| 6” meter | $ 428.00 |
| 8” meter | $ 589.96 |

Plus

| | |
|---|---|
| All Consumption | $ 10.74 per 1,000 gal |

(2.2) Second Meter: Irrigation

**Inside City Rates**

| | |
|---|---|
| 0-10,000 gal | $ 4.65 per 1,000 gal |
| 10,001-15,000 gal | $ 4.76 per 1,000 gal |
| 15,001-20,000 gal | $ 4.88 per 1,000 gal |
| 20,001-30,000 gal | $ 5.00 per 1,000 gal |

**Outside City Rates**

| | |
|---|---|
| 0-10,000 gal | $ 9.30 per 1,000 gal |
| 10,001-15,000 gal | $ 9.51 per 1,000 gal |
| 15,001-20,000 gal | $ 9.76 per 1,000 gal |
| 20,001-30,000 gal | $ 10.00 per 1,000 gal |

| | | | | |
|---|---|---|---|---|
| 30,001-40,000 gal | $ 5.10 per 1,000 gal | | 30,001-40,000 gal | $ 10.21 per 1,000 gal |
| 40,001-50,000 gal | $ 5.22 per 1,000 gal | | 40,001-50,000 gal | $ 10.44 per 1,000 gal |
| 50,001-60,000 gal | $ 5.34 per 1,000 gal | | 50,001-60,000 gal | $ 10.67 per 1,000 gal |
| 60,001-70,000 gal | $ 5.76 per 1,000 gal | | 60,001-70,000 gal | $ 11.52 per 1,000 gal |
| 70,001 and over | $ 6.90 per 1,000 gal | | 70,001 and over | $ 13.80 per 1,000 gal |

(2.3) Minimum Master Metered Community Bill: Based on meter(s) size(s) plus any consumption

(2.4) Out of City Users: Two hundred (200) percent of the rate

(3) **Commercial Water:**

- Includes Apartments

(3.1) First Meter: Commercial Properties

**Inside City Rates** | **Outside City Rates**

| | | | | |
|---|---|---|---|---|
| Base Fee | $ 41.75 for 0-3,000 gal | | Base Fee | $ 83.51 for 0-3,000 gal |

Plus | Plus

| | | | | |
|---|---|---|---|---|
| 3,001-10,000 gal | $ 9.87 per 1,000 gal | | 3,001-10,000 gal | $ 19.74 per 1,000 gal |
| 10,001-15,000 gal | $ 9.98 per 1,000 gal | | 10,001-15,000 gal | $ 19.95 per 1,000 gal |
| 15,001-20,000 gal | $ 10.10 per 1,000 gal | | 15,001-20,000 gal | $ 20.21 per 1,000 gal |
| 20,001-30,000 gal | $ 10.21 per 1,000 gal | | 20,001-30,000 gal | $ 20.42 per 1,000 gal |
| 30,001-40,000 gal | $ 10.32 per 1,000 gal | | 30,001-40,000 gal | $ 20.65 per 1,000 gal |
| 40,001-50,000 gal | $ 10.45 per 1,000 gal | | 40,001-50,000 gal | $ 20.90 per 1,000 gal |
| 50,001-60,000 gal | $ 10.56 per 1,000 gal | | 50,001-60,000 gal | $ 21.11 per 1,000 gal |
| 60,001-70,000 gal | $ 10.66 per 1,000 gal | | 60,001-70,000 gal | $ 21.33 per 1,000 gal |
| 70,001 and over | $ 10.79 per 1,000 gal | | 70,001 and over | $ 21.58 per 1,000 gal |

(3.2) Second Meter: Commercial Irrigation

**Inside City Rates** | **Outside City Rates**

| | | | | |
|---|---|---|---|---|
| 0-10,000 gal | $ 9.87 per 1,000 gal | | 0-10,000 gal | $ 19.74 per 1,000 gal |
| 10,001-15,000 gal | $ 9.98 per 1,000 gal | | 10,001-15,000 gal | $ 19.95 per 1,000 gal |
| 15,001-20,000 gal | $ 10.10 per 1,000 gal | | 15,001-20,000 gal | $ 20.21 per 1,000 gal |
| 20,001-30,000 gal | $ 10.21 per 1,000 gal | | 20,001-30,000 gal | $ 20.42 per 1,000 gal |
| 30,001-40,000 gal | $ 10.32 per 1,000 gal | | 30,001-40,000 gal | $ 20.65 per 1,000 gal |
| 40,001-50,000 gal | $ 10.45 per 1,000 gal | | 40,001-50,000 gal | $ 20.90 per 1,000 gal |
| 50,001-60,000 gal | $ 10.56 per 1,000 gal | | 50,001-60,000 gal | $ 21.11 per 1,000 gal |
| 60,001-70,000 gal | $ 10.66 per 1,000 gal | | 60,001-70,000 gal | $ 21.33 per 1,000 gal |
| 70,001 and over | $ 10.79 per 1,000 gal | | 70,001 and over | $ 21.58 per 1,000 gal |

(3.3) Minimum Commercial Bill: $41.75 (inside city limits)
$83.51 (outside city limits)
(single charge applicable whether one or two meters)

(3.4) Out of City Users: Two hundred (200) percent of the rate

<u>Section 2.</u> All other ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

<u>Section 3.</u> Beginning with the month of **<u>April 2019</u>**, the rates established by this Ordinance shall be charged each month for each connection to the City of Spring Valley Village water system.

<u>Section 4.</u> In the event any clause phrase, provision, sentence, or part of this Ordinance, or the "Schedule of Fees for the City of Spring Valley Village, Texas" adopted hereby, or the application of 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 or said schedule of fees as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Spring Valley Village, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

DULY PASSED, APPROVED, AND ADOPTED this ____day of March, 2019.

_______________________________
Tom Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

_______________________________
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

DIVIDER PAGE

CITY OF HOUSTON
Houston Public Works

**Sylvester Turner**
Mayor

Carol Ellinger Haddock, P.E.
Director
P.O. Box 4863
Houston, Texas 77210-4863

T. 713–371–1400
F. 713–371–1130
www.houstontx.gov

March 7, 2019

Dear Customer:

City of Houston Ordinance 2010-305 approves an automatic annual rate adjustment effective April 1st each year. The water and wastewater rate adjustment for 2019 is 2.8%. This rate adjustment is based on the 2018 Houston Regional Consumer Price Index of 2.4% plus the City of Houston population increase of 0.4% according to the United States Census Bureau.

This annual rate adjustment helps cover the cost increase to provide safe, clean drinking water and the collection and treatment of wastewater. The bill you receive in April may reflect a proration between the previous and the new rate. The May bill will reflect a full month of the new rate.

New rate tables will be posted on April 1, 2019 to www.HoustonWater.org. The website also features the ability for customers to sign up for ebills, automatic payments, and tips on ways to minimize water usage. Customer Account Services is continuously looking for ways to better serve you. If you have any questions please call 713-371-1400.

Sincerely,

Sherri L. Winslow, P.E. (LA)
Deputy Director
Customer Account Services

| | |
|---|---|
| **MEETING DATE:** | March 26, 2019 |
| **TOPIC:** | **Ordinance Number 2019-XX**<br><br>**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.004; ESTABLISHING A SCHEDULE OF FEES FOR SANITARY SEWER SERVICES; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.** |
| **BACKGROUND:** | On March 19, 2019, the City of Houston notified the City of Spring Valley Village that the surface water rate paid by the City would be increasing by 2.8% as of April 1, 2019. This increase will also apply to wastewater rates. A copy of the City of Houston's notice to the City is provided with this agenda item.<br><br>The proposed Ordinance would increase the City's wastewater rates by 2.8% to recoup the increased charges from the City of Houston. If approved, the new wastewater rates would be effective April 1, 2019. |
| **RECOMMENDATION:** | Staff recommends approval of the Ordinance. |
| **ATTACHMENTS:** | • Ordinance Number 2019-XX<br>• Copy of City of Houston Letter Dated March 7, 2019 |
| **FUNDING ISSUES:** | ☐ Not applicable – no dollars are being spent or received.<br>☐ Full amount already budgeted in Acct/Project# __________<br>☐ Not budgeted, if approved, the following will be included in the next Budget Amendment:<br>☐ $_______ from Acct/Project# __________ will be transferred to Acct/Project# __________<br>☐ $_______ from unassigned fund balance will be used and added to Acct/Project# __________<br><br>☒ Additional Revenue will be added to Revenue Acct# 20-01-5270 |

**FINANCE VERIFICATION OF FUNDING:**

| **SUBMITTING STAFF MEMBER:** | **CITY ADMINISTRATOR APPROVAL:** |
|---|---|
| Michelle Yi, City Treasurer | |

**ACTIONS TAKEN**

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

**ORDINANCE NO. 2019-XX**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.004; ESTABLISHING A SCHEDULE OF FEES FOR SANITARY SEWER SERVICES; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.**

* * * * * *

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS:**

**Section 1.** The Code of Ordinances of the City of Spring Valley Village, Texas, is hereby amended by deleting from Appendix "A" thereof, said Appendix "A" being a "Schedule of Fees for the City of Spring Valley Village, Texas," all of Section 6.004 and substituting therefor a new Section 6.004 to provide as follows:

**6.004 Sewer Rates**

1. Residential Sewer:
   (1.1) $18.90 per month flat rate; plus
   (1.2) $6.062 per 1,000 gallons of metered water provided to residential customers
   (1.3) Out of City Customers, two hundred (200) percent of the rate.

2. Non-Residential Sewer:
   (2.1) $25.20 per month flat rate; plus
   (2.2) $10.819 per 1,000 gallons of metered water provided to commercial customers
   (2.3) Out of City Customers, two hundred (200) percent of the rate.

**Section 2.** All other ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

**Section 3.** Beginning with the month of April 2019, the rates established by this Ordinance shall be charged each month for each connection to the City of Spring Valley Village sewer systems.

**Section 4.** In the event any clause phrase, provision, sentence, or part of this Ordinance, or the "Schedule of Fees for the City of Spring Valley Village, Texas" adopted hereby, or the application of 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 or said schedule of fees as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Spring Valley Village, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

**PASSED, APPROVED, AND ADOPTED** this __ day of _March_, 2019.

______________________________
Tom Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

______________________________
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

DIVIDER PAGE

# CITY OF HOUSTON

Houston Public Works

**Sylvester Turner**

Mayor

Carol Ellinger Haddock, P.E.
Director
P.O. Box 4863
Houston, Texas 77210-4863

T. 713–371–1400
F. 713–371–1130
www.houstontx.gov


March 7, 2019

Dear Customer:

City of Houston Ordinance 2010-305 approves an automatic annual rate adjustment effective April 1st each year. The water and wastewater rate adjustment for 2019 is 2.8%. This rate adjustment is based on the 2018 Houston Regional Consumer Price Index of 2.4% plus the City of Houston population increase of 0.4% according to the United States Census Bureau.

This annual rate adjustment helps cover the cost increase to provide safe, clean drinking water and the collection and treatment of wastewater. The bill you receive in April may reflect a proration between the previous and the new rate. The May bill will reflect a full month of the new rate.

New rate tables will be posted on April 1, 2019 to www.HoustonWater.org. The website also features the ability for customers to sign up for ebills, automatic payments, and tips on ways to minimize water usage. Customer Account Services is continuously looking for ways to better serve you. If you have any questions please call 713-371-1400.

Sincerely,

Sherri L. Winslow, P.E. (LA)
Deputy Director
Customer Account Services

| | |
|---|---|
| **MEETING DATE:** | March 26, 2019 |
| **TOPIC:** | **Resolution Number 19-XX**<br><br>**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND SPRING BRANCH MEMORIAL SPORTS ASSOCIATION FOR CONSTRUCTION OF A WALKING TRAIL OR SIDEWALK ON THE PROPERTY LOCATED AT 9016 WESTVIEW DRIVE WITHIN THE CITY LIMITS; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.** |
| **BACKGROUND:** | During the January 22, 2019 meeting, the City Council and Spring Branch Memorial Sports Association ("SBMSA") agreed to fund $17,500.00 of the cost of constructing a walking trail or sidewalk along the southern section of the SBMSA athletic fields to provide a concrete walking trail from Westview Drive to the new athletic fields which would improve pedestrian connectivity.<br><br>The proposed Development Agreement documents the approved transaction and provides for the City to reimburse SBMSA for $17,500.00 upon completion of the construction of the walking trail/sidewalk. |
| **RECOMMENDATION:** | Staff recommends approval of the Resolution. |
| **ATTACHMENTS:** | • Resolution Number 19-XX |
| **FUNDING ISSUES:** | ☐ Not applicable – no dollars are being spent or received.<br>☐ Full amount already budgeted in Acct/Project# __________<br>☒ Not budgeted, if approved, the following will be included in the next Budget Amendment:<br>☐ $_______ from Acct/Project# __________ will be transferred to Acct/Project# __________<br>☐ $17,500.00 from unassigned fund balance will be used and added to Acct/Project# 10-35-4612<br>☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# __________ |

**FINANCE VERIFICATION OF FUNDING:**

| **SUBMITTING STAFF MEMBER:** | **CITY ADMINISTRATOR APPROVAL:** |
|---|---|
| Julie M. Robinson, City Administrator | |

## ACTIONS TAKEN

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

## RESOLUTION NUMBER 19-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND SPRING BRANCH MEMORIAL SPORTS ASSOCIATION FOR CONSTRUCTION OF A WALKING TRAIL OR SIDEWALK ON THE PROPERTY LOCATED AT 9016 WESTVIEW DRIVE WITHIN THE CITY LIMITS; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council has been presented a Development Agreement by and between the City of Spring Valley Village, Texas and Spring Branch Memorial Sports Association for construction of a walking trail or sidewalk on the property located at 9016 Westview Drive in the City limits (hereinafter called "Agreement"), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference; and

**WHEREAS**, upon full review and consideration of the Agreement and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor should be authorized to execute the Agreement and any and all documents necessary to effectuate such Agreement on behalf of the City of Spring Valley Village.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, THAT**:

<u>Section 1</u>. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

<u>Section 2</u>. The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Spring Valley Village and found to be acceptable and in the best interests of the City of Spring Valley Village and its citizens, are hereby in all things approved.

<u>Section 3</u>. The Mayor is hereby authorized to execute the Agreement and empowered, for and on behalf of the City, to take all such actions and to execute, verify, acknowledge, certify to, file and deliver all such instruments and documents required in the Agreement as shall in the judgment of the Mayor be appropriate in order to effect the purposes of the foregoing resolution and Agreement.

<u>Section 4</u>. This Resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED** on this the ___ day of ___________, 2019.

_________________________________
Tom Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

_________________________________
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

# EXHIBIT “A”

# TO

# RESOLUTION NUMBER 18-XX

# DEVELOPMENT AGREEMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered by and between the City of Spring Valley Village, Texas ("Spring Valley"), and Spring Branch – Memorial Sports Association, a Texas non-profit corporation ("SBMSA");

## RECITALS

WHEREAS, SBMSA operates a youth sports organization that allows children of Spring Valley and surrounding areas to compete in various sports leagues throughout the year; and

WHEREAS, SBMSA uses fields and facilities owned by Spring Branch Independent School District ("SBISD") in the operation of its sports leagues; and

WHEREAS, SBMSA, in agreement with SBISD, is proposing to construct significant improvements on athletic fields on the property located at 9016 Westview Drive within the corporate boundaries of Spring Valley (the "Property"); and

WHEREAS, the Property has long been used by residents of Spring Valley when not in use by SBISD and SBMSA; and

WHEREAS, as part of the proposed improvements to be constructed by SBMSA on the Property, a five foot (5') wide walking trail or sidewalk approximately 510 linear feet in length will be constructed on the Property; and

WHEREAS, the City finds that such walking trail or sidewalk will benefit the citizens of Spring Valley; and

WHEREAS, the City Council believes it to be in the best interest of the citizens of Spring Valley to financially assist SBMSA in the construction of this walking trail or sidewalk.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and benefits to the parties, Spring Valley and the SBMSA agree as follows:

1. SBMSA agrees to construct the walking trail or sidewalk in a location substantially similar to that depicted on Exhibit "A" attached hereto and incorporated herein by this reference for all purposes.

2. Upon completion of the walking trail or sidewalk described in Paragraph 1, Spring Valley will pay the sum of $17,500.00 to SBMSA.

3. In accordance with Chapter 2270 of the Texas Government Code, Contractor hereby

verifies that it (a) does not boycott Israel, and (2) will not boycott Israel during the term of this Agreement or any extensions thereof.

4. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any modifications concerning this instrument are of no force and effect excepting a subsequent modification in writing, signed by both parties hereto.

5. This Agreement shall be governed by the laws of the State of Texas and venue shall lie exclusively in Harris County. The exclusive forum shall be a Texas state or federal court.

6. The provisions of this Agreement shall be severable, and if any provision of this Agreement shall be held or declared to be illegal, invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect as though such illegal, invalid or unenforceable provision had not been contained herein.

7. This Agreement may be executed in multiple counterparts, each of which shall have the full force and effect of the original Agreement, and each of which shall constitute but one and the same instrument.

CITY OF SPRING VALLEY VILLAGE

By: ______________________
Tom Ramsey, Mayor

Date: _______________

ATTEST:

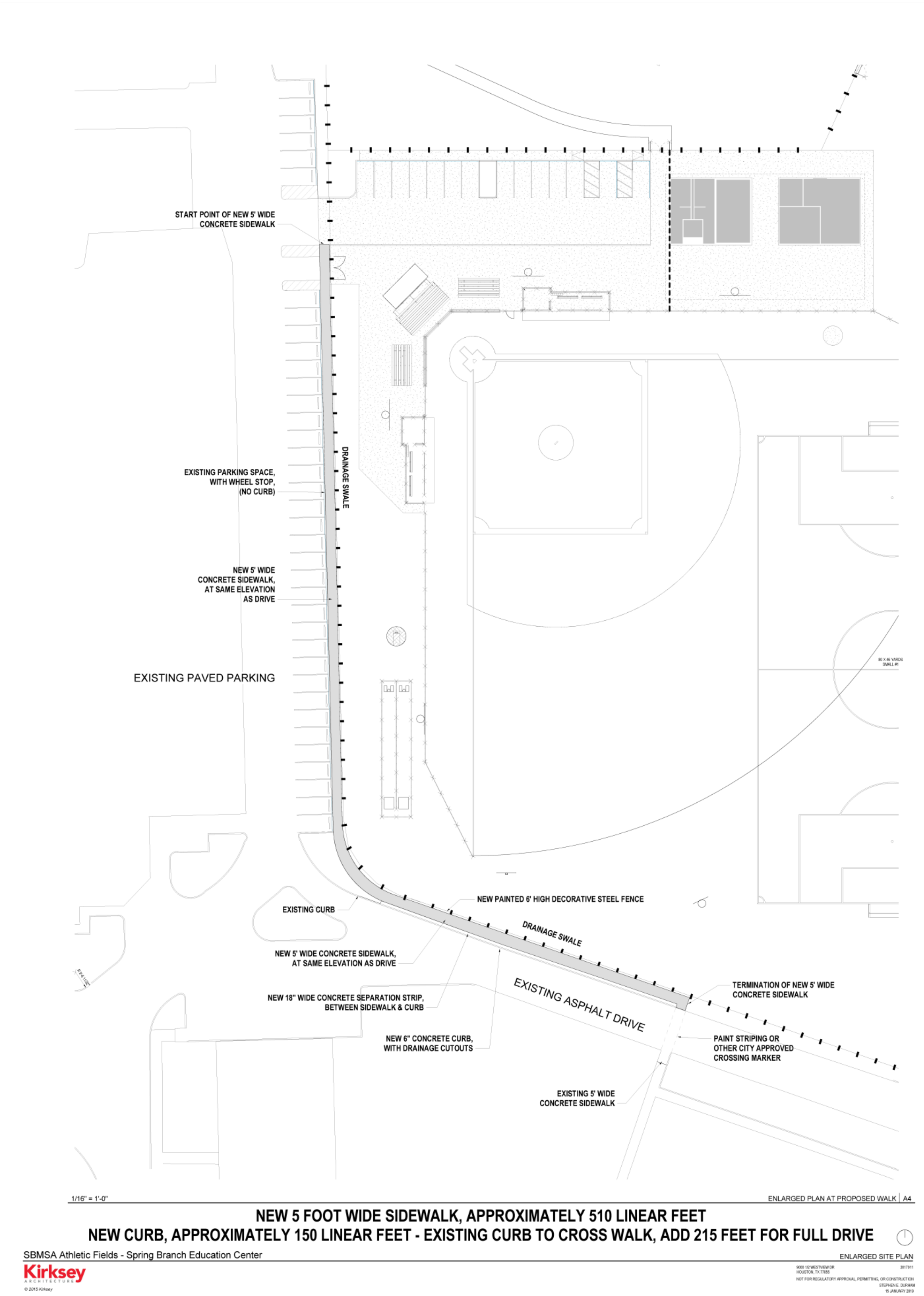
____________________________
Roxanne Benitez, City Secretary

SPRING BRANCH-MEMORIAL SPORTS ASSOCIATION

By:______________________
Rob Cooksey, President

Date: _______________

EXHIBIT “A”


START POINT OF NEW 5' WIDE CONCRETE SIDEWALK
EXISTING PARKING SPACE, WITH WHEEL STOP, (NO CURB)
DRAINAGE SWALE
NEW 5' WIDE CONCRETE SIDEWALK, AT SAME ELEVATION AS DRIVE
EXISTING PAVED PARKING
NEW PAINTED 6' HIGH DECORATIVE STEEL FENCE
EXISTING CURB
DRAINAGE SWALE
NEW 5' WIDE CONCRETE SIDEWALK, AT SAME ELEVATION AS DRIVE
NEW 18" WIDE CONCRETE SEPARATION STRIP, BETWEEN SIDEWALK & CURB
EXISTING ASPHALT DRIVE
TERMINATION OF NEW 5' WIDE CONCRETE SIDEWALK
NEW 6" CONCRETE CURB, WITH DRAINAGE CUTOUTS
PAINT STRIPING OR OTHER CITY APPROVED CROSSING MARKER
EXISTING 5' WIDE CONCRETE SIDEWALK
1/16" = 1'-0"
ENLARGED PLAN AT PROPOSED WALK A4
NEW 5 FOOT WIDE SIDEWALK, APPROXIMATELY 510 LINEAR FEET
NEW CURB, APPROXIMATELY 150 LINEAR FEET - EXISTING CURB TO CROSS WALK, ADD 215 FEET FOR FULL DRIVE
SBMSA Athletic Fields - Spring Branch Education Center
ENLARGED SITE PLAN
Kirksey

# Police Department
# Staff Report

# SPRING VALLEY POLICE DEPARTMENT

## Calls - By Type

02\01\2019
thru 02\28\2019

| Type | Description | # Of Calls |
|---|---|---|
| 6 | ACCIDENT | 33 |
| 22 | ALARM | 39 |
| 23 | AMBULANCE CALL | 8 |
| 24 | ANIMAL CALL | 12 |
| 43 | ASSIST OUTSIDE AGENCY | 13 |
| 124 | BURGLARY OF HABITATION | 1 |
| 126 | BURGLARY OF MOTOR VEHICLE | 9 |
| 135 | BUSINESS CHECK | 262 |
| 47 | CHILD LOCKED IN VEHICLE | 1 |
| 48 | CITY CREW REPAIRS | 3 |
| 49 | CIVIL MATTER | 2 |
| 122 | CRIMINAL MISCHIEF | 6 |
| 53 | DEBRIS IN ROADWAY | 8 |
| 56 | DISTURBANCE | 1 |
| 140 | EVADING ARREST/DETENTION | 1 |
| 60 | FIRE CALL | 8 |
| 63 | FRAUD | 1 |
| 30 | FSRA | 1 |
| 68 | HOUSE CHECK | 7 |
| 118 | IDENTITY THEFT | 2 |
| 121 | ILLEGAL PARKED VEHICLE | 5 |
| 70 | INFORMATION | 13 |
| 76 | LOUD NOISE | 3 |
| 81 | OPEN DOOR | 13 |
| 33 | POSS. CONTROLLED SUBSTANCE | 1 |
| 138 | POSS. OF MARIJUANA | 1 |
| 86 | PUBLIC RELATIONS | 77 |
| 90 | REPOSSESSED VEHICLE | 1 |
| 96 | SOLICITOR | 8 |
| 99 | STALLED VEHICLE | 38 |
| 100 | STREET LIGHT REPAIR | 1 |
| 103 | SUSPICIOUS ACTIVITY | 11 |
| 104 | SUSPICIOUS PERSON | 14 |
| 105 | SUSPICIOUS VEHICLE | 30 |
| 127 | THEFT OF MOTOR VEHICLE | 2 |
| 128 | TRAFFIC ARREST | 2 |
| 108 | TRAFFIC CONTROL | 1 |
| 11 | TRAFFIC STOP | 591 |
| 111 | VEHICLE BLOCKING ROADWAY | 1 |
| 112 | VEHICLE CHECK | 10 |
| 114 | VIOLATION CITY ORDINANCE | 2 |
| 42 | WARRANT SERVICE | 3 |
| 116 | WATER LEAK | 1 |
| 117 | WELFARE CONCERN | 6 |
| | **Total** | 1,253 |

**Spring Valley Village, TX PD** **Feb 1, 2019 - Feb 28, 2019**

# Citation Violation Audit By Offense

Total Charges: **888**

| Description | Counts |
|---|---|
| CHANGE NAME/MAILING ADDRESS LATER THAN 30 DAYS (CDL) | 1 |
| CHANGED LANE WHEN UNSAFE | 3 |
| CHILD (4-17) NOT SECURED BY SAFETY BELT | 1 |
| CITY ORDINANCE - ERECTING SIGN WITHOUT A PERMIT | 1 |
| CITY ORDINANCE - SOLICITING WITHOUT A PERMIT - PEDDLER | 3 |
| CITY ORDINANCE - SOLICITING WITHOUT A PERMIT FUTURE | 2 |
| CONSUMPTION OF ALCOHOL BY MINOR | 1 |
| CRIMINAL TRESPASSING | 3 |
| D.O.C. URINATING IN A PUBLIC PLACE | 1 |
| DEFECTIVE EQUIPMENT - WHITE LIGHT TO THE REAR | 3 |
| DEFECTIVE EQUIPMENT / NO LICENSE PLATE LIGHT | 60 |
| DEFECTIVE HEAD LAMPS | 53 |
| DEFECTIVE HEAD LIGHTS | 27 |
| DEFECTIVE STOP LAMP(S) | 20 |
| DEFECTIVE TAIL LAMP(S) | 21 |
| DISPLAY FICTITIOUS/WRONG/UNCLEAN LICENSE PLATES | 8 |
| DISPLAY SUSPENDED DRIVER LICENSE | 1 |
| DISPLAY/ EXPIRED REGISTRATION | 56 |
| DISREGARD POLICE OFFICER | 1 |
| DRIVERS LICENSE-PERMIT UNAUTHORIZED PERSON TO DRIVE | 1 |
| DRIVING WHILE LICENSE INVALID UNDER PROVISIONS OF DL LAWS | 10 |
| DRIVING WITHOUT ANY LICENSE | 2 |
| DROVE WITHOUT LIGHTS (WHEN REQUIRED) | 32 |
| DROVE WRONG SIDE OF ROAD | 1 |
| EXPIRED DRIVERS LICENSE | 10 |
| FAIL TO CONTROL SPEED | 3 |
| FAIL TO DISPLAY DRIVERS LICENSE | 12 |
| FAIL TO MAINTAIN FINANCIAL RESPONIBILITY | 44 |

*CONFIDENTIAL*

**Spring Valley Village, TX PD** **Feb 1, 2019 - Feb 28, 2019**

# Citation Violation Audit By Offense

Total Charges: **888**

| Description | Counts |
|---|---|
| FAIL TO MAINTAIN FINANCIAL RESPONSIBILITY | 17 |
| FAIL TO OBEY TRAFFIC CONTROL SIGN-LANE ENDS MERGE LEFT/RIGHT | 1 |
| FAIL TO REPORT CHANGE OF ADDRESS | 4 |
| FAILED TO DIM HEADLIGHTS - FOLLOWING | 4 |
| FAILED TO DIM HEADLIGHTS - MEETING | 47 |
| FAILED TO DRIVE IN A SINGLE LANE | 3 |
| FAILED TO SIGNAL INTENT TO TURN | 4 |
| FAILED TO SIGNAL TURN | 1 |
| FAILED TO SIGNAL TURN / LANE CHANGE | 13 |
| FAILED TO STOP AT DESIGNATED POINT (STOP SIGN) | 3 |
| FAILED TO STOP AT PROPER PLACE (TRAFFIC LIGHT) | 1 |
| FAILED TO STOP FOR SCHOOL BUS (OR REMAIN STOPPED) | 1 |
| ILLEGAL BUYERS TAGS | 4 |
| ILLEGAL PARKING - FIRE LANE - SHOP CTR | 2 |
| ILLEGAL PARKING - NO PARKING ANY TIME | 1 |
| ILLEGAL PARKING - PARKING IN PRIVILEGED | 1 |
| IMPEDING TRAFFIC | 2 |
| IMPROPER START FROM PARKED POSITION | 1 |
| LICENSE PLATE OBSCURED | 4 |
| MINOR IN POSSESSION OF ALCOHOL | 1 |
| NO DRIVERS LICENSE | 65 |
| NO FRONT LICENSE PLATE | 1 |
| NO SEAT BELT - PASSENGER | 3 |
| OPERATE MOTOR VEHICLE WITHOUT LICENSE PLATES OR WITH ONE LICENSE PLATE | 1 |
| OPERATE UNREGISTERED MOTOR VEHICLE | 5 |
| PARKED FACING TRAFFIC | 3 |
| PARKED WITHIN AN INTERSECTION | 1 |
| PARKING ON ROADWAY | 1 |

Spring Valley Village, TX PD Feb 1, 2019 - Feb 28, 2019

# Citation Violation Audit By Offense

Total Charges: **888**

| Description | Counts |
|---|---|
| PASSING AUTHORIZED EMERGENCY VEHICLE | 2 |
| RAN RED LIGHT | 59 |
| RAN STOP SIGN | 28 |
| SPEEDING (NU) | 1 |
| SPEEDING >10% ABOVE POSTED LIMIT | 200 |
| SPEEDING IN SCHOOL ZONE | 15 |
| TRAFFIC - OTHER | 1 |
| TURNED RIGHT FROM WRONG LANE | 1 |
| UNRESTRAINED CHILD YOUNGER THAN 5 OR UNDER 36 INCHES | 2 |
| UNSAFE SPEED/TOO FAST FOR CONDITIONS | 2 |
| VIOLATE DL RESTRICTION B | 1 |

# MONTHLY K-9 REPORT

FOR THE MONTH OF: Feb-19

MOYER, NABORS
FRITZ, ODIN

| | TOTALS |
|---|---|
| ***K-9 CALLS FOR SERVICE*** | |
| SPRING VALLEY VILLAGE | 118 |
| OUTSIDE AGENCY | 3 |
| ***K-9 APPREHENSIONS*** | |
| | 0 |
| ***NARCOTICS CASES*** | |
| | 5 |
| ***PUBLIC RELATIONS EVENT*** | |
| | 14 |

**MEETING DATE:** March 26, 2019

| | |
|---|---|
| **TOPIC:** | **DISCUSSION AND DIRECTION CONCERNING:** Revised Draft Residential Neighborhood Traffic Calming/Control Policy. |

**BACKGROUND:**

As discussed during the February 26, 2019 meeting, Staff has developed a draft Residential Neighborhood Traffic Calming/Control Policy that includes Council's specific direction from the November 13, 2018 Workshop for the Council's consideration.

The draft policy establishes an application process, sets an application fee, defines acceptable traffic calming and control measures that may be requested, outlines the types of roadways are eligible for consideration, provides for communication to and feedback from all affected parties, and establishes a formal procedure for consideration and Council determination of all requests. Following is a summary of the provisions of the draft policy:

Eligibility Requirements:

- Traffic calming and control measure(s) that may be requested:
  - Speed Cushions
  - Stop Signs
  - New Traffic Signals
  - Changes to Traffic Signal Sequencing/Signalization
  - Road Closures

- Operational Characteristics of street on which traffic calming/control measures may be requested:
  - Must be either a Local Street or a Collector Street with no more than two lanes.
  - Properties along street must be predominately residential in nature.
  - Requested traffic calming/control measure may not eliminate the only means of vehicular, pedestrian, emergency, or service vehicle access to any property or restrict access to utilities.
  - Must not create a terminated roadway segment.

- Geometric Characteristics of street on which traffic calming/control measures may be requested:
  - Must have adequate safe sight distances;

**ACTIONS TAKEN**

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

- Must not have curves that prevent safe placement of measures and a grade of no more than 5% on immediate approaches;
- Must have contiguous paved length of at least 1,000 feet;
- Must not interfere with existing drainage and other utility infrastructure and property access;
- Street rehabilitation/reconstruction on the requested street scheduled to occur within one year of requested measure will delay the request.

<u>Application & Review Process</u>:
The Application and Review process consists of four steps:

(1) Project Request must be submitted to the City in the form of an Application and must originate from at least one of the property owners residing on the Target Street.

- Application Requirements:
  - Complete Application, form provided by the City in Appendix B;
  - Complete Petition issued by the City, (example provided in Appendix B);
  - Application Review Fee of $100, due at submittal.
- The Applicant must obtain a Petition, issued and dated by the City and obtain all of the required signatures prior to submitting the application.
  - Must be signed by a minimum of 75% of the property owners in the Primary Affected Area;
  - Signatures from renters or tenants do not qualify;
  - All signatures must be dated within six months of the issuance of the petition.

(2) City Staff reviews the Application for completeness. Only complete Applications move forward through the process.

(3) Once City Staff has confirmed a completed Application, the City will notify all property owners in the Primary and Adjacent Affected Areas by mailing a public notice and map of the affected areas (example of public notice is provided in Appendix B) and provide an opportunity for the public to provide feedback on the requested measures.

(4) City Council will hold a public hearing during a Council meeting to allow the public an additional opportunity to provide

**ACTIONS TAKEN**

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

feedback prior to the final decision. Council has final decision making authority on all Applications.

The policy also provides that, if City Council denies an application regarding a proposed measure(s), no application may be submitted for those same streets for one year from the date of Council's denial.

---

Since the February 26, 2019 Council meeting, City Administrator Julie Robinson and I talked through the process for obtaining the required Petition that must accompany an Application, and the following language has been included in Section 1.1.3 under the Procedures for Requesting the Installation or Removal of Traffic Control Measure(s) on Page 6:

In order to obtain a Petition from the City to submit with an Application, please contact Director of Public Works Arthur Faiello either by phone at (713) 465-8308 or by email to afaiello@springvalleytx.com with the proposed location for the traffic calming/control measure. The Primary Affected Area will be determined, and a Petition will be issued and provided to the Applicant either by email or hard copy for use with the Application.

**RECOMMENDATION:** Staff requests feedback and direction from the Council concerning the draft policy.

**ATTACHMENTS:**

- Revised Draft Residential Neighborhood Traffic Calming/Control Policy with New Language Included in Section 1.1.3 on Page 6

**FUNDING ISSUES:**

☒ Not applicable – no dollars are being spent or received.
☐ Full amount already budgeted in Acct/Project# ___________
☐ Not budgeted, if approved, the following will be included in the next Budget Amendment:
  ☐ $_______ from Acct/Project# ___________ will be transferred to Acct/Project# ___________
  ☐ $_______ from unassigned fund balance will be used and added to Acct/Project# ___________
  ☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# ___________

**FINANCE VERIFICATION OF FUNDING:**

**SUBMITTING STAFF MEMBER:**
Arthur Faiello, Director of Public Works

**CITY ADMINISTRATOR APPROVAL:**

## ACTIONS TAKEN

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

EST. 1955
SPRING VALLEY
VILLAGE

# Residential Neighborhood Traffic Calming/Control Policy

DRAFT

Resolution #***** approved by the City of Spring Valley Village City Council on ___________________

It is important to the City of Spring Valley Village to maintain the safety and integrity of neighborhoods and meet the needs of drivers on the roadway. In response to this set of objectives, the City has developed a Neighborhood Traffic Calming/Control Policy to address certain neighborhood traffic issues.

This policy allows citizens to request the installation or removal of traffic calming/control measures and establishes a procedure for making such requests. The policy and the accompanying procedures specify the types of streets that are eligible for consideration, how to submit a request, and procedures used to evaluate a request. Considering that traffic calming/control measure(s) may also affect nearby streets, the policy provides a means for property owners in the primary and adjacent affected areas to participate in the process and understand the impact on affected streets prior to providing their feedback on the proposal.

The City is responsible for the implementation of this policy and installation or removal of any approved traffic calming/control measures. If you have any questions concerning this policy and the procedures adopted herein, please contact Director of Public Works Arthur Faiello by email to afaiello@springvalleytx.com or by phone at 713-465-8308.

## Definitions

An **Applicant** is the individual who submits an Application requesting the installation or removal of a traffic calming/control measure and may be designated as the contact person for a group (Individual, HOA, subdivision, or a sub-set of an HOA or subdivision) requesting the traffic calming/control measure, as applicable.

An **Adjacent Affected Area** consists of the properties abutting:

1. The Primary Affected Area;
2. Any street that feeds into the Target Street; and
3. Those streets in the area adjacent to the Target Street that are likely to experience an increase in traffic after a traffic calming/control measure is implemented due to diverted traffic and/or depend on the Target Street for convenient access as determined by the City.

The **Primary Affected Area** consists of the properties abutting the Target Street. The City will determine the Primary Affected Area for the Target Street following the submittal of a complete Application.

**Street closure** refers to the partial or complete closure of a publicly-owned and maintained street to through traffic, typically implemented by the installation of a physical measure or barrier designed to prevent vehicular traffic from passing in either direction, and may include warning signage, pedestrian access through the barrier, emergency vehicle access, and a vehicle turn-around, if required.

**Street length** is the quantified distance along the centerline of the street from the projection of the curb line at the last intersecting street or an existing acceptable turn-around point to the center of the proposed turn-around, dead-end, or cul-de-sac.

A **Target Street** is the street for which a complete Application for the installation or removal of a traffic calming/control measure has been submitted to the City.

A **Traffic calming/control measure(s)** is traffic control regulatory signage, a physical barrier or a geometric design feature installed to reduce the speed and/or volume of vehicles traveling a roadway.

## Eligibility Requirements for Requesting Installation or Removal of a Traffic Calming/Control Measure

An Application for Residential Neighborhood Traffic Calming/Control Measure(s) is eligible for consideration by the City if it meets all of the following eligibility requirements:

(1) <u>Traffic calming and control measures that are eligible for consideration by the City Council are:</u>

1. Speed Cushions
2. Stop Signs
3. New Traffic Signals

4. Changes to traffic signal sequencing/signalization
5. Road closures (extreme situations)

Notwithstanding the criteria and procedures described in this policy, the City Council, at its discretion, may close, divert or reopen any public street within the City when deemed necessary to preserve or protect the public health, safety, and welfare.

(2) Operational Characteristics of Target Street:

(a) Traffic calming/control measure(s) may be requested only for Local Streets or Collector Streets as identified in Appendix A hereto.

(b) Properties fronting or having access to the Target Street must be predominantly residential in character.

(c) A traffic calming/control measure must not eliminate the only means of vehicular, pedestrian, emergency, or service vehicle access to any property or restrict access to utilities.

(d) A road closure or any other traffic calming/control measure must not create terminated roadway segments, dead-end blocks, or cul-de-sacs that are greater than 500' in length.

(3) Geometric Characteristics of Target Street:

(a) The Target Street must have adequate sight distances for safely accommodating the traffic calming/control measure, as determined by the City.

(b) The Target Street must not have curves or grades that prevent safe placement of the traffic calming/control measure. The measure may not be located on streets that have a vertical grade of more than 5% on their immediate approaches.

(c) The Target Street must be paved and be at least 1,000 feet in contiguous length. If there is no curb and gutter, a special design is required to prevent vehicles from maneuvering around the traffic calming/control measure(s).

(d) The design and implementation of the traffic calming/control measure must not interfere with the existing Target Street drainage, property access, or driveways.

(e) Street rehabilitation/reconstruction of any sort on the Target Street scheduled to occur within one year of the requested traffic calming/control measure will delay the request until such time that, if approved, it can be completed during the planned construction process.

An Application for the installation or removal of a traffic calming/control measure must meet the above Eligibility Requirements.

## Procedures for Requesting the Installation or Removal of Traffic Calming/Control Measure(s)

### 1.1.1. Project Request

A request must be submitted to the City of Spring Valley Village in the form of an Application for Residential Neighborhood Traffic Calming/Control Measure(s) and must originate from at least one of the property owners residing on the Target Street. An Application must be submitted to City of Spring Valley Village, Attn: Department of Public Works, 1025 Campbell Road, Houston, Texas 77055.

### 1.1.2. Application Requirements

An Application consists of:

(a) A completed Application for Residential Neighborhood Traffic Calming/Control Measure(s) provided by the City and the form of which may be found in Appendix B to this policy;

(b) A completed Traffic Calming/Control Measure(s) Petition using a Petition that has been issued by the City; **and**

(c) The application review fee of $100 which is due at the time of submittal.

### 1.1.3. Traffic Calming/Control Measure (s) Petition Requirements

Prior to submitting an Application, the Applicant must obtain a Traffic Calming/Control Measure(s) Petition that is issued and dated by the City. The Applicant must obtain all required signatures.

(a) The Petition must be signed by a minimum of 75% of the residential property owners in the Primary Affected Area which will be identified by the City.

(b) Signatures from renters or tenants do not qualify.

(c) All signatures on the Petition must be dated within six months of the issuance of the Petition by the City.

In order to obtain a Petition from the City to submit with an Application, please contact Director of Public Works Arthur Faiello either by phone at (713) 465-8308 or by email to afaiello@springvalleytx.com with the proposed location for the traffic calming/control measure. The Primary Affected Area will be determined, and a Petition will be issued and provided to the Applicant either by email or hard copy for use with the Application.

### 1.1.4. Application Submittal and Review

Each Application will be reviewed by the City for compliance with this policy, and only complete Applications will be accepted and processed for consideration by the City Council. In the event that an Application is deemed to be incomplete, the Applicant will be notified by the City in writing of the deficiency that exists.

### 1.1.5. Public Notice

Once City staff has reviewed and confirmed that an Application is complete, the

City will notify all property owners within both the Primary Affected Area and the Adjacent Affected Area of the proposed traffic calming/control measure(s) by mailing a public notice and map, an example of which is provided in Appendix B, that:

(a) describes the proposed traffic calming/control measure type(s) and location;

(b) provides the date of the City Council meeting during which the proposed traffic calming/control measure(s) will be considered; and

(c)`provides information on ways that property owners may provide feedback concerning the proposed traffic calming/control measure(s) and a deadline for doing so.

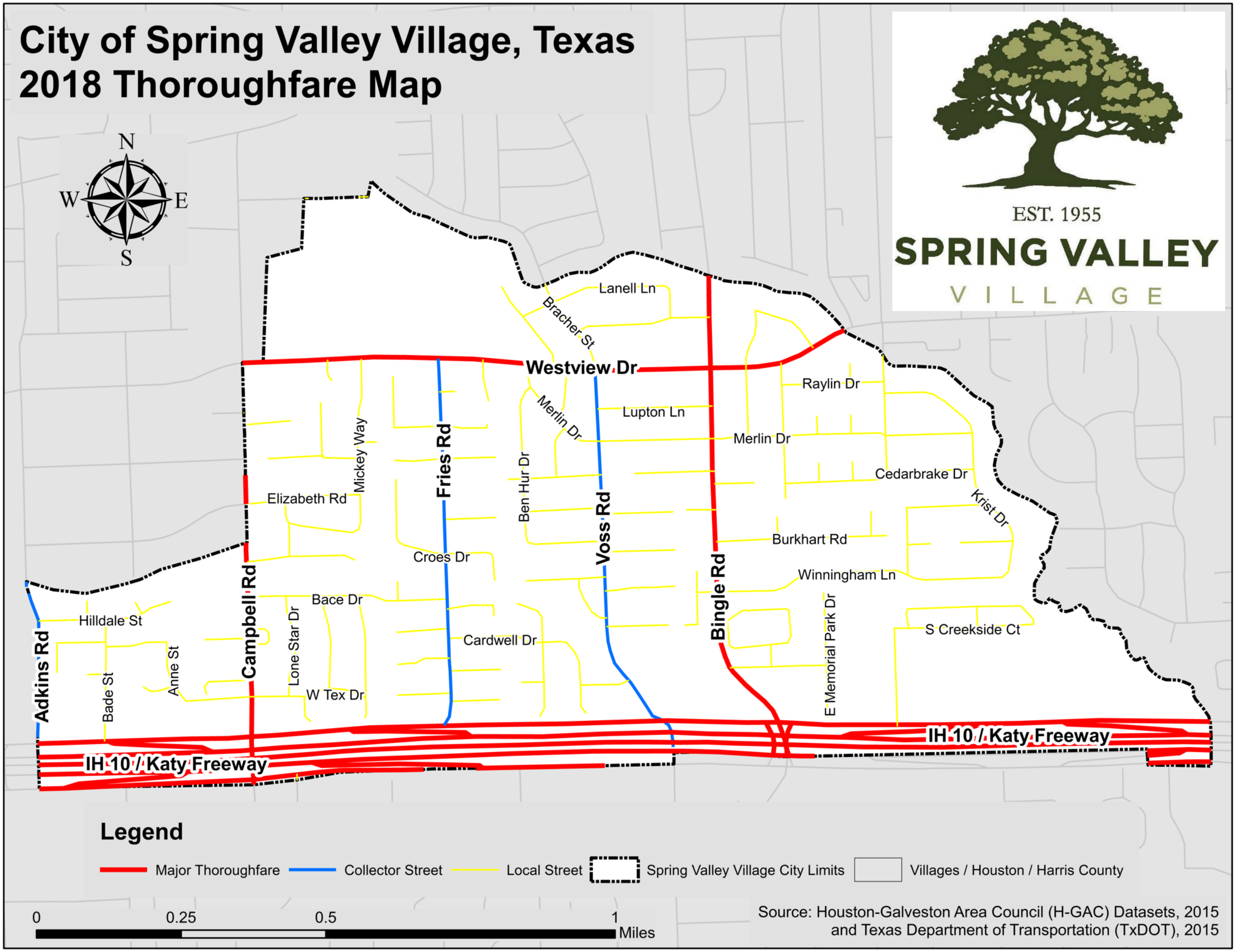
**1.1.6. City Council Decision**

The City Council shall have the final decision making authority regarding all complete Applications for Residential Neighborhood Traffic Calming/Control Measure(s). The City Council will hold a public hearing on the proposed traffic calming/control measure(s) during the meeting at which the proposed measure(s) will be considered in order to provide the public with an additional opportunity to provide feedback prior to the City Council making its decision.

**1.1.7. Prohibition on Submission of Application for One Year**

In the event that the City Council denies an Application regarding the proposed Traffic Calming/Control Measures, no Application may be submitted for the street(s) that were the subject of the denied Application for one year from the date of the City Council's denial of the Application.

# Appendix A


City of Spring Valley Village, Texas
2018 Thoroughfare Map
N
W
E
S
EST. 1955
SPRING VALLEY
VILLAGE
Lanell Ln
Bracher St
Westview Dr
Raylin Dr
Merlin Dr
Lupton Ln
Merlin Dr
Mickey Way
Fries Rd
Ben Hur Dr
Voss Rd
Bingle Rd
Cedarbrake Dr
Krist Dr
Elizabeth Rd
Croes Dr
Burkhart Rd
Winningham Ln
Bace Dr
Hilldale St
Campbell Rd
Lone Star Dr
Cardwell Dr
E Memorial Park Dr
S Creekside Ct
Adkins Rd
Bade St
Anne St
W Tex Dr
IH 10 / Katy Freeway
IH 10 / Katy Freeway
Legend
Major Thoroughfare
Collector Street
Local Street
Spring Valley Village City Limits
Villages / Houston / Harris County
0
0.25
0.5
1
Miles
Source: Houston-Galveston Area Council (H-GAC) Datasets, 2015
and Texas Department of Transportation (TxDOT), 2015

## City of Spring Valley Village Thoroughfares

| STREET NAME | ROAD CLASSIFICATION |
|---|---|
| ADKINS RD | Collector Street |
| ANNE ST | Local Street |
| BACE DR | Local Street |
| BADE ST | Local Street |
| BEN HUR DR | Local Street |
| BEUTEL DR | Local Street |
| BINGLE RD | Major Thoroughfare |
| BRACHER ST | Local Street |
| BURKHART CIR | Local Street |
| BURKHART CT | Local Street |
| BURKHART DR | Local Street |
| BURKHART FOREST CT | Local Street |
| BURKHART RD | Local Street |
| CAM CT | Local Street |
| CAMPBELL CT | Local Street |
| CAMPBELL RD | Major Thoroughfare |
| CARDWELL CT | Local Street |
| CARDWELL DR | Local Street |
| CAUDLE DR | Local Street |
| CAVELL LN | Local Street |
| CEDARBRAKE DR | Local Street |
| CEDARBROOK DR | Local Street |
| CEDARDALE DR | Local Street |
| CEDARSPUR DR | Local Street |
| CREEKSIDE LN | Local Street |
| CROES DR | Local Street |
| E MEMORIAL PARK DR | Local Street |
| ECHO VALLEY DR | Local Street |
| ELIZABETH RD | Local Street |
| FRIES CT | Local Street |
| FRIES RD | Collector Street |
| GENS CT | Local Street |
| GREEN VALLEY DR | Local Street |
| HEATHER CIR | Local Street |
| HILLDALE ST | Local Street |
| IH 10 / KATY FREEWAY | Major Thoroughfare |
| INVERNESS DR | Local Street |
| INVERNESS PKWY | Local Street |
| JOSHUA LN | Local Street |
| KRIST DR | Local Street |
| LANELL LN | Local Street |
| LARIAT DR | Local Street |
| LARSTON ST | Local Street |
| LEAFY LN | Local Street |

| | |
|---|---|
| LOESER DR | Local Street |
| LOFLAND DR | Local Street |
| LONE STAR DR | Local Street |
| LUPTON CT | Local Street |
| LUPTON LN | Local Street |
| MARTIN CT | Local Street |
| MARTIN LN | Local Street |
| MERLIN CT | Local Street |
| MERLIN DR | Local Street |
| MICKEY WAY | Local Street |
| MODISTE ST | Local Street |
| N CREEKSIDE LN | Local Street |
| NEELEY DR | Local Street |
| PARKLAND CT | Local Street |
| PECAN TRAIL LN | Local Street |
| PECH RD | Local Street |
| PENN MANOR CT | Local Street |
| POM CT | Local Street |
| RANDY DR | Local Street |
| RAYLIN DR | Local Street |
| S CREEKSIDE LN | Local Street |
| SPRING OAKS CIR | Local Street |
| TAL CT | Local Street |
| TAM CT | Local Street |
| TAMY LN | Local Street |
| TERESA DR | Local Street |
| TRAWEEK ST | Local Street |
| VILLAGE OAKS LN | Local Street |
| VOSS RD | Collector Street |
| W MEMORIAL PARK DR | Local Street |
| W TEX DR | Local Street |
| WESTVIEW DR | Major Thoroughfare |
| WINNINGHAM LN | Local Street |
| WOODSBOROUGH CIR | Local Street |
| WOODSBOROUGH DR | Local Street |

# Appendix B

# Application for Residential Neighborhood Traffic Calming/Control Measure(s)

**Application Date** ________________ **Application Fee:** $ 100.00 **Application #** __________
(To be completed by City)

**Applicant's Name** ______________________________________________
**Applicant's Property** ______________________________________________
**Address** ______________________________________________

**Does the Applicant represent his/her self as an Individual? □ Yes □ No**
**Does the Applicant represent an HOA or Neighborhood? □ Yes □ No**
**If yes, please provide information below.**

**HOA/ Neighborhood** ______________________________________________
(Subdivision Name and/or Home Owners Association Name, if Applicable)

**Brief Description of Traffic Calming/Control Measure Requested** ______________________________________________
______________________________________________
______________________________________________
(Include Street Name and address limits of requested traffic calming/control measure, attach a map with limits of the desired traffic calming/control area clearly identified)

**Reason for Request** ______________________________________________
______________________________________________

**HOA Acknowledgement and Applicant's Signature**

I hereby certify that I am the Homeowners Association (HOA) President (or duly authorized agent of the HOA, subdivision or neighborhood); and I acknowledge this request submitted by the Applicant listed herein. Approval of the HOA is not required for this application. This acknowledgement only indicates that the HOA has been made aware of the request.
(Please print legibly or type on the lines below)

| | |
|---|---|
| ____________________ **HOA / Neighborhood Representative** | ____________________ **Applicant / Contact Person** |
| ____________________ **Signature** (must be original signature) | ____________________ **Signature** (must be original signature) |
| ____________________ **HOA Representative Title** | ____________________ **Title (if applicable)** |
| ____________________ **Address** | ____________________ **Property Address** |
| ____________________ **City, State, Zip** | ____________________ **City, State, Zip** |
| ____________________ **Best Telephone Number** | ____________________ **Best Telephone Number** |
| ____________________ **E-mail address** | ____________________ **E-mail address** |

**Please attach completed Traffic Calming/Control Measure(s) Petition issued by the City. Failure to attach such Petition to this Application will result in rejection of the Application.**

# Traffic Calming/Control Measure(s) Petition Form

The City of Spring Valley Village requires this Petition to consider an Application requesting the installation or removal of traffic calming/control measure(s) on an eligible street. The Petition will be issued and dated by the City, and it must be signed by a minimum of 75% of the property owners in the Primary Affected Area. Signatures from renters or tenants do not qualify. Obtaining a completed Petition is one step in the process and does not guarantee approval of a requested traffic calming/control measure(s) for a particular street.

By signing this Petition, I affirm that I am the property owner of the Property Address listed and that I concur with the traffic calming/control measure(s) being requested. Seventy-five percent (75%) of the Primary Affected Area's property owners must concur for to consider an Application for Residential Neighborhood Traffic Calming/Control Measure(s).

**DATE ISSUED BY CITY:** ___________________
**NAME OF CITY STAFF ISSUING PETITION:** ______________________________________
**ISSUED TO: (PRINTED NAME)** ______________________________________________________

| Property Address | Mailing Address | Property Owner | Signature | Date of Signature |
|---|---|---|---|---|
| 123 Main Street Spring Valley Village, TX 77055 | 123 Main Street Spring Valley Village, TX 77055 | John & Jane Doe | | |
| 124 Main Street Spring Valley Village, TX 77055 | 321 Broadway Dallas, TX 75214 | Jane Doe | | |
| 125 Main Street Spring Valley Village, TX 77055 | 125 Main Street Spring Valley Village, TX 77055 | John & Jane Doe | | |
| 126 Main Street Spring Valley Village, TX 77055 | 126 Main Street Spring Valley Village, TX 77055 | John Doe | | |
| 127 Main Street Spring Valley Village, TX 77055 | 127 Main Street Spring Valley Village, TX 77055 | John & Jane Doe | | |
| 128 Main Street Spring Valley Village, TX 77055 | 128 Main Street Spring Valley Village, TX 77055 | Jane Doe | | |
| 129 Main Street Spring Valley Village, TX 77055 | 123 Country Lane Spring Valley Village, TX75082 | John & Jane Doe | | |
| 130 Main Street Spring Valley Village, TX 77055 | 130 Main Street Spring Valley Village, TX 77055 | John Doe | | |
| 131 Main Street Spring Valley Village, TX 77055 | 131 Main Street Spring Valley Village, TX 77055 | John & Jane Doe | | |

# PUBLIC NOTICE
# January 1, 2019

## For: Main Street – 0000-19

## By: City of Spring Valley Village Department of Public Works



Dear Resident,

The City of Spring Valley Village has received an Application from ____________ (Name of Applicant), the property owner at **123 Main Street, Spring Valley Village, TX 77055** for the installation (or removal) of a Traffic Calming/Control Measure on Main Street in Spring Valley Village. A copy of the Application may be found on the City's website at _______________________________.

The City Council is scheduled to consider the Application and proposed traffic calming/control measure(s) at the __________________, 2019 meeting. Public comments will be accepted until January 16, 2019. Written comments may be submitted to our office online at: **website name here** or using the Comment Card below. City staff will review all information and comments regarding the project on Main Street and provide the feedback to the City Council. There will also be a public hearing during the ___________________, 2019 meeting to provide an additional opportunity for you to provide feedback to the City Council prior to making a decision on the Application.

For additional information, please call City of Spring Valley Village at 713-465-8308. Thank you for your participation and interest in traffic safety on Spring Valley Village streets.

## Comment Card

Do you have any comments regarding the proposed Traffic Calming/Control Measure? ***All comments must be received by the City no later than January 16, 2019.***

Mail to: City of Spring Valley Village
Department of Public Works
1025 Campbell Road
Houston, TX 77055

Online: **website name here.**

---

Project Name: **Main Street 0000-19**

Printed Name: _______________________________________________
Address of the Property You Own in Spring Valley Village: __________________________________

☐ I **DO** support. ☐ I **DO NOT** support. ☐ I **support** the measure but **with modifications**.

_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________

Signature: ____________________________________ Date: ______________________
Email Address: __________________________________ Best Phone Number: ____________

# Proposed Traffic Calming/Control Measure

## EXAMPLE 1. Main Street (Speed Cushion Installation)

# Proposed Traffic Calming/Control Measure

## EXAMPLE 2. West Street (Road Closure)

**Spring Valley Village City Council**
**Agenda Item Data Sheet**

| | |
|---|---|
| **MEETING DATE:** | March 26, 2019 |
| **TOPIC:** | Presentation and Acceptance of Fiscal Year 2017-2018 Audited Comprehensive Annual Financial Report Prepared by Belt, Harris Pechacek, LLLP, Certified Public Accountants. |
| **BACKGROUND:** | In June of 2014, the City Council approved a contract with the firm of Belt, Harris Pechacek, LLLP to conduct an independent audit of all accounts of the City and prepare the City's Comprehensive Annual Financial Report (CAFR) for 3 years and renewed the contract for two additional years in May of 2017 which includes fiscal year 2017-2018.<br><br>Stephanie Harris with Belt, Harris Pechacek will present the Report. |
| **RECOMMENDATION:** | Staff recommends acceptance of the Report. |
| **ATTACHMENTS:** | • Comprehensive Annual Financial Report for FY 2017-2018<br>• Required Auditor Disclosure Letter |
| **FUNDING ISSUES:** | ☒ Not applicable – no dollars are being spent or received.<br>☐ Full amount already budgeted in Acct/Project# __________<br>☐ Not budgeted, if approved, the following will be included in the next Budget Amendment:<br>☐ $_______ from Acct/Project# __________ will be transferred to Acct/Project# __________<br>☐ $_______ from unassigned fund balance will be used and added to Acct/Project# __________<br>☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# __________ |

**FINANCE VERIFICATION OF FUNDING:**

| | |
|---|---|
| **SUBMITTING STAFF MEMBER:**<br><br>Michelle Yi, City Treasurer | **CITY ADMINISTRATOR APPROVAL:** |

**ACTIONS TAKEN**

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

DIVIDER PAGE

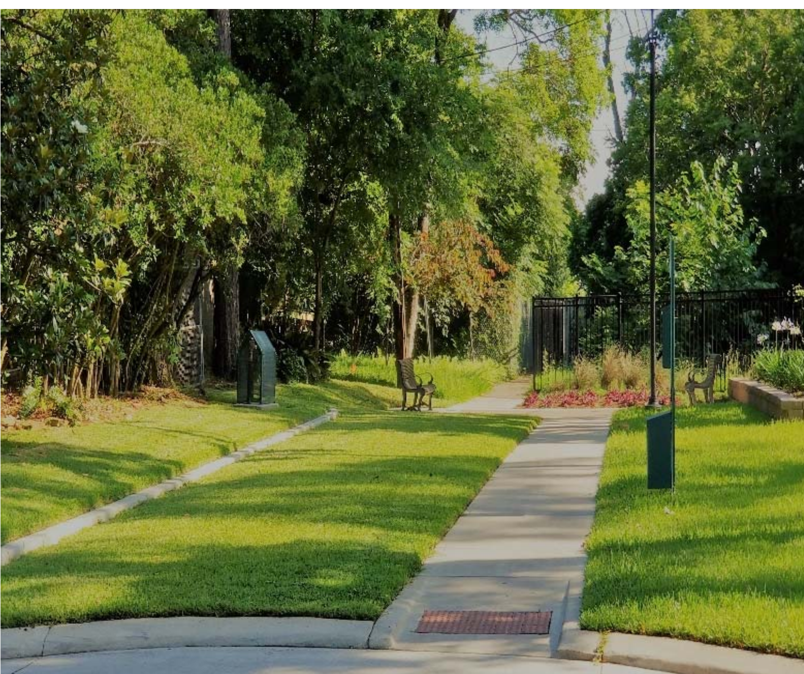
EST. 1955

# SPRING VALLEY VILLAGE, TEXAS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDING

## SEPTEMBER 30, 2018



*COMPREHENSIVE*
*ANNUAL FINANCIAL REPORT*

**of the**

# CITY OF SPRING VALLEY VILLAGE, TEXAS

**For the Year Ended**
**September 30, 2018**

**Prepared by:**

**Julie Robinson**
**City Administrator**

**Michelle Yi**
**City Treasurer**

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# City of Spring Valley Village, Texas

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**September 30, 2018**

# CITY OF SPRING VALLEY VILLAGE, TEXAS

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**September 30, 2018**

# *INTRODUCTORY SECTION*

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EST. 1955
SPRING VALLEY
VILLAGE

February 13, 2019

The Honorable Mayor, City Council
Members, and Citizens of the
City of Spring Valley Village, Texas:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Spring Valley Village, Texas (the "City") for the fiscal year ended September 30, 2018. This report is published to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe the data presented is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

Belt Harris Pechacek, LLLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

The City of Spring Valley Village, Texas (the "City") was incorporated under the laws of State of Texas in 1955. The City operates as a "General Law" City, which provides for a "Mayor-Council" form of government.

The City provides the following municipal services: public safety, highways and streets, sanitation, water and sewer services, 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. Spring Valley Village is one of the six Memorial Villages and located ten miles west of downtown Houston. As of September 30, 2018, the City has a land area of 1.6 square miles and an estimated population of approximately 4,336. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

## ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

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The City Ordinance establishes the fiscal year as October 1 through September 30. The Ordinance requires the City Administrator to submit a proposed budget and accompanying budget message to the Council each year. The proposed budget is reviewed by the Council and is formally adopted by the passage of a budget ordinance. The City Administrator is required to inform the Council of any revisions of expenditures for any fund or department revisions must be approved by the Council.

Budgetary control has been established at the department level. Monthly financial reports for Council are produced showing budget and actual revenues and expenditures. Individual line items are reviewed and analyzed for budgetary compliance.

## ECONOMIC CONDITION AND OUTLOOK

The City encompasses a 1.6 square mile area located along the north side of Interstate 10, approximately ten miles west of downtown Houston, Texas. The City has one of the most desired school districts in the Houston metropolitan area. The City is an integral part of the Houston metropolitan area and is completely surrounded by the cities of Houston, Hilshire Village, Hedwig Village, and Hunters Creek Village. The City is right next to the largest and busiest freeway in the nation. The City is primarily a residential area whose approximately 4,336 inhabitants are employed throughout the Houston urban area.

There is very little vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. The City continues to enjoy to a stable outlook with its property taxable value reaching over one billion in the fiscal year 2018 and double from ten years ago. Among reasons for this strength is the City's convenient proximity to the Galleria, Energy Corridor, downtown Houston, Medical District, as well as the ever evolving Memorial area.

The City's tax rate is among the lowest in the Houston area and is anticipated to remain relatively stable into the future due to projected stability in taxable values, the political stability of the community, and the underlying strength in the Greater Houston area economy.

The City's relative stability is the result of a desire for suburban families to live closer to work. The City has its own Police Department to maintain the low crime rate and its hometown appeal has attracted many of these families. These factors have contributed, and continue to contribute, to the relative stability of property values in the City.

The value of real property in the City is expected to stay strong in 2019. Expenditures are expected to remain steady with considerations for the continued competitive pressure on personnel costs and potential increases in the cost of employee health benefits.

## LONG-TERM FINANCIAL PLANNING

Capital improvement projects are funded with general governmental revenues. The City updates its Five-Year Capital Improvement Plan annually and regularly prepares short-term improvement plans for water, wastewater, drainage, municipal facilities, and parks. These plans are prepared by staff and presented to the Council for review and acceptance. The plans require funding sources to be identified for each project.

For the last several years, the City has been able to maintain its infrastructure on a cash basis. A portion of general fund revenues is allocated to the Capital Improvement Fund each year. Debt is issued when necessary to finance long-term capital improvements.

The City approved a slightly lower property tax rate for tax year 2018, fiscal year 2019.

## Major Initiatives

Fiscal Year 2017-2018 was a year of accomplishments for the City of Spring Valley Village. The list below highlights some of the significant City activities:

- The Park Improvement was completed in May of 2018
- The West Tex Sidewalk Improvement was completed in July of 2018
- The New Water Well is under design and the construction will start in early 2019
- Hilldale, Bade and Cardwell Paving and Utility Improvement project design was completed in Fiscal Year 2018 and the infrastructure will start in Fiscal Year 2019
- Cedarbrake Drainage Improvement project is under design and construction will occur in 2019

In fiscal year 2018, the City was also awarded the 1st star for traditional finances from the Texas Transparency program through the Texas Comptroller of Public Accounts. This program is designed to increase fiscal accountability at the local level and recognizes local governments for going above and beyond in their transparency efforts.

## Annual Budget

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 and Debt Service Fund are included in the annual operating budget. The Capital Improvement Plan is approved each year by the 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. 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.

## 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 assurance that employees in the normal course of business will detect and or prevent errors or irregularities that could be material to the financial statement.

## Independent Audit

Sections 103.001-103.004 of the Local Government Code require the City to have an annual audit of its financial records and accounts. The independent auditors' report, prepared by Belt Harris Pechacek, LLLP, is presented as the first component of the financial section of this report.

## Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Spring Valley Village for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**ACKNOWLEDGEMENTS**

The preparation of this CAFR would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those who were instrumental in the successful completion of this report. Additionally, I would also like to thank the Mayor, the Council, and the City Administrator for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Michelle Yi
City Treasurer

# City of Spring Valley Village, Texas

*LIST OF ELECTED OFFICIALS AND KEY STAFF*

**For the Year Ended September 30, 2018**

| Elected Officials | Position |
|---|---|
| Tom S. Ramsey | Mayor |
| Allen Carpenter | Council Member |
| David Dominy | Council Member |
| Tom Donaho | Council Member |
| Joy McCormack | Council Member |
| Marcus Vajdos | Council Member |

| Key Staff | Position |
|---|---|
| Julie Robinson | City Administrator |
| Roxanne Benitez | City Secretary |
| Michelle Yi | City Treasurer |
| Loyd R. Evans | Chief of Police |
| Arthur Faiello | Public Works Director |

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Spring Valley Village**

**Texas**

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

**September 30, 2017**

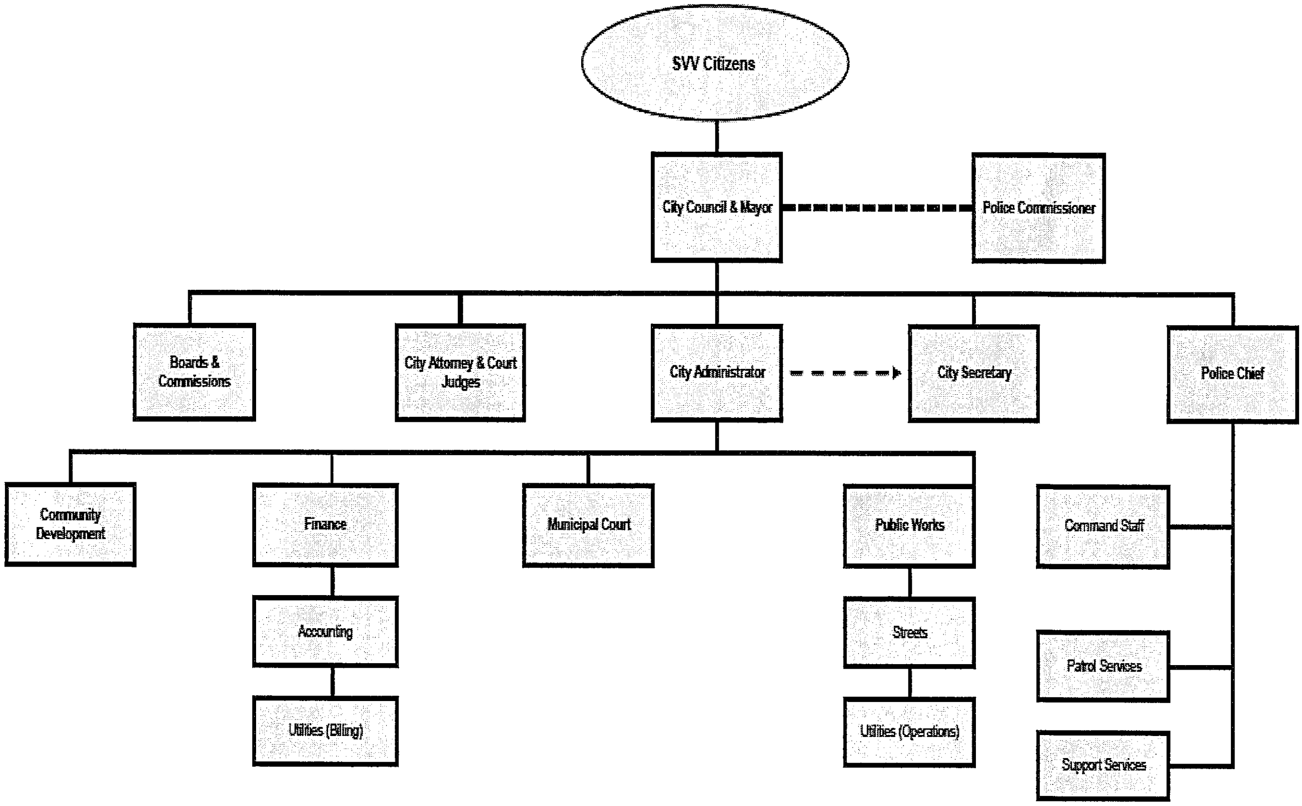
Christopher P. Morrill

Executive Director/CEO

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*ORGANIZATIONAL CHART*

**September 30, 2018**



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# *FINANCIAL SECTION*

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*INDEPENDENT AUDITORS' REPORT*

To the Honorable Mayor and
City Council Members of the
City of Spring Valley Village, Texas:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Spring Valley Village, Texas (the "City"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City as of September 30, 2018, 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.

**Emphasis of Matter**

*Change in Accounting Principle*

In 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

## Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and OPEB liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, 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.

*Other 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 introductory section, the supplementary information and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
*Certified Public Accountants*
Houston, Texas
February 13, 2019

# *MANAGEMENT'S DISCUSSION AND ANALYSIS*

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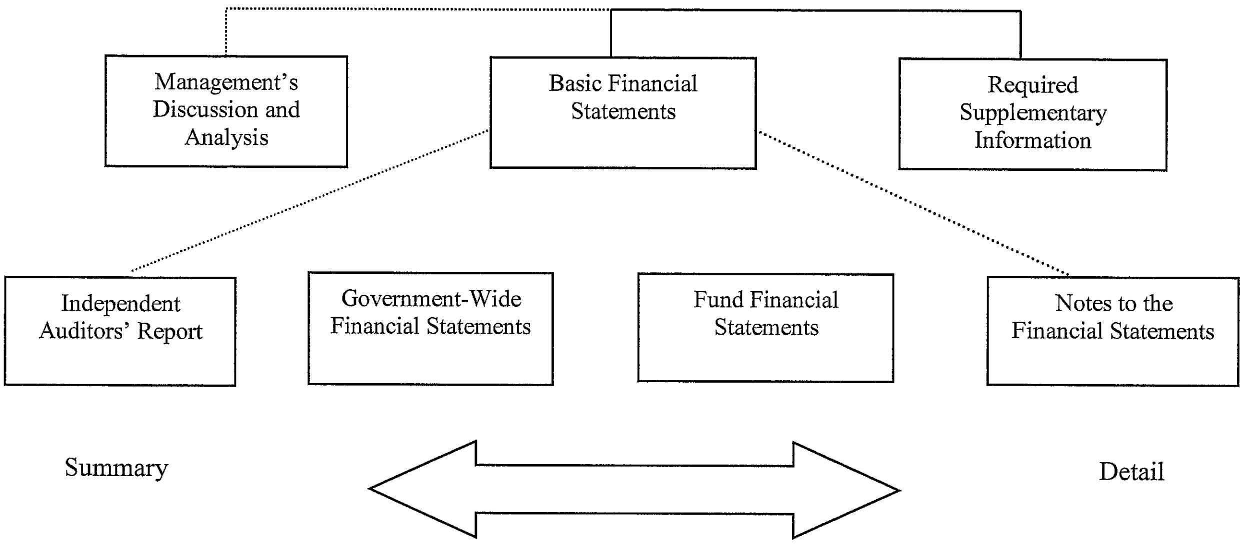
The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Spring Valley Village, Texas (the "City") for the year ended September 30, 2018. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analyses of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

## THE STRUCTURE OF OUR ANNUAL REPORT

**Components of the Financial Section**




The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

## GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/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. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The Statement of Activities presents information showing how the City'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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here, which include general government, public safety, and public works. Sales taxes, property taxes, franchise fees, and other revenue finance most of these activities.

2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water, wastewater, and solid waste operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate corporation, the Spring Valley Legacy Fund, Inc., for which the City is financially accountable. Although legally separate, this component unit functions for all practical purposes as department of the City and, therefore, is included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

## FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

### 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 the City'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 five governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital improvements fund, which are considered to be major funds for reporting purposes. The debt service fund, asset forfeiture fund, and legacy fund are nonmajor funds but the City has elected to present them as major funds for reporting purposes.

The City adopts annual appropriated budgets for its general fund and debt service fund. Budgetary comparison schedules have been provided for the general fund and debt service fund to demonstrate compliance with these budgets.

**Proprietary Funds**

The City maintains two 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 an enterprise fund to account for its water, wastewater, and solid waste contract services. The proprietary fund financial statements provide separate information for the water distribution and wastewater collection/treatment operations. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to account for its equipment replacement program. This internal service fund has been included within governmental activities in the governmental-wide financial statements.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension and OPEB liability and related ratios and a schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows exceed liabilities and deferred inflows by $45,839,377 as of September 30, 2018. The largest portion of the City's net position (76%) reflects its investment in capital assets (e.g., land and City hall, as well as the public works facilities). 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 assets themselves cannot be used to liquidate these liabilities.

## Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| Current and other assets | $ 11,316,780 | $ 1,523,394 | $ 12,840,174 | $ 10,495,535 | $ 1,606,940 | $ 12,102,475 |
| Capital assets, net | 41,023,330 | 7,783,788 | 48,807,118 | 40,870,108 | 7,628,446 | 48,498,554 |
| **Total Assets** | 52,340,110 | 9,307,182 | 61,647,292 | 51,365,643 | 9,235,386 | 60,601,029 |
| Deferred outflows - pensions | 194,233 | 36,998 | 231,231 | 617,416 | 122,426 | 739,842 |
| Deferred outflows - OPEB | 8,068 | 1,412 | 9,480 | 535 | 94 | 629 |
| **Total Deferred Outflows of Resources** | 202,301 | 38,410 | 240,711 | 617,951 | 122,520 | 740,471 |
| Long-term liabilities | 12,381,058 | 2,335,367 | 14,716,425 | 13,420,076 | 2,614,765 | 16,034,841 |
| Other liabilities | 641,430 | 370,809 | 1,012,239 | 783,649 | 443,287 | 1,226,936 |
| **Total Liabilities** | 13,022,488 | 2,706,176 | 15,728,664 | 14,203,725 | 3,058,052 | 17,261,777 |
| Deferred inflows - pensions | 282,997 | 36,965 | 319,962 | 55,672 | 9,746 | 65,418 |
| **Total Deferred Inflows of of Resources** | 282,997 | 36,965 | 319,962 | 55,672 | 9,746 | 65,418 |
| **Net Position:** | | | | | | |
| Net investment in capital assets | 28,879,559 | 6,099,675 | 34,979,234 | 28,189,939 | 5,764,333 | 33,954,272 |
| Restricted | 4,371,682 | 331,411 | 4,703,093 | 4,924,112 | 871,778 | 5,795,890 |
| Unrestricted | 5,985,685 | 171,365 | 6,157,050 | 4,610,146 | (346,003) | 4,264,143 |
| **Total Net Position** | $ 39,236,926 | $ 6,602,451 | $ 45,839,377 | $ 37,724,197 | $ 6,290,108 | $ 44,014,305 |

A portion of the City's net position, $4,703,093, represents resources restricted to a specific purpose. The balance of unrestricted net position, $6,157,050, may be used to meet the City's ongoing obligation to citizens and creditors. The City's total net position increased by $1,825,072 during the current fiscal year, an increase of 4% over the prior year. The overall condition of the City improved during the year primarily due to increases in charge for services, property tax and sales taxes.

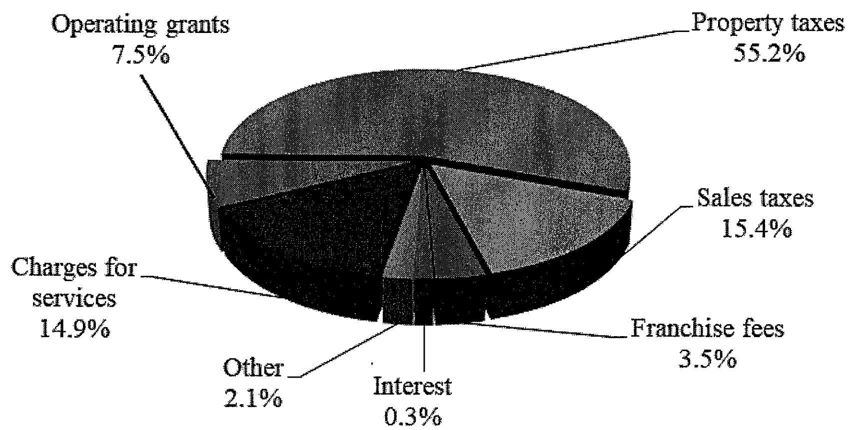
**Statement of Activities:**

The following table provides a summary of the City's changes in net position.

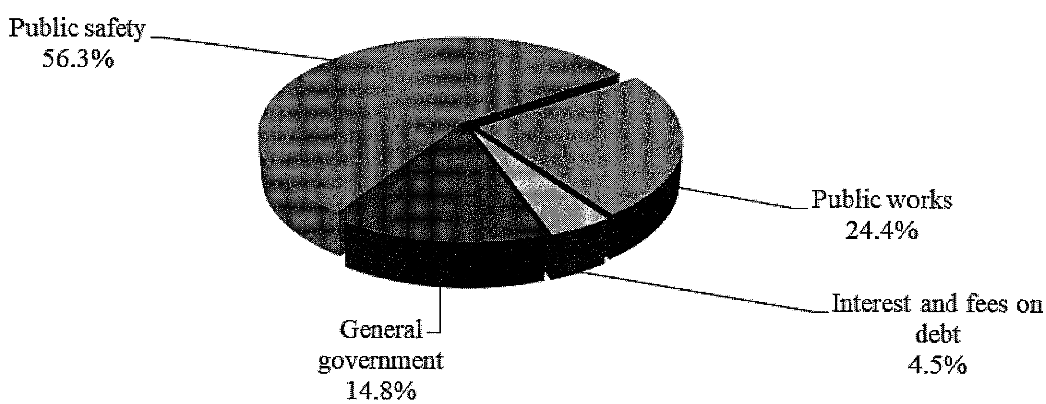
| | For the Year Ended September 30, 2018 | | | For the Year Ended September 30, 2017 | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total Primary Government | Governmental Activities | Business-Type Activities | Total Primary Government |
| **Revenues** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 1,390,239 | $ 3,069,771 | $ 4,460,010 | $ 1,140,544 | $ 2,940,857 | $ 4,081,401 |
| Operating grants | 702,846 | - | 702,846 | 620,005 | - | 620,005 |
| General revenues: | | | | | | |
| Property taxes | 5,138,264 | - | 5,138,264 | 4,693,922 | - | 4,693,922 |
| Sales taxes | 1,430,561 | - | 1,430,561 | 1,262,647 | - | 1,262,647 |
| Franchise fees | 326,582 | - | 326,582 | 339,607 | - | 339,607 |
| Interest | 124,225 | 4,950 | 129,175 | 57,565 | - | 57,565 |
| Other | 200,979 | 32,694 | 233,673 | 214,149 | 54,920 | 269,069 |
| **Total Revenues** | 9,313,696 | 3,107,415 | 12,421,111 | 8,328,439 | 2,995,777 | 11,324,216 |
| **Expenses** | | | | | | |
| General government | 1,154,184 | - | 1,154,184 | 903,011 | - | 903,011 |
| Public safety | 4,395,552 | - | 4,395,552 | 3,922,109 | - | 3,922,109 |
| Public works | 1,900,389 | - | 1,900,389 | 1,818,890 | - | 1,818,890 |
| Interest and fees on debt | 350,842 | 65,398 | 416,240 | 307,683 | 67,187 | 374,870 |
| Water, sewer, and waste | - | 2,729,674 | 2,729,674 | - | 2,997,183 | 2,997,183 |
| **Total Expenses** | 7,800,967 | 2,795,072 | 10,596,039 | 6,951,693 | 3,064,370 | 10,016,063 |
| **Change in Net Position** | 1,512,729 | 312,343 | 1,825,072 | 1,376,746 | (68,593) | 1,308,153 |
| Beginning net position | 37,724,197 | 6,290,108 | 44,014,305 | 36,347,451 | 6,358,701 | 42,706,152 |
| **Ending Net Position** | $ 39,236,926 | $ 6,602,451 | $ 45,839,377 | $ 37,724,197 | $ 6,290,108 | $ 44,014,305 |

Graphic presentations of the selected data from the summary tables follow to assist in the analysis of the City's activities.

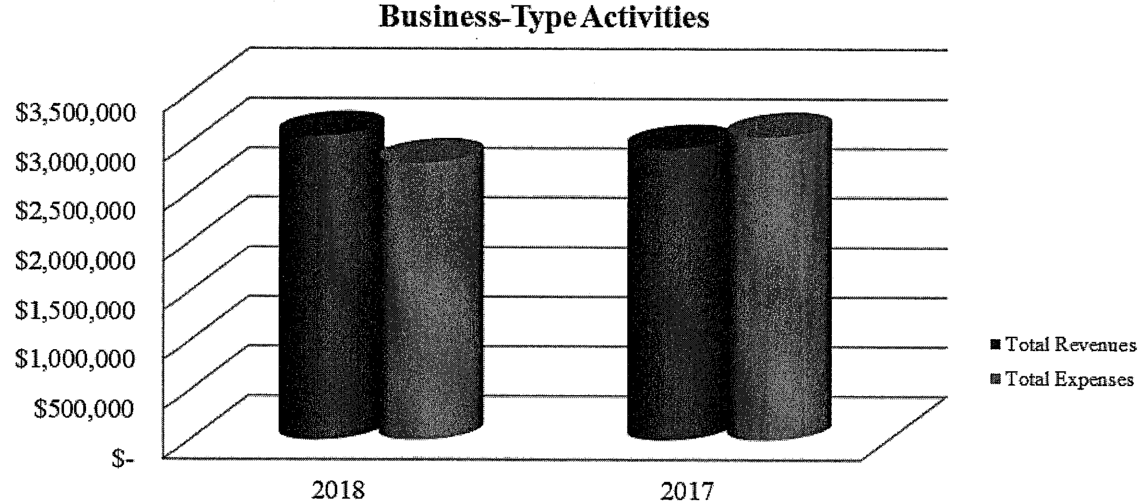
**Governmental Revenues**




**Governmental Expenses**




**Business-Type Activities**



Charges for services for governmental activities increased $249,695 or 22% due primarily to an increase in court fines and fees. Property tax revenue increased by $444,342 or 9% due to an increase in property tax values and increased collections from delinquent property taxes. Sales taxes revenue increased by $167,914 or 13% due to consumer spending increases. Total governmental expenses increased $849,274. General government expense increased $251,173 or 28% mainly due to an increase in utility cost, insurance for property, and personnel related costs. Public safety expenses increased $473,443 or 12% mainly due to an increase in personnel related costs and pension and other postemployment adjustments. Public work expense increased $81,499 or 4% mainly due to more road maintenance and repair.

Revenues for business-type activities increased by $111,638 or 4% from the prior year due to customers consuming more water. Business-type expenses decreased by $269,298 or 9% mainly due to a decrease in engineering fees for water and sewer projects.

## 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 on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of $9,073,856. At the end of the current year, $4,690,236 was unassigned. $1,939,646 was assigned for capital outlay of equipment and capital improvements. $2,272,228 was assigned for 120 days' expenditures. Total restricted fund balance for other various purposes was $159,808 and $11,938 was nonspendable for prepaid purposes.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was $4,685,444, while total fund balance reached $7,465,952. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 10 months of the general fund's expenditures. The general fund fund balance demonstrated an overall increase of $1,257,932 primarily due to an increase in revenue from charges for services, property and sales taxes.

The City's debt service fund had a fund balance of $4,792, which was an increase of $23,451. The debt service fund will collect property tax revenue to pay down debt principal and interest in subsequent years.

Overall, there was a decrease of $535,985 in the capital improvements fund due primarily to the capital projects expenditures. The fund balance was $1,580,379.

The asset forfeiture fund had a fund balance of $16,105, which was the same as the prior year.

The legacy fund had a fund balance of $6,628, which was a decrease of $25,423 primarily due to the less donation received.

**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 City's proprietary fund had a net position of $6,602,451, which was a decrease of $312,343 mainly due to water purchases, personnel related costs and engineering fees.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues exceeded budgeted revenues by $719,612 during the year. This net positive variance includes the positive variance of $290,284 for fines and forfeitures fees, $187,461 for sales taxes due to an increase in consumer spending, and $103,964 in interest income due to higher interest rates for investments. General fund expenditures were under the final budget by $446,624 mainly due to a positive variance of $289,669 and $110,619 for the police department and general government, respectively. These positive variances are a result of incurring less costs for public safety and general government than expected.

## CAPITAL ASSETS

At the end of the year, the City's had invested $48,807,118 in capital assets and infrastructure (net of accumulated depreciation). This represents an increase of $153,222 from the prior year.

Major capital asset events during the year included the following:

- Completion of City Hall and Police Station project for $357,240
- Engineering design for New Production Well for $125,592
- Park improvement for $1,447,869
- Final impact fee payment to City of Houston for Water Connection project for $580,612
- Purchase of three Police and two Public Works vehicles for $213,575

More detailed information about the City's capital assets is presented in note III. C. to the financial statements.

## LONG-TERM DEBT

At the end of the current year, the City had total long-term debt outstanding of $14,345,000. Of this amount, $12,035,000 was general obligation debt and $2,310,000 was revenue bond debt.

More detailed information about the City's long-term liabilities is presented in note III. D. to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council approved of a $9.17 million budget for the 2018/2019 year. The property tax rate for 2018 was $0.430 per $100 of property valuation.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Michelle Yi, City Treasurer, Spring Valley Village City Hall, 1025 Campbell Road, Houston, Texas, 77055; telephone (713) 465-8308.

# *BASIC FINANCIAL STATEMENTS*

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

*STATEMENT OF NET POSITION*

**September 30, 2018**

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total |
| **Assets** | | | |
| Current assets: | | | |
| Cash and cash equivalents: | | | |
| Unrestricted | $ 10,560,922 | $ 738,355 | $ 11,299,277 |
| Restricted | 171,108 | 331,411 | 502,519 |
| Investments | 211,117 | - | 211,117 |
| Receivables, net | 286,537 | 448,289 | 734,826 |
| Prepaid items | 11,938 | - | 11,938 |
| | 11,241,622 | 1,518,055 | 12,759,677 |
| Noncurrent assets: | | | |
| Net pension asset | 75,158 | 5,339 | 80,497 |
| Nondepreciable capital assets | 2,302,216 | 130,799 | 2,433,015 |
| Net depreciable capital assets | 38,721,114 | 7,652,989 | 46,374,103 |
| | 41,098,488 | 7,789,127 | 48,887,615 |
| **Total Assets** | 52,340,110 | 9,307,182 | 61,647,292 |
| **Deferred Outflows of Resources** | | | |
| Deferred outflows - pensions | 194,233 | 36,998 | 231,231 |
| Deferred outflows - OPEB | 8,068 | 1,412 | 9,480 |
| **Total Deferred Outflowsw of Resources** | 202,301 | 38,410 | 240,711 |
| **Liabilities** | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 523,002 | 208,399 | 731,401 |
| Accrued interests | 45,959 | 8,186 | 54,145 |
| Customer deposits | 72,469 | 154,224 | 226,693 |
| Long-term liabilities due within one year | 660,886 | 189,867 | 850,753 |
| | 1,302,316 | 560,676 | 1,862,992 |
| Noncurrent liabilities: | | | |
| Total OPEB liability | 114,080 | 19,959 | 134,039 |
| Long-term liabilities due in more than one year | 11,606,092 | 2,125,541 | 13,731,633 |
| | 11,720,172 | 2,145,500 | 13,865,672 |
| **Total Liabilities** | 13,022,488 | 2,706,176 | 15,728,664 |
| **Deferred Inflows of Resources** | | | |
| Deferred inflows - pensions | 282,997 | 36,965 | 319,962 |
| **Net Position** | | | |
| Net investment in capital assets | 28,879,559 | 6,099,675 | 34,979,234 |
| Restricted: | | | |
| Municipal court - child safety | 72,286 | - | 72,286 |
| Municipal court - security | 64,789 | - | 64,789 |
| Debt service | - | 245,891 | 245,891 |
| Asset forfeitures | 16,105 | - | 16,105 |
| 120 days expenditures | 2,272,228 | - | 2,272,228 |
| Capital outlay and projects | 1,939,646 | 85,520 | 2,025,166 |
| Legacy fund | 6,628 | - | 6,628 |
| Unrestricted | 5,985,685 | 171,365 | 6,157,050 |
| **Total Net Position** | $ 39,236,926 | $ 6,602,451 | $ 45,839,377 |

See Notes to Financial Statements.

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*STATEMENT OF ACTIVITIES*

**For the Year Ended September 30, 2018**

| | | Program Revenues | |
|---|---|---|---|
| **Functions/Programs** | **Expenses** | **Charges for Services** | **Operating Grants and Contributions** |
| **Primary Government:** | | | |
| **Governmental Activities** | | | |
| General government | $ 1,154,184 | $ 196,591 | $ - |
| Public safety | 4,395,552 | 1,193,648 | - |
| Public works | 1,900,389 | - | 702,846 |
| Interest and other charges on long-term debt | 350,842 | - | - |
| **Total Governmental Activities** | 7,800,967 | 1,390,239 | 702,846 |
| **Business-Type Activities** | | | |
| Water, sewer, and solid waste | 2,795,072 | 3,069,771 | - |
| **Total Business-Type Activities** | 2,795,072 | 3,069,771 | - |
| **Total Primary Government** | $ 10,596,039 | $ 4,460,010 | $ 702,846 |

**General Revenues:**

Taxes:

Property taxes

Sales taxes

Franchise fees

Investment income

Other

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

| Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|
| Primary Government | | |
| Governmental Activities | Business-Type Activities | Total |
| $ (957,593) | $ - | $ (957,593) |
| (3,201,904) | - | (3,201,904) |
| (1,197,543) | - | (1,197,543) |
| (350,842) | - | (350,842) |
| (5,707,882) | - | (5,707,882) |
| - | 274,699 | 274,699 |
| - | 274,699 | 274,699 |
| (5,707,882) | 274,699 | (5,433,183) |
| 5,138,264 | - | 5,138,264 |
| 1,430,561 | - | 1,430,561 |
| 326,582 | - | 326,582 |
| 124,225 | 4,950 | 129,175 |
| 200,979 | 32,694 | 233,673 |
| 7,220,611 | 37,644 | 7,258,255 |
| 1,512,729 | 312,343 | 1,825,072 |
| 37,724,197 | 6,290,108 | 44,014,305 |
| $ 39,236,926 | $ 6,602,451 | $ 45,839,377 |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*BALANCE SHEET*

*GOVERNMENTAL FUNDS*

**September 30, 2018**

| | General | Debt Service | Capital Improvements | Asset Forfeiture |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 7,472,024 | $ 28,449 | $ 1,799,734 | $ 16,105 |
| Investments | 211,117 | - | - | - |
| Receivables, net | 282,889 | 3,648 | - | - |
| Due from other funds | - | 15,519 | 26,322 | - |
| Prepaid items | 11,938 | - | - | - |
| Restricted cash | 171,108 | - | - | - |
| **Total Assets** | $ 8,149,076 | $ 47,616 | $ 1,826,056 | $ 16,105 |
| **Liabilities** | | | | |
| Accounts payable and accrued liabilities | $ 259,501 | $ 17,824 | $ 245,677 | $ - |
| Deposits | 72,469 | - | - | - |
| Due to other funds | 316,841 | 25,000 | - | - |
| **Total Liabilities** | 648,811 | 42,824 | 245,677 | - |
| **Deferred Inflows of Resources** | | | | |
| Unavailable revenue - property taxes | 34,313 | - | - | - |
| **Fund Balances** | | | | |
| Nonspendable: | | | | |
| Prepaids | 11,938 | - | - | - |
| Restricted: | | | | |
| Municipal court - child safety | 72,286 | - | - | - |
| Municipal court - security | 64,789 | - | - | - |
| Asset forfeitures | - | - | - | 16,105 |
| Legacy fund | - | - | - | - |
| Assigned: | | | | |
| 120 days expenditures | 2,272,228 | - | - | - |
| Capital outlay and projects | 359,267 | - | 1,580,379 | - |
| Unassigned | 4,685,444 | 4,792 | - | - |
| **Total Fund Balances** | 7,465,952 | 4,792 | 1,580,379 | 16,105 |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | $ 8,149,076 | $ 47,616 | $ 1,826,056 | $ 16,105 |

See Notes to Financial Statements.

| Legacy | Total Governmental Funds |
|---|---|
| $ 6,628 | $ 9,322,940 |
| - | 211,117 |
| - | 286,537 |
| - | 41,841 |
| - | 11,938 |
| - | 171,108 |
| $ 6,628 | $ 10,045,481 |
| | |
| $ - | $ 523,002 |
| - | 72,469 |
| - | 341,841 |
| - | 937,312 |
| | |
| - | 34,313 |
| | |
| - | 11,938 |
| | |
| - | 72,286 |
| - | 64,789 |
| - | 16,105 |
| 6,628 | 6,628 |
| | |
| - | 2,272,228 |
| - | 1,939,646 |
| - | 4,690,236 |
| 6,628 | 9,073,856 |
| | |
| $ 6,628 | $ 10,045,481 |

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# City of Spring Valley Village, Texas

## *RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION*

**September 30, 2017**

| | | |
|---|---|---|
| Total fund balances for governmental funds | $ | 9,073,856 |
| 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. | | |
| Capital assets, nondepreciable | | 2,302,216 |
| Capital assets, net depreciable | | 38,721,114 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | 34,313 |
| Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position. | | 1,537,982 |
| Deferred outflows and deferred inflows related to pension activity are not reported in the governmental funds. | | |
| Deferred outflows - pensions | | 194,233 |
| Deferred outflows - OPEB | | 8,068 |
| Deferred inflows - pensions | | (282,997) |
| Net pension asset | | 75,158 |
| Total OPEB liability | | (114,080) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Accrued interest payable | | (45,959) |
| Noncurrent liabilities due in one year | | (660,886) |
| Noncurrent liabilities due in more than one year | | (11,606,092) |
| **Net Position of Governmental Activities** | $ | 39,236,926 |

See Notes to Financial Statements.

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS*

**For the Year Ended September 30, 2018**

| | General | Debt Service | Capital Improvements | Asset Forfeiture |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property taxes | $ 4,196,077 | $ 932,470 | $ - | $ - |
| Sales taxes | 1,430,561 | - | - | - |
| Franchise fees | 326,582 | - | - | - |
| Fines and forfeitures | 745,884 | - | - | - |
| Licenses and permits | 196,591 | - | - | - |
| Hilshire police contract | 447,764 | - | - | - |
| Investment income | 123,964 | - | 261 | - |
| Intergovernmental | 702,846 | - | - | - |
| Other | 103,808 | - | - | - |
| **Total Revenues** | 8,274,077 | 932,470 | 261 | - |
| **Expenditures** | | | | |
| **Current:** | | | | |
| General government | 1,509,517 | - | - | - |
| Public safety | 3,623,776 | - | - | - |
| Public works | 314,546 | - | - | - |
| **Capital outlay** | - | - | 2,060,288 | - |
| **Debt service:** | | | | |
| Principal | - | 530,000 | - | - |
| Interest and fiscal charges | - | 379,019 | - | - |
| **Total Expenditures** | 5,447,839 | 909,019 | 2,060,288 | - |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 2,826,238 | 23,451 | (2,060,027) | - |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | - | - | 1,524,042 | - |
| Transfers (out) | (1,603,399) | - | - | - |
| Sale of capital assets | 35,093 | - | - | - |
| **Total Other Financing Sources (Uses)** | (1,568,306) | - | 1,524,042 | - |
| **Net Change in Fund Balances** | 1,257,932 | 23,451 | (535,985) | - |
| Beginning fund balances | 6,208,020 | (18,659) | 2,116,364 | 16,105 |
| **Ending Fund Balances** | $ 7,465,952 | $ 4,792 | $ 1,580,379 | $ 16,105 |

See Notes to Financial Statements.

| Legacy | Total Governmental Funds |
|---|---|
| $ - | $ 5,128,547 |
| - | 1,430,561 |
| - | 326,582 |
| - | 745,884 |
| - | 196,591 |
| - | 447,764 |
| - | 124,225 |
| - | 702,846 |
| 4,600 | 108,408 |
| 4,600 | 9,211,408 |
| | |
| - | 1,509,517 |
| 30,023 | 3,653,799 |
| - | 314,546 |
| - | 2,060,288 |
| | |
| - | 530,000 |
| - | 379,019 |
| 30,023 | 8,447,169 |
| | |
| (25,423) | 764,239 |
| | |
| - | 1,524,042 |
| - | (1,603,399) |
| - | 35,093 |
| - | (44,264) |
| | |
| (25,423) | 719,975 |
| | |
| 32,051 | 8,353,881 |
| | |
| $ 6,628 | $ 9,073,856 |

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES*

**For the Year Ended September 30, 2018**

| | | |
|---|---|---|
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Net change in fund balances - total governmental funds | $ | 719,975 |
| 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 expense. | | |
| Capital asset acquisitions and retirements | | 1,487,578 |
| Depreciation expense | | (2,026,563) |
| Net effect on asset disposal | | 692,207 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Net change in unavailable revenue - property taxes | | 9,717 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | |
| Accrued interest expense | | 21,779 |
| Premium on debt | | 6,398 |
| Principal payment | | 530,000 |
| 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. | | |
| Compensated absences | | (4,422) |
| Net pension asset | | 598,168 |
| Total OPEB liability | | (15,969) |
| Deferred outflows - pensions | | (61,795) |
| Deferred outflows - OPEB | | 7,533 |
| Deferred inflows - pensions | | (588,712) |
| An internal service fund is used by management to charge the costs of providing various services and benefits to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities. | | 136,835 |
| **Change in Net Position of Governmental Activities** | $ | 1,512,729 |

See Notes to Financial Statements.

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *STATEMENT OF NET POSITION*
## *PROPRIETARY FUNDS*

**September 30, 2018**

| | Business-Type Activities | Governmental Activities |
|---|---|---|
| | Enterprise | Internal Service |
| **Assets** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 738,355 | $ 1,237,982 |
| Restricted cash | 331,411 | - |
| Receivables, net | 448,289 | - |
| Due from general fund | - | 300,000 |
| **Total Current Assets** | 1,518,055 | 1,537,982 |
| **Noncurrent Assets** | | |
| Net pension asset | 5,339 | - |
| Capital assets: | | |
| Land | 5,207 | - |
| Construction in progress | 125,592 | - |
| Building | 44,708 | - |
| Infrastructure | 26,892 | - |
| Water system | 9,405,792 | - |
| Sewer system | 5,741,776 | - |
| Vehicles | 45,895 | - |
| Machinery and equipment | 214,287 | - |
| Less accumulated depreciation | (7,826,361) | - |
| **Total Capital Assets Net of Depreciable Assets** | 7,783,788 | - |
| **Total Noncurrent Assets** | 7,789,127 | - |
| **Total Assets** | 9,307,182 | 1,537,982 |
| **Deferred Outflows of Resources** | | |
| Deferred outflows - pensions | 36,998 | - |
| Deferred outflows - OPEB | 1,412 | - |
| **Total Deferred Outflows of Resources** | 38,410 | - |
| **Liabilities** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | 208,399 | - |
| Due to other funds | - | - |
| Customer deposits | 154,224 | - |
| Accrued interest payable | 8,186 | - |
| Long-term liabilities due within one year | 189,867 | - |
| **Total Current Liabilities** | 560,676 | - |
| **Noncurrent Liabilities** | | |
| Total OPEB liability | 19,959 | - |
| Long-term liabilities due in more than one year | 2,125,541 | - |
| **Total Noncurrent Liabilities** | 2,145,500 | - |
| **Total Liabilities** | 2,706,176 | - |
| **Deferred Inflows of Resources** | | |
| Deferred inflows - pensions | 36,965 | - |
| **Net Position** | | |
| Net investment in capital assets | 6,099,675 | - |
| Restricted for capital projects | 85,520 | - |
| Restricted for debt service | 245,891 | - |
| Unrestricted | 171,365 | 1,537,982 |
| **Total Net Position** | $ 6,602,451 | $ 1,537,982 |

See Notes to Financial Statements.

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS*

**For the Year Ended September 30, 2018**

| | Business-Type Activities | Governmental Activities |
|---|---|---|
| | **Enterprise** | **Internal Service** |
| **Operating Revenues** | | |
| Water charges | $ 1,489,417 | $ - |
| Sewer charges | 1,253,352 | - |
| Solid waste charges | 327,002 | - |
| Charges for services | - | 119,218 |
| Other | 32,694 | - |
| **Total Operating Revenues** | 3,102,465 | 119,218 |
| **Operating Expenses** | | |
| General and administrative | 604,075 | 62,082 |
| Water | 402,113 | - |
| Sewer | 850,595 | - |
| Solid waste | 316,804 | - |
| Depreciation | 556,087 | - |
| **Total Operating Expenses** | 2,729,674 | 62,082 |
| **Operating Income (Loss)** | 372,791 | 57,136 |
| **Nonoperating Revenues (Expenses)** | | |
| Investment earnings | 4,950 | 342 |
| Interest expense | (65,398) | - |
| **Total Nonoperating (Expenses)** | (60,448) | 342 |
| **(Loss) Before Transfers** | 312,343 | 57,478 |
| Transfers in | - | 79,357 |
| **Change in Net Position** | 312,343 | 136,835 |
| Beginning net position | 6,290,108 | 1,401,147 |
| **Ending Net Position** | $ 6,602,451 | $ 1,537,982 |

See Notes to Financial Statements.

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

*STATEMENT OF CASH FLOWS*

*PROPRIETARY FUNDS*

**For the Year Ended September 30, 2018**

| | Business-Type Activities | Governmental Activities |
|---|---|---|
| | Enterprise | Internal Service |
| **Cash Flows from Operating Activities** | | |
| Receipts from customers | $ 3,051,808 | $ 119,218 |
| Payments to suppliers | (1,565,324) | (65,977) |
| Payments to employees | (680,055) | - |
| **Net Cash Provided by Operating Activities** | 806,429 | 53,241 |
| **Cash Flows from Noncapital Financing Activities** | | |
| Transfers in | - | 79,357 |
| **Net Cash by Noncapital Financing Activities** | - | 79,357 |
| **Cash Flows from Capital and Related Financing Activities** | | |
| Capital purchases | (711,429) | - |
| Interest and fiscal agent fees paid | (65,398) | - |
| Debt payments | (180,000) | - |
| **Net Cash (Used) by Capital and Related Financing Activities** | (956,827) | - |
| **Cash Flows from Investing Activities** | | |
| Interest on investments | 4,950 | 342 |
| **Net Cash Provided by Investing Activities** | 4,950 | 342 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | (145,448) | 132,940 |
| Beginning cash and cash equivalents | 1,215,214 | 1,105,042 |
| **Ending Cash and Cash Equivalents** | $ 1,069,766 | $ 1,237,982 |
| **Ending Cash and Cash Equivalents** | | |
| Unrestricted cash and cash equivalents | $ 738,355 | $ 1,237,982 |
| Restricted cash and cash equivalents | 331,411 | - |
| | $ 1,069,766 | $ 1,237,982 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | |
| Operating income | $ 372,791 | $ 57,136 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 556,087 | - |
| **Changes in Operating Assets and Liabilities:** | | |
| **(Increase) Decrease in:** | | |
| Accounts receivable | (56,563) | - |
| Deferred outflows - pensions | 85,428 | - |
| Deferred outflows - OPEB | (1,319) | - |
| Net pension asset | (104,675) | - |
| **Increase (Decrease) in:** | | |
| Accounts payable and accrued liabilities | (78,384) | (3,895) |
| Total OPEB liability | 2,795 | - |
| Deferred inflows - pensions | 27,219 | - |
| Compensated absences | (2,856) | - |
| Customer deposits | 5,906 | - |
| **Net Cash Provided by Operating Activities** | $ 806,429 | $ 53,241 |

See Notes to Financial Statements.

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The City of Spring Valley Village, Texas (the "City") was incorporated under the laws of the State of Texas in 1955. The City operates as a "General Law" city, which provides for a "Mayor-Council" form of government.

The City provides the following services: public safety, park, streets, sanitation, water and sewer services, 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 generally accepted accounting principles, 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. 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.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. 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 generally accepted accounting principles 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.

**Blended Component Unit**

**Spring Valley Legacy Fund, Inc.**

The Spring Valley Legacy Fund, Inc. (the "Corporation") has been included in the reporting entity as a blended component unit. The Corporation was established to allow the City to receive private and corporate donations to be used solely to benefit the Spring Valley Police Department. The Board of Directors consists of six members, all members of the City Council, for terms of office coinciding with their respective terms of office with the City, plus one appointed individual.

The component unit identified above is included in the City's reporting entity because of the significance of its operational or financial relationships with the City. The City appoints a majority of the Corporation's Board and is either able to impose its will on it or a financial benefit/burden exists.

Complete financial statements of the corporation can be obtained directly from administrative offices of the City.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial 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 water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The City reports the following governmental funds:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, and public works. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *capital improvements fund* is used to account for the expenditures related to capital projects through resources accumulated from various internal transfers and bond financing. The capital improvements fund is considered a major fund for reporting purposes.

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue fund, asset forfeiture, holds monies seized by the police department to be used for public safety and security. The City has elected to report the asset forfeiture fund as a major fund for reporting purposes.

The *legacy fund* is used solely to benefit the Spring Valley Police Department. The primary source of revenue for legacy fund is from private and corporate donations. The City has elected to report the legacy fund as a major fund for reporting purposes.

The City reports the following enterprise fund:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection, wastewater treatment, and sanitation 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) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The enterprise fund is considered a major fund for reporting purposes.

Additionally, the City reports the following fund type:

The *internal service* fund is used to account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The internal service fund is used to account for vehicle and equipment replacement.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

## E. 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 and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City 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 under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, 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 capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal 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 for this revenue source (within 60 days of year end). 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 for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

## F. 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, demand deposits, balances in statewide investment pools (TexPool), and short-term investments with original maturities of three months or less from the date of acquisition. 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.

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

### 2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposits, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government or U.S. Government agencies
Fully collateralized certificates of deposit
Money market mutual funds that meet certain criteria
Bankers' acceptances
Statewide investment pools

### 3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

### 4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the enterprise fund are restricted by bond covenants for repayment of debt and to finance construction projects

### 5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with the construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful years:

| Asset Description | Estimated Useful Life |
|---|---|
| Vehicles | 5 years |
| Furniture and fixtures | 4-8 years |
| Infrastructure | 40 years |
| Machinery and equipment | 4-8 years |
| Water and sewer system | 20-40 years |
| Buildings | 40 years |

### 6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred charge has been recognized for the changes in actuarial assumptions related to the City's defined benefit pension and OPEB plans. This amount is deferred and amortized over the average of the expected service lives of pension plan members. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability (asset) during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category in the government-wide Statement of Net Position. Deferred inflows of resources are recognized as a result of differences between the expected and the actual economic experience on the pension plan liability related to the City's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. Deferred inflows of resources are recognized for the difference between the projected and actual investment earnings related to the City's defined benefit pension plan. This amount is deferred and amortized over a period of five years. At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**7. Compensated Employee Absences**

The City maintains formal programs for vacation and sick leave. Vacation pay is calculated six months from the date of employment and is cumulative up to 80 hours for employees with less than five years of service and 120 hours for employees with more than five years of service. According to policy, 40 hours may carry over at year end if no exceptions are made. Sick leave is accumulated up to 240 hours but does not vest.

**8. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

### 9. 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. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### 10. Fund Balance Flow Assumptions

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.

### 11. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a 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 adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The 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 only 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.

The City will strive to achieve and maintain an unassigned fund balance in the general fund equal to at least 120 days of budgeted operating expenditures. If the unassigned fund balance falls below the target or has a deficiency, the City will seek to reduce expenditures prior to increasing revenues in order to replenish the fund balance within a reasonable time frame not to exceed three years.

### 12. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### 13. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS'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.

### 14. Other Postemployment Benefits

The City participates in a single-employer, unfunded, 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 funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the City's yearly contributions for retirees.

## G. 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 taxes are levied during September of each year, are due upon receipt of the City's tax bill, and become delinquent on February 1 of the following year. The City's tax lien exists from January 1 (the assessment date) each year until the taxes are paid. The penalties and interest accumulate on the unpaid accounts until July 1, at which time the delinquent accounts are turned over to the tax attorney for legal action.

### 3. Proprietary Funds 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 and internal service 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 the enterprise fund and internal service fund 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.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is the object and purpose stated in the approved budget.

## III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

### A. Deposits and Investments

As of September 30, 2018, the City had the following investments:

| Investment Type | Fair Value | Weighted Average Maturity (Years) |
|---|---|---|
| External invesment pool (TexPool) | $ 8,449,327 | 0.00 |
| Certificates of deposit | 211,117 | 0.21 |
| **Total Investments** | $ 8,660,444 | |
| Portfolio Weighted Average Maturity | | 0.01 |

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk.* State law and the City's investment policy limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of year end, the City's investment in TexPool was rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency.

*Custodial credit risk – 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. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities with a collective market value of at least 102 percent. As of September 30, 2018, market values of pledged securities and FDIC coverage exceeded bank balances.

**<u>TexPool</u>**

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, and diversification requirements within TexPool. TexPool transacts at a net asset value of $1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

## B. Receivables

The following comprises receivable balances at year end:

| | General | Debt Service | Enterprise |
|---|---|---|---|
| Property taxes | $ 34,313 | $ 3,648 | $ - |
| Other taxes | 248,576 | - | - |
| Accounts | - | - | 475,489 |
| Less allowance | - | - | (27,200) |
| **Total** | $ 282,889 | $ 3,648 | $ 448,289 |

## C. Capital Assets

A summary of changes in capital assets for the year end is as follows:

| | Beginning Balance | Increases | (Decreases) | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 1,966,307 | $ - | $ - | $ 1,966,307 |
| Construction in progress | 396,008 | 270,121 | (330,220) | 335,909 |
| **Total Capital Assets Not Being Depreciated** | 2,362,315 | 270,121 | (330,220) | 2,302,216 |
| Other capital assets: | | | | |
| Infrastructure | 53,561,303 | 1,741,359 | (3,617) | 55,299,045 |
| Buildings | 8,536,367 | 357,240 | (612,419) | 8,281,188 |
| Furniture and fixtures | 1,911,605 | 6,090 | - | 1,917,695 |
| Machinery and equipment | 724,840 | 9,415 | (40,920) | 693,335 |
| Vehicles | 830,501 | 213,575 | (123,046) | 921,030 |
| **Total Other Capital Assets** | 65,564,616 | 2,327,679 | (780,002) | 67,112,293 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (24,951,282) | (1,382,538) | - | (26,333,820) |
| Buildings | (744,015) | (206,590) | 528,241 | (422,364) |
| Furniture and fixtures | (299,318) | (238,617) | - | (537,935) |
| Machinery and equipment | (514,642) | (55,808) | 40,920 | (529,530) |
| Vehicles | (547,566) | (143,010) | 123,046 | (567,530) |
| **Total Accumulated Depreciation** | (27,056,823) | (2,026,563) | 692,207 | (28,391,179) |
| Other capital assets, net | 38,507,793 | 301,116 | (87,795) | 38,721,114 |
| **Governmental Activities Capital Assets, Net** | $ 40,870,108 | $ 571,237 | $ (418,015) | 41,023,330 |
| | | Less associated debt | | (12,143,771) |
| | | **Net Investment in Capital Assets** | | $ 28,879,559 |

Depreciation was charged to governmental functions as follows:

| | |
|---|---|
| General government | $ 321,573 |
| Public safety | 290,902 |
| Public works | 1,414,088 |
| **Total Governmental Activities Depreciation Expense** | $ 2,026,563 |

A summary of changes in capital assets for business-type activities for the year end is as follows:

| | Beginning Balance | Increases | (Decreases) | Ending Balance |
|---|---|---|---|---|
| **Business-Type Activities** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 5,207 | $ - | $ - | $ 5,207 |
| Construction in progress | - | 125,592 | - | 125,592 |
| **Total Capital Assets Not Being Depreciated** | 5,207 | - | - | 130,799 |
| Other capital assets: | | | | |
| Building | 44,708 | - | - | 44,708 |
| Infrastructure | 26,892 | - | - | 26,892 |
| Water system | 8,825,180 | 580,612 | - | 9,405,792 |
| Sewer system | 5,741,776 | - | - | 5,741,776 |
| Vehicles | 45,895 | - | - | 45,895 |
| Machinery and equipment | 209,062 | 5,225 | - | 214,287 |
| **Total Other Capital Assets** | 14,893,513 | 585,837 | - | 15,479,350 |
| Less accumulated depreciation for: | | | | |
| Building | (32,197) | (639) | - | (32,836) |
| Infrastructure | (6,723) | (672) | - | (7,395) |
| Water system | (4,776,649) | (363,315) | - | (5,139,964) |
| Sewer system | (2,285,678) | (171,506) | - | (2,457,184) |
| Vehicles | (45,894) | - | - | (45,894) |
| Machinery and equipment | (123,133) | (19,955) | - | (143,088) |
| **Total Accumulated Depreciation** | (7,270,274) | (556,087) | - | (7,826,361) |
| Other capital assets, net | 7,623,239 | 29,750 | - | 7,652,989 |
| **Business-Type Activities Capital Assets, Net** | $ 7,628,446 | $ 29,750 | $ - | 7,783,788 |
| | | Less associated debt | | (2,310,000) |
| | | Unspent bond proceeds | | 625,887 |
| | | **Net Investment in Capital Assets** | | $ 6,099,675 |

Depreciation was charged to business-type functions as follows:

| | |
|---|---|
| Water | $ 384,581 |
| Sewer | 171,506 |
| **Total Business-Type Activities Depreciation Expense** | $ 556,087 |

**D. Long-Term Debt**

The following is a summary of changes in the City's total long-term liabilities for the year. In general, the City uses the general fund and debt service fund to liquidate governmental long-term liabilities.

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| General obligation bonds series 2015 | $ 12,565,000 | $ - | $ (530,000) | $ 12,035,000 * | $ 550,000 |
| Premiums | 115,169 | - | (6,398) | 108,771 * | - |
| Net pension liability (asset) | 523,010 | - | (598,168) | (75,158) | - |
| Net OPEB liability | 98,111 | 15,969 | - | 114,080 | - |
| Compensated absences | 118,785 | 107,720 | (103,298) | 123,207 | 110,886 |
| **Total Governmental Activities** | $ 13,420,075 | $ 123,689 | $ (1,237,864) | $ 12,305,900 | $ 660,886 |
| **Long-term liabilities due in more than one year** | | | | $ 11,645,014 | |
| *** Debt associated with governmental activities capital assets** | | | | $ 12,143,771 | |

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Business-Type Activities:** | | | | | |
| Revenue bonds, series 2014 | $ 2,490,000 | $ - | $ (180,000) | $ 2,310,000 * | $ 185,000 |
| Net pension liability (asset) | 99,336 | - | (104,675) | (5,339) | - |
| Net OPEB liability | 17,164 | 2,795 | - | 19,959 | - |
| Compensated absences | 8,264 | 10,856 | (13,712) | 5,408 | 4,867 |
| **Total Business-Type Activities** | $ 2,614,764 | $ 13,651 | $ (298,387) | $ 2,330,028 | $ 189,867 |
| **Long-term liabilities due in more than one year** | | | | $ 2,140,161 | |
| *** Debt associated with business-type activities capital assets** | | | | $ 2,310,000 | |

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 fund 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.

Long-term debt for governmental activities at year end was comprised of the following debt issues:

| | Amounts Outstanding | Interest Rates | Maturity Interest Pmt. Dates |
|---|---|---|---|
| General Obligation Bonds Series 2015 | $ 12,035,000 | 2.00% - 3.89% | Feb 15, Aug 15 |

Long-term debt for business-type activities at year end was comprised of the following debt issues:

| | Amounts Outstanding | Interest Rates | Maturity Interest Pmt. Dates |
|---|---|---|---|
| Revenue Bonds Series 2014 | $ 2,310,000 | 2.63% | Feb 15, Aug 15 |

**Pledged Revenues**

The net revenue of the enterprise fund is for the payment of interest and principal on the outstanding revenue bonds, series 2014. The revenue bonds were issued for the purpose of improving and extending the City's water and sanitary sewer system and are payable through 2029. The table below represents the pledged amount at September 30, 2018:

| Gross Revenue (1) | Operating Expenses (2) | Net Revenue | Debt Service Requirement (3) | Revenue Bond Coverage (4) |
|---|---|---|---|---|
| $ 3,102,465 | $ 2,173,587 | $ 928,878 | $ 245,487 | 3.78 |

(1) Gross revenues as defined in the revenue bond ordinance include operating and nonoperating revenue and exclude capital contributions, grant revenues, and capital recovery fees.

(2) Total operating expenses as defined in the revenue bond ordinance do not include amortization, bond interest, and fiscal charges.

(3) Debt service requirements are based on the expected debt service pays for the following fiscal year.

(4) The 2014 bond series' net revenue amount shall be at least equal to or greater than 1.1 times.

The annual requirements to amortize bond debt issues outstanding at year end were as follows:

| Fiscal Year Ending Sept. 30 | Governmental Activities General Obligation Bonds Principal Due | Interest Due | Total Due |
|---|---|---|---|
| 2019 | $ 550,000 | $ 362,169 | $ 912,169 |
| 2020 | 565,000 | 345,369 | 910,369 |
| 2021 | 585,000 | 325,294 | 910,294 |
| 2022 | 600,000 | 307,519 | 907,519 |
| 2023 | 620,000 | 289,219 | 909,219 |
| 2024-2028 | 3,400,000 | 1,150,594 | 4,550,594 |
| 2029-2034 | 3,955,000 | 598,116 | 4,553,116 |
| 2035 | 1,760,000 | 57,688 | 1,817,688 |
| **Total** | $ 12,035,000 | $ 3,435,968 | $ 15,470,968 |

| Fiscal Year Ending Sept. 30 | Business-Type Activities Revenue Bonds Principal Due | Interest Due | Total Due |
|---|---|---|---|
| 2019 | $ 185,000 | $ 60,753 | $ 245,753 |
| 2020 | 190,000 | 55,888 | 245,888 |
| 2021 | 195,000 | 50,891 | 245,891 |
| 2022 | 200,000 | 45,762 | 245,762 |
| 2023 | 205,000 | 40,502 | 245,502 |
| 2024-2028 | 1,100,000 | 119,008 | 1,219,008 |
| 2029 | 235,000 | 6,181 | 241,181 |
| **Total** | $ 2,310,000 | $ 378,985 | $ 2,688,985 |

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

## Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment 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 (IRS) 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 substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

### E. Interfund Transactions

Transfers between the primary government funds during the year were as follows:

| Transfer In | Transfer Out | | Amount |
|---|---|---|---|
| Capital improvements fund | General fund | $ | 1,524,042 |
| Internal service fund | General fund | | 79,357 |
| | **Total** | $ | 1,603,399 |

Amounts recorded as "due to/from" are considered to be temporary loans and will be repaid during the following year.

| Receivable Fund | Payable Fund | | Amount |
|---|---|---|---|
| Capital improvements fund | Debt service fund | $ | 25,000 |
| Internal service fund | General fund | | 300,000 |
| Capital improvements fund | General fund | | 1,322 |
| Debt service fund | General fund | | 15,519 |
| | **Total** | $ | 341,841 |

### F. Fund Equity

Funds restricted by enabling legislation are $124,264, which are related to municipal court security and child safety fees.

## IV. OTHER INFORMATION

### A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at a group rate for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

### B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

## C. Pension Plan

**Texas Municipal Retirement System**

Plan Description

The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency 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 municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees (the "Board"). Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

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 payment 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 percent 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. Plan provisions for the City were as follows:

| | 2018 | 2017 |
|---|---|---|
| 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 requirement eligibility | | |
| (expressed as age/yrs of service) | 60/5, 0/25 | 60/5, 0/25 |
| Updated service credit | 0% | 0% |
| Annuity increase (to retirees) | 0% of CPI | 0% of CPI |

Employees Covered by Benefit Terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 31 |
| Inactive employees entitled to, but not yet receiving, benefits | 25 |
| Active employees | 38 |
| **Total** | 94 |

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 actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.50% and 7.18% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2018 were $195,848 and were equal to the required contributions.

Net Pension Liability (Asset)

The City's Net Pension Liability/(Asset) NPL/(A) was measured as of December 31, 2017 and the Total Pension Liability (TPL) used to calculate the NPL/(A) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 3.0% per year |
| Investment rate of return | 6.75%, net of pension plan investment expense, including inflation |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The 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.

They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and annuity purchase rate are based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the EAN actuarial cost method and a one-time change to the amortization policy. 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

| Assets Class | Target Allocation | Long-Term Expected Real Rate of Return ( Arithmetic) |
|---|---|---|
| Domestic Equity | 17.5% | 4.55% |
| International Equity | 17.5% | 6.35% |
| Core Fixed Income | 10.0% | 1.00% |
| Non-Core Fixed Income | 20.0% | 3.90% |
| Real Return | 10.0% | 3.80% |
| Real Estate | 10.0% | 4.50% |
| Absolute Return | 10.0% | 3.75% |
| Private Equity | 5.0% | 7.50% |
| **Total** | 100.0% | |

Discount Rate

The discount rate used to measure the TPL 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 TPL.

Changes in the NPL/(A)

| | Increase (Decrease) | | |
|---|---|---|---|
| | **Total Pension Liability/(Asset) (A)** | **Plan Fiduciary Net Position (B)** | **Net Pension Liability (A) - (B)** |
| Changes for the year: | | | |
| Service cost | $ 355,629 | $ - | $ 355,629 |
| Interest | 698,883 | - | 698,883 |
| Changes in curent period benefits | - | - | - |
| Difference between expected and actual experience | (10,553) | - | (10,553) |
| Changes in assumptions | - | - | - |
| Contributions - employer | - | 201,756 | (201,756) |
| Contributions - employee | - | 188,306 | (188,306) |
| Net investment income | - | 1,364,168 | (1,364,168) |
| Benefit payments, including refunds of employee contributions | (577,768) | (577,768) | - |
| Administrative expense | - | (7,070) | 7,070 |
| Other changes | - | (358) | 358 |
| **Net Changes** | 466,191 | 1,169,034 | (702,843) |
| Balance at December 31, 2016 | 10,464,894 | 9,842,548 | 622,346 |
| **Balance at December 31, 2017** | $ 10,931,085 | $ 11,011,582 | $ (80,497) |

Sensitivity of the NPL/(A) to Changes in the Discount Rate

The following presents the NPL/(A) of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL/(A) would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

| | **1% Decrease in Discount Rate (5.75%)** | **Discount Rate (6.75%)** | **1% Increase in Discount Rate (7.75%)** |
|---|---|---|---|
| City's Net Pension Liability/(Asset) | $ 1,231,089 | $ (80,497) | $ (1,178,317) |

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 on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2018, the City recognized pension expense of $256,136.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual economic experience | $ - | $ 43,822 |
| Changes in actuarial assumptions | 79,243 | - |
| Difference between projected and actual investment earnings | - | 276,140 |
| Contributions subsequent to the measurement date | 151,988 | - |
| **Total** | $ 231,231 | $ 319,962 |

$151,988 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase to the NPL/(A) for the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ended September 30 | Pension Expense |
|---|---|
| 2019 | $ 57,763 |
| 2020 | (15,714) |
| 2021 | (142,755) |
| 2022 | (140,013) |
| Thereafter | - |
| **Total** | $ (240,719) |

## D. Other Postemployment Benefits

**TMRS Supplemental Death Benefits**

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers 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 member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a 5% interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

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). The death benefit for retirees is considered an OPEB and is a fixed amount of $7,500. 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 assets are accumulated).

Participation in the SDBF as of December 31, 2017 and 2016 is summarized below:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 19 |
| Inactive employees entitled to, but not yet receiving, benefits | 10 |
| Active employees | 38 |
| **Total** | 67 |

Total OPEB Liability

The City's total OPEB liability of $134,039 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases | 3.50% to 10.50% including inflation |
| Discount rate* | 3.31% |
| Retirees' share of benefit-related costs | Zero |
| Administrative expenses | All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB Statement No. 68. |
| Mortality - service retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. |
| Mortality - disabled retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor. |

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Changes in the Total OPEB Liability

| | | Total OPEB Liability |
|---|---|---|
| Changes for the year: | | |
| Service cost | $ | 4,573 |
| Interest | | 4,429 |
| Change of benefit terms | | - |
| Difference between expected and actual experience | | - |
| Changes of assumptions | | 10,568 |
| Benefit payments | | (807) |
| **Net Changes** | | 18,763 |
| Balance at December 31, 2016 | | 115,276 |
| **Balance at December 31, 2017** | $ | 134,039 |

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

| | 1% Decrease (2.31%) | Discount Rate (3.31%) | 1% Increase (4.31%) |
|---|---|---|---|
| City's Total OPEB Liability | $ 161,132 | $ 134,039 | $ 112,963 |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of $10,941. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

| | | Deferred Outflows of Resources |
|---|---|---|
| Changes in actuarial assumptions | $ | 8,629 |
| Contributions subsequent to the measurement date | | 851 |
| **Total** | $ | 9,480 |

$851 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the of total OPEB liability for the fiscal year ending September 30, 2019.

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended September 30 | OPEB Expense Amount |
|---|---|
| 2019 | $ 1,939 |
| 2020 | 1,939 |
| 2021 | 1,939 |
| 2022 | 1,939 |
| 2023 | 873 |
| Thereafter | - |
| **Total** | $ 8,629 |

## E. Revenue Allocation Agreement

Effective October 1, 2014, the City entered into an amended Congestion Mitigation/Traffic Management Agreement (the "Agreement") with METRO, which continues through December 31, 2025, unless terminated earlier per the provisions of the Agreement. Under the terms of the Agreement, the City will receive periodic payments in amounts equal to one-half of all available sales and use tax revenues collected by or for METRO within the corporate limits of the City. The City may utilize the funds for traffic-related projects and costs. The funds are accounted for in the general fund.

## F. Related Organizations and Joint Ventures

### Fire Protection

The City has entered into an interlocal agreement (the "Agreement") with the cities of Bunker Hill Village, Hedwig Village, Hunters Creek Village, Piney Point Village, and Hilshire Village, Texas, to create the Village Fire Department (VFD). The Agreement automatically renews for a period of five years unless terminated by at least one of the contracting cities. Under the terms of this Agreement, the City is liable for 16.25% of VFD's approved budget.

Consolidated financial information extracted from the VFD's audited financial statements for the year ended December 31, 2017, on which the VFD's auditors expressed an unmodfied opinion, is as follows:

| | VFD Total | | City's Portion (16.25%) | |
|---|---|---|---|---|
| | Net Position | Balance Sheet | Net Position | Balance Sheet |
| Total assets and deferred outflows | $ 3,671,155 | $ 411,383 | $ 596,563 | $ 66,849 |
| Total liabilities and deferred inflows | 1,963,617 | 43,973 | 319,088 | 7,146 |
| **Total Participants' Equity** | $ 1,707,538 | $ 367,410 | $ 277,475 | $ 59,703 |
| | **Change in Net Position** | **Revenues and Expenditures** | **Change in Net Position** | **Revenues and Expenditures** |
| Total revenues | $ 5,670,828 | $ 5,670,828 | $ 921,510 | $ 921,510 |
| Total expenditures/expenses | 5,612,442 | 6,491,784 | 912,022 | 1,054,915 |
| Revenues (under) expenditures/expenses | 58,386 | (820,956) | 9,488 | (133,405) |
| Other financing sources | - | 79,717 | - | 12,953 |
| Beginning participants' equity | 1,649,152 | 1,108,649 | 267,987 | 180,155 |
| **Ending Participants' Equity** | $ 1,707,538 | $ 367,410 | $ 277,475 | $ 59,703 |
| Unfunded Actuarial Accrued Liability at 12/31/16 with TMRS | $ 1,371,978 | | $ 222,946 | |

### G. Prior Period Adjustment

Beginning net position for governmental and business-type activities was restated to recognize OPEB liability for the implementation of GASB No. 75.

| | Governmental Activities | Business Activities |
|---|---|---|
| **Beginning net position - as reported** | $ 37,821,773 | $ 6,307,179 |
| Change in total OPEB liability | (98,111) | (17,165) |
| Deferred outflows - contributions after measurement date | 535 | 94 |
| **Beginning net position - as restated** | $ 37,724,197 | $ 6,290,108 |

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***REQUIRED SUPPLEMENTARY INFORMATION***

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND*

**For the Year Ended September 30, 2018**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property taxes | $ 4,163,351 | $ 4,163,351 | $ 4,196,077 | $ 32,726 |
| Sales taxes | 1,243,100 | 1,243,100 | 1,430,561 | 187,461 |
| Franchise fees | 331,000 | 331,000 | 326,582 | (4,418) |
| Fines and forfeitures | 455,600 | 455,600 | 745,884 | 290,284 |
| Licenses and permits | 200,150 | 200,150 | 196,591 | (3,559) |
| Hilshire police contract | 447,764 | 447,764 | 447,764 | - |
| Investment income | 20,000 | 20,000 | 123,964 | 103,964 |
| Intergovernmental | 623,500 | 623,500 | 702,846 | 79,346 |
| Other | 70,000 | 70,000 | 103,808 | 33,808 |
| **Total Revenues** | 7,554,465 | 7,554,465 | 8,274,077 | 719,612 |
| **Expenditures** | | | | |
| **General government** | | | | |
| Mayor and council | 8,520 | 8,520 | 7,853 | 667 |
| General government | 1,267,474 | 1,272,406 | 1,161,787 | 110,619 |
| Municipal court | 288,329 | 288,329 | 286,198 | 2,131 |
| Parks and recreation | 69,557 | 69,557 | 53,679 | 15,878 |
| **Total general government** | 1,633,880 | 1,638,812 | 1,509,517 | 129,295 |
| **Public safety** | | | | |
| Police | 3,005,391 | 3,001,591 | 2,711,922 | 289,669 |
| Fire | 911,855 | 911,855 | 911,854 | 1 |
| **Total public safety** | 3,917,246 | 3,913,446 | 3,623,776 | 289,670 |
| **Public works** | | | | |
| Streets and drainage | 327,205 | 342,205 | 314,546 | 27,659 |
| **Total Expenditures** | 5,878,331 | 5,894,463 | 5,447,839 | 446,624 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers (out) | (1,436,125) | (1,524,042) | (1,603,399) | (79,357) |
| Sale of capital assets | - | - | 35,093 | 35,093 |
| **Total Other Financing (Uses)** | (1,436,125) | (1,524,042) | (1,568,306) | (44,264) |
| **Net Change in Fund Balance** | $ 240,009 | $ 135,960 | 1,257,932 | $ 1,121,972 |
| Beginning fund balance | | | 6,208,020 | |
| **Ending Fund Balance** | | | $ 7,465,952 | |

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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# CITY OF SPRING VALLEY, TEXAS

## *SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS*
## *TEXAS MUNICIPAL RETIREMENT SYSTEM*

**For the Year Ended September 30, 2018**

| | Measurement Year* | | | |
|---|---|---|---|---|
| | **2017** | **2016** | **2015** | **2014** |
| **Total Pension Liability/(Asset)** | | | | |
| Service cost | $ 355,629 | $ 345,789 | $ 317,389 | $ 262,594 |
| Interest (on the total pension liability/(Asset)) | 698,883 | 675,456 | 647,576 | 612,560 |
| Changes of benefit terms | - | - | - | - |
| Difference between expected and actual experience | (10,553) | (69,514) | (239) | (49,336) |
| Change of assumptions | - | - | 275,713 | - |
| Benefit payments, including refunds of employee contributions | (577,758) | (641,405) | (356,533) | (349,425) |
| **Net Change in Total Pension Liability/(Asset)** | 466,191 | 310,326 | 883,906 | 476,393 |
| Beginning total pension liability/(Asset) | 10,464,894 | 10,154,568 | 9,270,662 | 8,794,269 |
| **Ending Total Pension Liability/(Asset)** | $ 10,931,085 | $ 10,464,894 | $ 10,154,568 | $ 9,270,662 |
| **Plan Fiduciary Net Position** | | | | |
| Contributions - employer | $ 201,756 | $ 155,593 | $ 164,572 | $ 168,939 |
| Contributions - employee | 188,306 | 179,431 | 175,076 | 161,113 |
| Net investment income | 1,364,168 | 643,013 | 14,056 | 516,782 |
| Benefit payments, including refunds of employee contributions | (577,768) | (641,405) | (356,533) | (349,425) |
| Administrative expense | (7,070) | (7,261) | (8,561) | (5,396) |
| Other | (358) | (391) | (423) | (444) |
| **Net Change in Plan Fiduciary Net Position** | 1,169,034 | 328,980 | (11,813) | 491,569 |
| Beginning plan fiduciary net position | 9,842,548 | 9,513,568 | 9,525,381 | 9,033,812 |
| **Ending Plan Fiduciary Net Position** | $ 11,011,582 | $ 9,842,548 | $ 9,513,568 | $ 9,525,381 |
| **Net Pension Liability/(Asset)** | $ (80,497) | $ 622,346 | $ 641,000 | $ (254,719) |
| **Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)** | 100.74% | 94.05% | 93.69% | 102.75% |
| **Covered Payroll** | $ 2,690,083 | $ 2,563,301 | $ 2,501,093 | $ 2,301,618 |
| **Net Pension Liability/(Asset) as a Percentage of Covered Payroll** | (2.99%) | 24.28% | 25.63% | (11.07%) |

*Only four years of information is currently available. The City will build this schedule over the next six-year period.

# CITY OF SPRING VALLEY, TEXAS

*SCHEDULE OF CONTRIBUTIONS*

*TEXAS MUNICIPAL RETIREMENT SYSTEM*

**For the Year Ended September 30, 2018**

| | Fiscal Year* | | | |
|---|---|---|---|---|
| | **2018** | **2017** | **2016** | **2015** |
| Actuarially determined contribution | $ 195,848 | $ 194,112 | $ 167,012 | $ 164,572 |
| Contributions in relation to the actuarially determined contribution | 195,848 | 194,112 | 167,012 | 164,572 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - |
| Covered payroll | $ 2,711,205 | $ 2,691,643 | $ 2,690,588 | $ 2,501,093 |
| Contributions as a percentage of covered payroll | 7.22% | 7.21% | 6.21% | 6.58% |

*Only five years of information is currently available. The City will build this schedule over the next five-year period.

**Notes to Required Supplementary Information:**

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

| | |
|---|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 29 years |
| Asset valuation method | 10 year smoothed market; 15% soft corridor |
| Inflation | 2.5% |
| Salary increases | 3.50% to 10.5% including inflation |
| Investment rate of return | 6.75% |
| Retirement age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014. |
| Mortality | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 103% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. |

There were no benefit changes during the year.

| Fiscal Year* |
| --- |
| 2014 |
| $ 168,939 |
| 168,939 |
| $ - |
| $ 2,301,618 |
| 7.34% |

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# CITY OF SPRING VALLEY, TEXAS

## *SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS*

## *TEXAS MUNICIPAL RETIREMENT SYSTEM*

**For the Year Ended September 30, 2018**

| | | Measurement Year* |
|---|---|---|
| | | **2017** |
| **Total Pension Liability** | | |
| Service cost | $ | 4,573 |
| Interest (on the total OPEB liability) | | 4,429 |
| Changes of benefit terms | | - |
| Difference between expected and actual experience | | - |
| Change of assumptions | | 10,568 |
| Benefit payments** | | (807) |
| **Net Change in Total Pension Liability** | | 18,763 |
| Beginning total pension liability | | 115,276 |
| **Ending Total Pension Liability** | $ | 134,039 |
| **Covered Payroll** | $ | 2,690,083 |
| **Total OPEB Liability as a Percentage of Covered Payroll** | | 4.98% |

* Only one year of information is currently available. The City will build this schedule over the next nine-year period.
** Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|---|---|
| Actuarial cost method | Entry age normal |
| Inflation | 2.5% |
| Salary increases | 3.50% to 10.5% including inflation |
| Discount rate | 3.31% |
| Administrative expenses | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. |
| Mortality - service retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. |
| Mortality - disabled retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor. |

Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

Changes in assumptions is the annual change in the municipal bond index rate.

There were no benefit changes during the year.

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# *SUPPLEMENTARY INFORMATION*

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL*

## *DEBT SERVICE FUND*

**For the Year Ended September 30, 2018**

| | Original Budget Amounts | Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property taxes | $ 941,088 | $ 941,088 | $ 932,470 | $ (8,618) |
| **Total Revenues** | 941,088 | 941,088 | 932,470 | (8,618) |
| **Expenditures** | | | | |
| Principal | 530,000 | 530,000 | 530,000 | - |
| Interest and fiscal charges | 379,019 | 379,019 | 379,019 | - |
| **Total Expenditures** | 909,019 | 909,019 | 909,019 | - |
| **Net Change in Fund Balance** | $ 32,069 | $ 32,069 | 23,451 | $ (8,618) |
| Beginning fund balance | | | (18,659) | |
| **Ending Fund Balance** | | | $ 4,792 | |

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## *STATISTICAL SECTION*

This part of the City's comprehensive annual 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.

**Contents** **Page**

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*NET POSITION BY COMPONENT*

**Last Ten Years**
**(accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 |
| **Governmental Activities** | | | | |
| Net investment in capital assets | $ 20,358,533 | $ 20,112,126 | $ 20,562,889 | $ 23,227,286 |
| Restricted | 1,025,900 | 791,523 | 720,777 | 75,118 |
| Unrestricted | 4,599,339 | 5,784,809 | 6,582,772 | 5,825,609 |
| **Total Governmental Activities Net Position** | $ 25,983,772 | $ 26,688,458 | $ 27,866,438 | $ 29,128,013 |
| **Business-Type Activities** | | | | |
| Net investment in capital assets | $ 8,110,784 | $ 8,194,572 | $ 7,822,043 | $ 7,416,956 |
| Restricted | - | - | - | - |
| Unrestricted | (750,876) | (1,226,981) | (744,008) | (364,877) |
| **Total Business-Type Activities Net Position** | $ 7,359,908 | $ 6,967,591 | $ 7,078,035 | $ 7,052,079 |
| **Primary Government** | | | | |
| Net investment in capital assets | $ 28,469,317 | $ 28,306,698 | $ 28,384,932 | $ 30,644,242 |
| Restricted | 1,025,900 | 791,523 | 720,777 | 75,118 |
| Unrestricted | 3,848,463 | 4,557,828 | 5,838,764 | 5,460,732 |
| **Total Primary Government Net Position** | $ 33,343,680 | $ 33,656,049 | $ 34,944,473 | $ 36,180,092 |

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ 25,437,372 | $ 24,859,774 | $ 25,354,855 | $ 26,621,889 | $ 28,189,939 | $ 28,879,559 |
| 121,848 | 150,437 | 154,588 | 160,271 | 4,924,112 | 4,371,682 |
| 5,065,577 | 7,973,362 | 9,970,921 | 9,662,867 | 4,707,722 | 5,985,685 |
| $ 30,624,797 | $ 32,983,573 | $ 35,480,364 | $ 36,445,027 | $ 37,821,773 | $ 39,236,926 |
| | | | | | |
| $ 7,201,090 | $ 7,484,141 | $ 6,429,975 | $ 6,446,443 | $ 5,764,333 | $ 5,057,352 |
| - | 1,612,394 | 1,004,614 | 965,480 | 871,778 | 331,411 |
| (259,161) | (2,241,483) | (963,461) | (1,042,151) | (328,932) | 1,213,688 |
| $ 6,941,929 | $ 6,855,052 | $ 6,471,128 | $ 6,369,772 | $ 6,307,179 | $ 6,602,451 |
| | | | | | |
| $ 32,638,462 | $ 32,343,915 | $ 31,784,830 | $ 33,068,332 | $ 33,954,272 | $ 33,936,911 |
| 121,848 | 150,437 | 1,159,202 | 1,125,751 | 5,795,890 | 4,703,093 |
| 4,806,416 | 5,731,879 | 9,007,460 | 8,620,716 | 4,378,790 | 6,157,050 |
| $ 37,566,726 | $ 38,226,231 | $ 41,951,492 | $ 42,814,799 | $ 44,128,952 | $ 45,839,377 |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*CHANGES IN NET POSITION*

**Last Ten Years**

**(accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| **Expenses** | | | | |
| Governmental activities | | | | |
| General government | $ 1,657,481 | $ 1,211,535 | $ 1,225,535 | $ 1,229,504 |
| Public safety | 2,694,742 | 2,906,948 | 2,837,702 | 2,786,639 |
| Public works | 729,391 | 1,270,439 | 1,164,949 | 1,324,918 |
| Interest and fiscal agent fees | 3,724 | 19,261 | - | - |
| **Total Governmental Activities Expenses** | 5,085,338 | 5,408,183 | 5,228,186 | 5,341,061 |
| **Business-Type Activities** | | | | |
| Water, sewer, and solid waste | 2,012,235 | 2,344,054 | 2,635,600 | 2,442,239 |
| **Total Business-Type Activities Expenses** | 2,012,235 | 2,344,054 | 2,635,600 | 2,442,239 |
| **Total Expenses** | $ 7,097,573 | $ 7,752,237 | $ 7,863,786 | $ 7,783,300 |
| **Program Revenues** | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | $ 161,928 | $ 219,210 | $ 210,123 | $ 219,074 |
| Public safety | 960,101 | 918,499 | 922,068 | 814,509 |
| Operating grants and contributions | 158,942 | 165,080 | 154,000 | 154,000 |
| **Total Governmental Activities Program Revenues** | 1,280,971 | 1,302,789 | 1,286,191 | 1,187,583 |
| **Business-Type Activities** | | | | |
| Charges for services | | | | |
| Water, sewer, and solid waste | 2,289,356 | 2,114,736 | 2,909,044 | 2,709,775 |
| **Total Business-Type Activities Program Revenues** | 2,289,356 | 2,114,736 | 2,909,044 | 2,709,775 |
| **Total Program Revenues** | $ 3,570,327 | $ 3,417,525 | $ 4,195,235 | $ 3,897,358 |
| **Net (Expense)/Revenue** | | | | |
| Governmental activities | $ (3,804,367) | $ (4,105,394) | $ (3,941,995) | $ (4,153,478) |
| Business-type activities | 277,121 | (229,318) | 273,444 | 267,536 |
| **Total Net Expense** | $ (3,527,246) | $ (4,334,712) | $ (3,668,551) | $ (3,885,942) |

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ 1,590,735 | $ 1,320,245 | $ 1,247,843 | $ 800,723 | $ 903,011 | $ 1,726,894 |
| 2,648,646 | 2,738,631 | 3,036,137 | 3,880,246 | 3,922,109 | 3,992,287 |
| 1,153,278 | 1,278,240 | 1,354,685 | 1,906,985 | 1,818,890 | 1,730,944 |
| - | - | 337,430 | 432,200 | 307,683 | 350,842 |
| 5,392,659 | 5,337,116 | 5,976,095 | 7,020,154 | 6,951,693 | 7,800,967 |
| 2,675,934 | 2,658,992 | 2,614,157 | 2,848,278 | 3,058,370 | 2,795,072 |
| 2,675,934 | 2,658,992 | 2,614,157 | 2,848,278 | 3,058,370 | 2,795,072 |
| $ 8,068,593 | $ 7,996,108 | $ 8,590,252 | $ 9,868,432 | $ 10,010,063 | $ 10,596,039 |
| $ 236,953 | $ 214,713 | $ 397,023 | $ 265,706 | $ 260,442 | $ 196,591 |
| 800,772 | 1,127,801 | 1,133,967 | 938,409 | 880,102 | 1,193,648 |
| 154,000 | 154,000 | 438,493 | 661,046 | 620,005 | 702,846 |
| 1,191,725 | 1,496,514 | 1,969,483 | 1,865,161 | 1,760,549 | 2,093,085 |
| 2,859,499 | 2,730,542 | 2,708,075 | 2,720,856 | 2,940,857 | 3,069,771 |
| 2,859,499 | 2,730,542 | 2,708,075 | 2,720,856 | 2,940,857 | 3,069,771 |
| $ 4,051,224 | $ 4,227,056 | $ 4,677,558 | $ 4,586,017 | $ 4,701,406 | $ 5,162,856 |
| $ (4,200,934) | $ (3,840,602) | $ (4,006,612) | $ (5,154,993) | $ (5,191,144) | $ (5,707,882) |
| 183,565 | 71,550 | 93,918 | (127,422) | (117,512) | 274,699 |
| $ (4,017,369) | $ (3,769,052) | $ (3,912,694) | $ (5,282,415) | $ (5,308,657) | $ (5,433,183) |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*CHANGES IN NET POSITION (Continued)*

**Last Ten Years**
**(accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| **General Revenues and Other Changes in Net Position** | | | | |
| Governmental activities | | | | |
| Property taxes | $ 3,215,025 | $ 3,356,982 | $ 3,548,991 | $ 3,685,289 |
| Sales taxes | 941,938 | 786,042 | 929,607 | 934,790 |
| Franchise fees | 306,797 | 317,905 | 312,958 | 332,619 |
| Investment income | 98,528 | 37,644 | 32,876 | 25,176 |
| Other | 151,217 | 141,288 | 132,543 | 124,179 |
| Gain on sale of capital assets | - | 7,220 | - | - |
| Transfers | 162,999 | 162,999 | 163,000 | 313,000 |
| **Total Governmental Activities** | 4,876,504 | 4,810,080 | 5,119,975 | 5,415,053 |
| Business-type activities | | | | |
| Other | - | - | - | 19,508 |
| Transfers | (162,999) | (162,999) | (163,000) | (313,000) |
| **Total Business-Type Activities** | (162,999) | (162,999) | (163,000) | (293,492) |
| **Total Primary Government** | $ 4,713,505 | $ 4,647,081 | $ 4,956,975 | $ 5,121,561 |
| **Change in Net Position** | | | | |
| Governmental activities | $ 1,072,137 | $ 704,686 | $ 1,177,980 | $ 1,261,575 |
| Business-type activities | 114,122 | (392,317) | 110,444 | (25,956) |
| **Total Change in Net Position** | $ 1,186,259 | $ 312,369 | $ 1,288,424 | $ 1,235,619 |

| Fiscal Year 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| $ 3,812,544 | $ 3,904,606 | $ 4,245,518 | $ 4,402,210 | $ 4,693,922 | $ 5,142,514 |
| 1,082,352 | 1,106,384 | 1,191,356 | 1,197,292 | 1,262,647 | 1,430,561 |
| 357,602 | 331,764 | 339,321 | 353,381 | 339,607 | 326,582 |
| 19,163 | 19,659 | 21,502 | 30,566 | 57,565 | 124,225 |
| 111,057 | 132,760 | 136,451 | 136,207 | 214,149 | 196,729 |
| - | - | - | - | - | - |
| 315,000 | 676,025 | 75,000 | - | - | - |
| 5,697,718 | 6,171,198 | 6,009,148 | 6,119,656 | 6,567,890 | 7,220,611 |
| | | | | | |
| 21,285 | 23,343 | 89 | 26,066 | 54,920 | 32,694 |
| (315,000) | (676,025) | (75,000) | - | - | - |
| (293,715) | (652,682) | (74,911) | 26,066 | 54,920 | 32,694 |
| $ 5,404,003 | $ 5,518,516 | $ 5,934,237 | $ 6,145,722 | $ 6,622,810 | $ 7,253,305 |
| | | | | | |
| $ 1,496,784 | $ 2,330,596 | $ 2,002,536 | $ 964,663 | $ 1,376,746 | $ 1,512,729 |
| (110,150) | (581,132) | 19,007 | (101,356) | (62,593) | 307,393 |
| $ 1,386,634 | $ 1,749,464 | $ 2,021,543 | $ 863,307 | $ 1,314,153 | $ 1,820,122 |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*FUND BALANCES, GOVERNMENTAL FUNDS*

**Last Ten Years**

**(modified accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011*** | **2012** |
| **General Fund** | | | | |
| Reserved | $ 1,025,900 | $ 791,523 | $ - | $ - |
| Unreserved and designated | 2,350,019 | 2,413,781 | - | - |
| Unserved and undesignated | 2,249,809 | 3,485,628 | - | - |
| Nonspendable | - | - | - | - |
| Committed | - | - | 4,815,560 | 3,817,458 |
| Restricted | - | - | 720,777 | 75,118 |
| Assigned | - | - | - | - |
| Unassigned | - | - | 1,918,202 | 2,191,707 |
| **Total General Fund** | $ 5,625,728 | $ 6,690,932 | $ 7,454,539 | $ 6,084,283 |
| | | | | |
| **All Other Governmental Funds** | | | | |
| Restricted | $ - | $ - | $ - | $ - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| **Total All Other Governmental Funds** | $ - | $ - | $ - | $ - |

* Note: In fiscal year 2011, the City implemented GASB 54,
*Fund Balance Reporting and Governmental Fund Type Definitions.*

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 385 | 870 | 870 | 870 | 1,203 | 11,938 |
| - | - | - | - | - | - |
| 121,848 | 122,257 | 121,659 | 124,264 | 128,097 | 137,075 |
| 359,267 | 359,267 | 359,267 | 359,267 | 359,267 | 359,267 |
| 3,550,699 | 4,004,162 | 4,926,770 | 5,619,702 | 6,524,412 | 6,957,672 |
| $ 4,032,199 | $ 4,486,556 | $ 5,408,566 | $ 6,104,103 | $ 7,012,979 | $ 7,465,952 |
| | | | | | |
| $ - | $ - | $ 13,135,970 | $ 9,132,618 | $ 16,105 | $ 22,733 |
| 1,321,366 | - | 3,112,942 | 2,093,010 | 527,158 | 1,580,379 |
| - | - | - | (882) | 177,707 | 4,792 |
| $ 1,321,366 | $ - | $ 16,248,912 | $ 11,224,746 | $ 720,970 | $ 1,607,904 |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS*

**Last Ten Years**

**(modified accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| **Revenues** | | | | |
| Property taxes | $ 3,254,064 | $ 3,334,593 | $ 3,538,671 | $ 3,715,316 |
| Sales taxes | 941,938 | 786,042 | 929,607 | 934,790 |
| Franchise fees | 306,797 | 317,905 | 312,958 | 332,619 |
| Fines and forfeitures | 664,542 | 609,344 | 602,246 | 506,233 |
| Licenses and permits | 161,928 | 219,210 | 210,123 | 219,074 |
| Hilshire police contract | 295,559 | 309,155 | 319,822 | 308,276 |
| Investment income | 98,528 | 37,644 | 32,876 | 25,176 |
| Intergovernmental | 158,942 | 165,080 | 154,000 | 154,000 |
| Other | 151,217 | 141,288 | 122,638 | 121,604 |
| **Total Revenues** | 6,033,515 | 5,920,261 | 6,222,941 | 6,317,088 |
| **Expenditures** | | | | |
| General government | 1,923,284 | 1,297,268 | 1,145,736 | 1,188,587 |
| Public safety | 2,746,404 | 2,910,260 | 2,841,154 | 2,786,166 |
| Public works | 2,882,196 | 695,234 | 1,645,349 | 4,028,166 |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Bond issuance costs | - | - | - | - |
| Principal | 79,741 | 103,253 | - | - |
| Interest | 3,724 | 19,261 | - | - |
| **Total Expenditures** | 7,635,349 | 5,025,276 | 5,632,239 | 8,002,919 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (1,601,834) | 894,985 | 590,702 | (1,685,831) |
| **Other Financing Sources (Uses)** | | | | |
| Issuance of debt | - | - | - | - |
| Premium on debt | - | - | - | - |
| Sale of capital assets | - | 7,220 | 9,905 | 2,575 |
| Transfers in | 162,999 | 162,999 | 163,000 | 313,000 |
| Transfers out | - | - | - | - |
| **Total Other Financing Sources (Uses)** | 162,999 | 170,219 | 172,905 | 315,575 |
| **Net Change in Fund Balances** | $ (1,438,835) | $ 1,065,204 | $ 763,607 | $ (1,370,256) |
| Debt service as a percentage of noncapital expenditures | 1.09% | 2.44% | - | - |

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ 3,792,043 | $ 3,936,160 | $ 4,159,264 | $ 4,508,707 | $ 4,690,696 | $ 5,128,547 |
| 1,082,352 | 1,106,384 | 1,191,356 | 1,197,292 | 1,262,647 | 1,430,561 |
| 357,602 | 331,764 | 339,321 | 353,381 | 339,607 | 326,582 |
| 470,225 | 772,834 | 752,084 | 540,494 | 460,809 | 745,884 |
| 236,953 | 214,713 | 397,023 | 265,706 | 260,442 | 196,591 |
| 330,547 | 354,967 | 381,883 | 397,915 | 419,293 | 447,764 |
| 19,163 | 19,659 | 21,502 | 30,566 | 57,565 | 124,225 |
| 154,000 | 154,000 | 438,493 | 661,046 | 620,005 | 702,846 |
| 111,057 | 132,760 | 132,090 | 136,439 | 231,811 | 108,408 |
| 6,553,942 | 7,023,241 | 7,813,016 | 8,091,546 | 8,342,875 | 9,211,408 |
| 1,262,101 | 1,355,108 | 1,337,875 | 1,287,658 | 1,427,121 | 1,509,517 |
| 2,886,525 | 3,002,128 | 3,201,065 | 3,397,221 | 3,405,232 | 3,653,799 |
| 181,440 | 262,499 | 286,142 | 393,737 | 305,642 | 314,546 |
| 3,269,594 | 439,623 | 2,114,494 | 6,288,546 | 11,414,618 | 2,060,288 |
| - | - | 104,614 | - | - | - |
| - | - | - | 400,000 | 510,000 | 530,000 |
| - | - | - | 524,336 | 399,819 | 379,019 |
| 7,599,660 | 5,059,358 | 7,044,190 | 12,291,498 | 17,462,432 | 8,447,169 |
| (1,045,718) | 1,963,883 | 768,826 | (4,199,952) | (9,119,557) | 764,239 |
| - | - | 13,475,000 | - | - | - |
| - | - | 134,363 | - | - | - |
| - | 84,352 | 5,310 | 4,320 | 751 | 35,093 |
| 2,065,000 | 1,930,766 | 2,217,000 | 1,250,000 | 2,335,849 | 1,524,042 |
| (1,750,000) | (2,161,767) | (2,142,000) | (1,382,997) | (2,192,011) | (1,603,399) |
| 315,000 | (146,649) | 13,689,673 | (128,677) | 144,589 | (44,264) |
| $ (730,718) | $ 1,817,234 | $ 14,458,499 | $ (4,328,629) | $ (8,974,968) | $ 719,975 |
| - | - | 2.18% | 15.01% | 16.96% | 13.06% |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY*

**Last Ten Years**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| Residential | $ 586,392,158 | $ 658,509,304 | $ 682,799,385 | $ 727,362,843 |
| Vacant | 18,270,408 | 22,296,426 | 18,988,324 | 16,467,688 |
| Commercial and industrial | 66,141,060 | 49,480,422 | 48,897,421 | 48,724,472 |
| Utilities | 13,597,987 | 12,735,134 | 12,368,450 | 11,291,453 |
| Real properties | 24,604,687 | 24,541,306 | 23,956,770 | 22,184,491 |
| Governmental and charities | 122,500,359 | 126,487,069 | 121,839,666 | 114,230,914 |
| Total assessed value (1) | 831,506,659 | 894,049,661 | 908,850,016 | 940,261,861 |
| Less: Tax exempt property | (236,039,917) | (252,438,683) | (255,559,740) | (258,228,448) |
| **Total Taxable Assessed Valuation** | $ 595,466,742 | $ 641,610,978 | $ 653,290,276 | $ 682,033,413 |
| Taxable value as a percentage of assessed value | 72% | 72% | 72% | 73% |
| Total tax rate | $ 0.548659 | $ 0.539760 | $ 0.539760 | $ 0.539760 |

Source: Tax department of the Spring Branch ISD.

(1) All property is assessed at 100% of actual taxable value.

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ 749,621,556 | $ 816,582,662 | $ 938,839,232 | $ 1,057,666,553 | $ 1,147,232,344 | $ 1,234,212,313 |
| 16,340,891 | 16,982,310 | 23,119,734 | 22,897,005 | 20,219,114 | 26,911,668 |
| 50,298,328 | 54,623,908 | 71,949,422 | 69,321,629 | 104,087,202 | 127,616,169 |
| 10,776,364 | 10,542,288 | 4,250,555 | 10,289,952 | 11,484,003 | 11,433,668 |
| 23,043,294 | 23,360,586 | 8,625 | 25,945,101 | 23,553,054 | 22,199,610 |
| 114,503,217 | 117,469,367 | 138,803,675 | 147,694,988 | 151,935,233 | 155,927,423 |
| 964,583,650 | 1,039,561,121 | 1,176,971,243 | 1,333,815,228 | 1,458,510,950 | 1,578,300,851 |
| (261,606,047) | (280,032,062) | (312,592,100) | (355,139,172) | (373,888,856) | (392,449,852) |
| $ 702,977,603 | $ 759,529,059 | $ 864,379,143 | $ 978,676,056 | $ 1,084,622,094 | $ 1,185,850,999 |
| 73% | 73% | 73% | 73% | 74% | 75% |
| $ 0.539760 | $ 0.512843 | $ 0.487843 | $ 0.450000 | $ 0.433500 | $ 0.433500 |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS*

**Last Ten Years**

| | Fiscal Year | | | |
|---|---|---|---|---|
| **City of Spring Valley Village:** | **2009** | **2010** | **2011** | **2012** |
| Operating tax rate | $ 0.548659 | $ 0.539760 | $ 0.539760 | $ 0.539760 |
| Debt service tax rate | - | - | - | - |
| **Total Direct Rates** | $ 0.548659 | $ 0.539760 | $ 0.539760 | $ 0.539760 |
| | | | | |
| Spring Branch Independent School District | $ 1.382500 | $ 1.394500 | $ 1.394500 | $ 1.394500 |
| Harris County | 0.389230 | 0.388050 | 0.391170 | 0.400210 |
| Harris County Flood Control | 0.030860 | 0.029230 | 0.028090 | 0.028090 |
| Port of Houston Authory | 0.017730 | 0.020540 | 0.018560 | 0.019520 |
| Harris County Hospital District | 0.192160 | 0.192160 | 0.192160 | 0.182160 |
| Harris County Education Department | 0.005840 | 0.006580 | 0.006580 | 0.006620 |
| **Total Overlapping Rates** | $ 2.018320 | $ 2.031060 | $ 2.031060 | $ 2.031100 |
| | | | | |
| **Total Direct and Overlapping Rates** | $ 2.566979 | $ 2.570820 | $ 2.570820 | $ 2.570860 |

Note: The basis for property tax rates is per $100 of the assessed valuation.

Source: Tax department records of the various governments.

| Fiscal Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
| $ | 0.539760 | $ | 0.512843 | $ | 0.487843 | $ | 0.356160 | $ | 0.350711 | $ | 0.3546410 |
| | - | | - | | - | | 0.093840 | | 0.082789 | | 0.0788590 |
| $ | 0.539760 | $ | 0.512843 | $ | 0.487843 | $ | 0.450000 | $ | 0.433500 | $ | 0.43350000 |
| | | | | | | | | | | | |
| $ | 1.394500 | $ | 1.394500 | $ | 1.394500 | $ | 1.394500 | $ | 1.394500 | $ | 1.394500 |
| | 0.414550 | | 0.414550 | | 0.417310 | | 0.419230 | | 0.416560 | | 0.418010 |
| | 0.028270 | | 0.028270 | | 0.027360 | | 0.027330 | | 0.028290 | | 0.028290 |
| | 0.017160 | | 0.017160 | | 0.015310 | | 0.013420 | | 0.013340 | | 0.013340 |
| | 0.170000 | | 0.170000 | | 0.170000 | | 0.170000 | | 0.171790 | | 0.171900 |
| | 0.006360 | | 0.006358 | | 0.005999 | | 0.005422 | | 0.005200 | | 0.005200 |
| $ | 2.030840 | $ | 2.030838 | $ | 2.030479 | $ | 2.029902 | $ | 2.029680 | $ | 2.031240 |
| | | | | | | | | | | | |
| $ | 2.570600 | $ | 2.543681 | $ | 2.518322 | $ | 2.479902 | $ | 2.463180 | $ | 2.464740 |

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

*PRINCIPAL PROPERTY TAXPAYERS*

**Current Year and Nine Years Ago**

| | 2018 | | | 2009 | | |
|---|---|---|---|---|---|---|
| **Property Taxpayer** | **Taxable Assessed Valuation** | **Rank** | **% of Total Assessed Valuation** | **Taxable Assessed Valuation** | **Rank** | **% of Total Assessed Valuation** |
| SV Physician Properties I LP | $ 26,495,169 | 1 | 2.21% | $ 34,701,203 | 1 | 7.16% |
| Campbell Project Partners LLC | 26,306,000 | 2 | 2.15% | - | - | - |
| Ten Voss Ltd | 21,607,681 | 3 | 2.02% | 14,293,339 | 2 | 2.95% |
| HD Development Properties | 18,372,760 | 4 | 1.73% | - | - | - |
| Spring Valley One Center Ltd | 18,245,448 | 5 | 1.45% | - | - | - |
| Memorial Design Center Ltd | 11,112,774 | 6 | 1.07% | - | - | - |
| Southwestern Bell | 8,994,486 | 7 | 0.92% | 13,630,076 | 3 | 2.81% |
| Managed Rehabilitation Inc | 7,446,090 | 8 | 0.78% | 3,225,165 | 8 | 0.67% |
| Wellington Fidelis Campbell I LP | 6,667,560 | 9 | 0.68% | - | - | - |
| Spring Valley Shopping Center II Ltd | 5,013,650 | 10 | 0.52% | - | - | - |
| Memorial MRI & Diagnostic | - | - | - | 3,293,691 | 7 | 0.68% |
| Kish Komie LP | - | - | - | 2,150,350 | 9 | 0.44% |
| Schlumberger Inc | - | - | - | 1,866,868 | 10 | 0.39% |
| Campbell I10 Ltd | - | - | - | 5,687,825 | 5 | 1.17% |
| Stiffel-Schwab Builders LLC | - | - | - | 6,871,097 | 4 | 1.42% |
| Wilson Investments | - | - | - | 5,240,000 | 6 | 1.08% |
| Subtotal | 150,261,618 | | 12.67% | 90,959,614 | | 18.77% |
| Other Taxpayers | 1,035,589,381 | | 87.33% | 393,545,775 | | 81.23% |
| **Total** (1) | $ 1,185,850,999 | | 100.00% | $ 484,505,389 | | 100.00% |

Source: Tax department of the Spring Branch ISD.

(1) Net of exemptions and abatements

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# City of Spring Valley Village, Texas

## *PROPERTY TAX LEVIES AND COLLECTIONS*

**Last Ten Years**

| | | | | Collected Within the Fiscal Year of the Levy | | Delinquent Tax Collected | Total Collections to Date | |
|---|---|---|---|---|---|---|---|---|
| **Fiscal Year** | **Tax Year** | **Tax Rate** | **Total Tax Levy for Fiscal Year** | **Amount Collected** | **Percentage of Levy** | **Amount Collected** | **Amount Collected** | **Percentage of Levy** |
| 2009 | 2008 | $ 0.548659 | $ 3,257,243 | $ 3,237,636 | 99.40% | $ 18,102 | $ 3,255,738 | 99.95% |
| 2010 | 2009 | $ 0.539760 | $ 3,464,268 | $ 3,433,357 | 99.11% | $ 28,535 | $ 3,461,892 | 99.93% |
| 2011 | 2010 | $ 0.539760 | $ 3,525,346 | $ 3,499,080 | 99.25% | $ 24,494 | $ 3,523,574 | 99.95% |
| 2012 | 2011 | $ 0.539760 | $ 3,681,702 | $ 3,663,573 | 99.51% | $ 16,013 | $ 3,679,586 | 99.94% |
| 2013 | 2012 | $ 0.539760 | $ 3,795,231 | $ 3,770,251 | 99.34% | $ 22,718 | $ 3,792,969 | 99.94% |
| 2014 | 2013 | $ 0.512843 | $ 3,893,084 | $ 3,881,284 | 99.70% | $ 7,747 | $ 3,889,031 | 99.90% |
| 2015 | 2014 | $ 0.487843 | $ 4,212,362 | $ 4,100,837 | 97.35% | $ 24,979 | $ 4,125,816 | 97.95% |
| 2016 | 2015 | $ 0.450000 | $ 4,509,649 | $ 4,392,632 | 97.41% | $ 91,129 | $ 4,483,761 | 99.43% |
| 2017 | 2016 | $ 0.433500 | $ 4,688,384 | $ 4,687,314 | 99.69% | $ (28,559) | $ 4,658,755 | 99.08% |
| 2018 | 2017 | $ 0.433500 | $ 5,140,951 | $ 5,126,946 | 99.73% | $ (3,921) | $ 5,123,025 | 99.65% |

Source: Tax department of the Spring Branch ISD.

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*RATIOS OF OUTSTANDING DEBT BY TYPE*

**Last Ten Years**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| **Governmental Activities:** | | | | |
| General obligation bonds | $ - | $ - | $ - | $ - |
| Capital leases | 28,253 | - | | - |
| **Subtotal** | 28,253 | - | | - |
| **Business-Type Activities:** | | | | |
| Revenue bonds | - | - | - | - |
| **Subtotal** | - | - | - | - |
| **Government-Wide:** | | | | |
| Revenue bonds | - | - | - | - |
| General obligation bonds | - | - | - | - |
| Capital leases | 28,253 | - | - | - |
| **Total Government-Wide** | $ 28,253 | $ - | $ - | $ - |
| **Estimated Full Property Value** | $ 831,506,659 | $ 894,049,661 | $ 908,850,016 | $ 940,261,861 |
| **Percentage of Full Property Value:** | | | | |
| Government-wide | - | - | - | - |
| **Population** | 3,710 | 3,715 | 3,843 | 3,941 |
| **Debt Per Capita:** | | | | |
| Governmental activities | $ 8 | $ - | $ - | $ - |
| Government-wide | $ 8 | $ - | $ - | $ - |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ - | $ - | $ 13,602,965 | $ 13,196,567 | $ 12,680,169 | $ 12,143,771 |
| - | - | - | - | - | - |
| - | - | 13,602,965 | 13,196,567 | 12,680,169 | 12,143,771 |
| - | 3,000,000 | 2,835,000 | 2,665,000 | 2,490,000 | 2,310,000 |
| - | 3,000,000 | 2,835,000 | 2,665,000 | 2,490,000 | 2,310,000 |
| - | 3,000,000 | 2,835,000 | 2,665,000 | 2,490,000 | 2,310,000 |
| - | - | 13,602,965 | 13,196,567 | 12,680,169 | 12,143,771 |
| - | - | - | - | - | - |
| $ - | $ 3,000,000 | $ 16,437,965 | $ 15,861,567 | $ 15,170,169 | $ 14,453,771 |
| $ 964,583,650 | $ 1,039,561,121 | $ 1,176,971,243 | $ 1,333,815,228 | $ 1,458,510,950 | $ 1,578,300,851 |
| - | - | 1.40% | 1.19% | 1.04% | 0.92% |
| 3,852 | 4,013 | 4,135 | 4,191 | 4,328 | 4,336 |
| $ - | $ - | $ 3,290 | $ 3,149 | $ 2,930 | $ 2,801 |
| $ - | $ 748 | $ 3,975 | $ 3,785 | $ 3,505 | $ 3,333 |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *RATIOS OF GENERAL BONDED DEBT OUTSTANDING*

**Last Ten Years**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| **Estimated Actual Taxable Value of Property** | $ 595,466,742 | $ 641,610,978 | $ 653,209,276 | $ 682,033,413 |
| **Net Bonded Debt** | | | | |
| Gross bonded debt | $ - | $ - | $ - | $ - |
| **Total** | $ - | $ - | $ - | $ - |
| **Percentage of Estimated Actual Taxable Value of Property** | - | - | - | - |
| **Population** | 3,710 | 3,715 | 3,843 | 3,941 |
| **Per Capita** | $ - | $ - | $ - | $ - |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ 702,977,603 | $ 759,529,059 | $ 864,379,143 | $ 978,676,056 | $ 1,084,622,094 | $ 1,185,850,999 |
| $ - | $ - | $ 13,602,965 | $ 13,196,567 | $ 12,680,169 | $ 12,143,771 |
| $ - | $ - | $ 13,602,965 | $ 13,196,567 | $ 12,680,169 | $ 12,143,771 |
| - | - | 1.57% | 1.35% | 1.17% | 1.02% |
| 3,852 | 4,013 | 4,135 | 4,191 | 4,328 | 4,336 |
| $ - | $ - | $ 3,290 | $ 3,149 | $ 2,930 | $ 2,801 |

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT*

**September 30, 2018**

| **Government Unit** | | **Net Debt Outstanding** | **Estimated Percentage Applicable** | | **Estimated Share of Overlapping Debt** |
|---|---|---|---|---|---|
| Spring Branch Independent School District | $ | 684,385,000 | 3.930% | $ | 26,896,331 |
| Harris County | $ | 2,200,173,022 | 0.290% | | 6,380,502 |
| Harris County Flood Control District | $ | 83,075,000 | 0.290% | | 240,918 |
| Harris County Hospital District | $ | 59,490,000 | 0.290% | | 172,521 |
| Harris County Department of Education | $ | 6,555,000 | 0.280% | | 19,009 |
| Port of Houston Authority | $ | 613,699,397 | 0.280% | | 1,779,728 |
| Subtotal, overlapping debt | | | | | 35,489,009 |
| **City Direct Debt** | $ | 12,035,000 | 100.00% | | 12,035,000 |
| **Total Direct and Overlapping Debt** | | | | $ | 47,524,009 |

Source: Municipal Advisory Council of Texas

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*LEGAL DEBT MARGIN INFORMATION*

**Last Ten Years**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| Debt limit [1] | $ 83,150,666 | $ 64,161,098 | $ 65,329,028 | $ 68,203,341 |
| Total net debt applicable to limit | - | - | - | - |
| Legal debt margin | $ 83,150,666 | $ 64,161,098 | $ 65,329,028 | $ 68,203,341 |
| Total net debt applicable to the limit as a percentage of debt limit | - | - | - | - |
| **Legal Debt Margin Calculation** | | | | |
| Assessed value | $ 831,506,659 | $ 641,610,978 | $ 653,290,276 | $ 682,033,413 |
| Debt limit (10% of assessed value) | 83,150,666 | 64,161,098 | 65,329,028 | 68,203,341 |
| Debt applicable to limit: | | | | |
| Gross bonded debt | - | - | - | - |
| obligation debt | - | - | - | - |
| Total net debt applicable to limit | - | - | - | - |
| Legal debt margin | $ 83,150,666 | $ 64,161,098 | $ 65,329,028 | $ 68,203,341 |

(1) Note: There is no debt limit established by law; therefore, the limit is governed by the City's ability to levy and collect taxes to service the debt. The Attorney General of the State of Texas will not approve more than $1.00 of the tax rate for debt service. The City's maximum legal tax rate is $2.50 per $100 valuation assessed at 100% of the market value. Ten percent (10%) of the assessed value has been applied as a "rule of thumb" procedure.

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ 70,297,760 | $ 75,952,906 | $ 86,437,914 | $ 97,867,606 | $ 108,462,209 | $ 118,585,100 |
| - | - | 13,598,216 | 13,196,567 | 12,680,169 | 12,138,979 |
| $ 70,297,760 | $ 75,952,906 | $ 72,839,698 | $ 84,671,039 | $ 95,782,040 | $ 106,446,121 |
| - | - | 15.58% | 13.48% | 11.69% | 10.24% |
| $ 702,977,603 | $ 759,529,059 | $ 864,379,143 | $ 978,676,056 | $ 1,084,622,094 | $ 1,185,850,999 |
| 70,297,760 | 75,952,906 | 86,437,914 | 97,867,606 | 108,462,209 | 118,585,100 |
| - | - | 13,602,965 | 13,196,567 | 12,680,169 | 12,143,771 |
| - | - | - | - | - | 4,792 |
| - | - | 13,602,965 | 13,196,567 | 12,680,169 | 12,138,979 |
| $ 70,297,760 | $ 75,952,906 | $ 72,834,949 | $ 84,671,039 | $ 95,782,040 | $ 106,446,121 |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *PLEDGED-REVENUE COVERAGE*

**Last Ten Years***

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2014** | **2015** | **2016** | **2017** |
| **Gross Revenues (1)** | $ 2,753,885 | $ 2,708,164 | $ 2,746,922 | $ 2,995,777 |
| **Operating Expenses (2)** | 2,146,586 | 2,059,433 | 2,297,918 | 2,464,746 |
| **Net Revenues Available for Debt Service** | $ 607,299 | $ 648,731 | $ 449,004 | $ 531,031 |
| **Debt Service Requirements (3)** | | | | |
| Principal | $ 165,000 | $ 170,000 | $ 175,000 | $ 180,000 |
| Interest | 78,000 | 74,561 | 70,090 | 65,487 |
| **Total** | $ 243,900 | $ 244,561 | $ 245,090 | $ 245,487 |
| **Coverage** | 2.49 | 2.65 | 1.83 | 2.16 |

(1) Gross revenues as defined in the revenue bond ordinances include operating and nonoperating revenue and exclude capital contributions, grant revenues, and capital recovery fees.

(2) Total operating expenses as defined in the revenue bond ordinances do not include amortization, bond interest, and fiscal charges.

(3) Debt service requirements are based on the expected debt service payments for the following fiscal year.

*The City did not have revenue bonds prior to fiscal year 2014.

| Fiscal Year |
| --- |
| 2018 |
| $ 3,102,465 |
| 2,173,587 |
| $ 928,878 |
| |
| $ 185,000 |
| 60,753 |
| $ 245,753 |
| 3.78 |

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# CITY OF SPRING VALLEY VILLAGE, TEXAS
## *DEMOGRAPHIC AND ECONOMIC STATISTICS*
**Last Ten Years**

| Fiscal Year Ended Sept. 30 | Population[1] | Personal Income[1] | Per Capita Personal Income[1] | Median Age [1] | Public School Enrollment[2] | Unemployment Rate[1] | Education Level in Years of Formal Schooling[1] |
|---|---|---|---|---|---|---|---|
| 2009 | 3,710 | N/A | N/A | N/A | 813 | N/A | N/A |
| 2010 | 3,715 | N/A | N/A | N/A | 773 | N/A | N/A |
| 2011 | 3,843 | N/A | N/A | N/A | 812 | N/A | N/A |
| 2012 | 3,941 | N/A | N/A | N/A | 839 | N/A | N/A |
| 2013 | 3,852 | N/A | N/A | N/A | 732 | N/A | N/A |
| 2014 | 4,013 | $ 266,584 | $ 66,430 | 44.0 | 905 | 4.7% | 78% |
| 2015 | 4,142 | $ 266,584 | $ 68,839 | 43.0 | 910 | 4.7% | 79% |
| 2016 | 4,191 | $ 201,496 | $ 75,372 | 42.0 | 280 | 1.2% | 78% |
| 2017 | 4,328 | $ 242,866 | $ 88,899 | 42.0 | 905 | 1.2% | 78% |
| 2018 | 4,336 | $ 241,139 | $ 88,258 | 43.0 | 908 | 1.2% | 78% |

Data sources:
(1) Colliers International Estimate
(2) Spring Branch ISD

Information not presented is not available.

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

*PRINCIPAL EMPLOYERS*

**Current Year and Two Years Ago**

| | 2018 | | | 2016 | | |
|---|---|---|---|---|---|---|
| | | Percentage of Total | | | Percentage of Total | |
| **Employer** | **Employees** | **Employment[(1)]** | **Rank** | **Employees** | **Employment[(1)]** | **Rank** |
| Spring Branch Independent School District | 167 | 27.33% | 1 | 281 | 37.72% | 1 |
| Home Depot | 157 | 25.70% | 2 | 154 | 20.67% | 2 |
| East West Bank | 62 | 10.15% | 3 | 63 | 8.46% | 3 |
| Spring Branch Presbyterian Church | 39 | 6.38% | 4 | 40 | 5.37% | 4 |
| Stoller Group | 38 | 6.22% | 5 | 39 | 5.23% | 5 |
| Starbucks Corporation | 35 | 5.73% | 6 | 36 | 4.83% | 6 |
| Houston Plastic & Craniofacial Surgeons | 34 | 5.56% | 7 | 35 | 4.70% | 8 |
| SSI | 32 | 5.24% | 8 | 35 | 4.70% | 7 |
| Specs | 26 | 4.26% | 9 | 34 | 4.56% | 9 |
| Peli Peli | 21 | 3.44% | 10 | 28 | 3.76% | 10 |
| | 611 | 100.00% | | 745 | 100.00% | |

Source: Human Resource Department of each company

Note: The requirement is for the current year and nine years ago;
however, only the current year and two years ago information is available.

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# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION*

**Last Ten Years**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Governmental Activities:** | | | | | | | | | | |
| General government | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Public safety | 21 | 21 | 21 | 21 | 23 | 23 | 24 | 24 | 24 | 24 |
| Public works | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 4 |
| **Business-Type Activities:** | | | | | | | | | | |
| Water, sewer, and solid waste | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| **Total City Positions** | 35 | 35 | 35 | 35 | 38 | 38 | 39 | 39 | 39 | 40 |

Source: City Finance Department

# CITY OF SPRING VALLEY VILLAGE, TEXAS

## *OPERATING INDICATORS BY FUNCTION*

**Last Ten Years**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| **City of Spring Valley Village** | | | | |
| Budgeted full-time employees | 35 | 35 | 35 | 35 |
| **Function** | | | | |
| Police | | | | |
| Arrests | 708 | 540 | 402 | 293 |
| Accident reports | 148 | 124 | 125 | 134 |
| Citations | 4,162 | 5,655 | 5,760 | 4,137 |
| Offense reports | 1,222 | 1,082 | 918 | 988 |
| Calls for service | 15,227 | 15,922 | 21,838 | 22,587 |
| Municipal court | | | | |
| Traffic violations | 6,566 | 8,093 | 5,714 | 3,725 |
| Non-traffic violations | 175 | 225 | 470 | 484 |
| Community Development | | | | |
| Residential building permits issued | 21 | 36 | 32 | 23 |
| Residential building permits-value | $ 7,726,877 | $ 13,518,000 | $ 13,813,000 | $ 10,681,000 |
| Commercial building permits issued | 3 | 11 | 11 | 12 |
| Commercial building permits-value | $ 127,000 | $ 1,061,000 | $ 496,084 | $ 742,000 |
| Water | | | | |
| Average daily gallons pumped-combined water (millions of gallons) | 0.71 | 0.74 | 0.95 | 0.78 |
| Average daily gallons pumped-surface water (millions of gallons) | 0.01 | 0.16 | 0.02 | - |
| Average daily gallons pumped-well water (millions of gallons) | 0.70 | 0.58 | 0.93 | 0.78 |
| Number of connections | 1,439 | 2,041 | 2,059 | 2,045 |

Source: Various City departments

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 38 | 39 | 39 | 39 | 39 | 40 |
| | | | | | |
| 508 | 719 | 697 | 460 | 300 | 205 |
| 155 | 160 | 165 | 157 | 208 | 192 |
| 5,190 | 8,043 | 8,061 | 4,417 | 5,487 | 5,689 |
| 1,183 | 1,530 | 1,094 | 962 | 913 | 1,070 |
| 19,560 | 36,254 | 36,638 | 33,351 | 29,068 | 23,307 |
| | | | | | |
| 9,585 | 12,352 | 8,519 | 5,147 | 6,442 | 4,884 |
| 302 | 1,472 | 1,442 | 528 | 963 | 373 |
| | | | | | |
| 38 | 19 | 29 | 37 | 37 | 44 |
| $ 17,061,800 | $ 9,353,990 | $ 16,780,178 | $ 21,569,270 | $ 17,376,892 | $ 12,635,734 |
| 15 | 9 | 12 | 30 | 2 | 5 |
| $ 1,090,500 | $ 1,343,000 | $ 47,985,000 | $ 58,788,170 | $ 125,000 | $ 1,014,790 |
| | | | | | |
| 0.79 | 0.71 | 0.68 | 0.72 | 0.72 | 0.75 |
| 0.05 | - | 0.05 | 0.40 | 0.44 | 0.34 |
| 0.75 | 0.71 | 0.68 | 0.32 | 0.60 | 0.57 |
| 2,130 | 2,135 | 2,137 | 2,204 | 2,138 | 2,138 |

# CITY OF SPRING VALLEY VILLAGE, TEXAS

*CAPITAL ASSET STATISTICS BY FUNCTION*

**Last Ten Years**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012** |
| **Function** | | | | |
| General government | | | | |
| Municipal buildings | 1 | 1 | 1 | 1 |
| Public safety | | | | |
| Police protection | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Public works | | | | |
| Streets (lane miles) | - | - | - | - |
| Community services | | | | |
| Parks | - | - | - | - |
| Pavilions | - | - | - | - |
| Park acreage developed | - | - | - | - |
| Water | | | | |
| Water wells | 1 | 1 | 1 | 1 |
| Ground/elevated storage tanks | - | - | - | - |
| Water mains (miles) | - | - | - | - |
| Fire hydrants | 153 | 157 | 157 | 157 |
| Wastewater | | | | |
| Sanitary sewers (miles) | - | - | - | - |
| Sewer manholes | - | - | - | - |

Source: Various City departments

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| - | 20.01 | 20.01 | 20.01 | 20.01 | 20.01 |
| - | 1 | 1 | 1 | 1 | 1 |
| - | 1 | 1 | 1 | 1 | 1 |
| - | 2.62 | 2.62 | 2.62 | 2.62 | 2.62 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| - | 3 | 3 | 3 | 3 | 3 |
| - | 26 | 26 | 26 | 26 | 26 |
| 157 | 157 | 157 | 206 | 206 | 206 |
| - | 16 | 16 | 16 | 16 | 16 |
| - | 389 | 389 | 389 | 389 | 389 |

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DIVIDER PAGE

**Required Auditor Disclosure Letter**

February 13, 2019

To the Honorable Mayor and
City Council Members of the
City of Spring Valley Village, Texas:

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Spring Valley Village, (the "City") as of and for the year ended September 30, 2018 and have issued our report thereon dated February 13, 2019. Professional standards require that we provide the City Council (the "governing body") with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit.

I. Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 13, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with its oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to the governing body in our engagement letter dated April 13, 2017.

III. Significant Audit Findings

*1. Qualitative Aspects of Accounting Practices*

A. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. As described in the notes to financial statements, the City changed accounting principles related to accounting for postemployment benefits by adopting Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions,* in 2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

B. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the financial statements were:

   Management's estimate of the useful lives of capital assets as based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

   Estimates are used in the calculation of the pension liability and the required annual contribution. The Texas Municipal Retirement System (TMRS) hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

   Estimates are used in the calculation of the health care liability for other postemployment benefits. TMRS hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

C. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

   The disclosure of the City's long-term debt in the financial statements is significant to financial statement users because it discloses the City's long-term financial obligations.

*2. Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*3. Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes both material and immaterial misstatements detected as a result of our audit procedures.

*4. Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*5. Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 13, 2019.

*6. Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*7. Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

IV. <u>Other Matters</u>

We applied certain limited procedures to the Required Supplementary Information (RSI), as identified on the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, as identified on the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, 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

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

V. <u>Restrictions on Use</u>

This information is intended solely for the use of the Mayor, City Council, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
*Certified Public Accountants*
Houston, Texas

Client: *City of Spring Valley Village, Texas*
Engagement: *4.1 - Spring Valley 9/30/18*
Period Ending: *9/30/2018*
Trial Balance: *2.2.01 - TB*
Workpaper: *2.5.06 - Adjusting Journal Entries Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Adjusting Journal Entries JE # 1** | | **C.01** | | |
| To adjust property taxes to match collector's report. | | | | |
| 10-00-1220 | AD VALOREM TAXES-PRIOR YEAR | | 8,049.75 | |
| 30-00-1220 | DEFERRED TAX RECEIVABLE | | 709.63 | |
| 10-00-3500 | DEFERRED INCOME - TAX REVENUE | | | 8,049.75 |
| 30-00-3500 | DEFERRED TAX REVENUE | | | 709.63 |
| Total | | | **8,759.38** | **8,759.38** |
| **Adjusting Journal Entries JE # 2** | | **F.06** | | |
| GASB68 Entry 1: To reverse prior year deferred outflows-contributions after the measurement date. | | | | |
| 20-10-4115 | PENSION EXPENSES - GASB 68 | | 22,508.22 | |
| 20-00-3501 | DEFERRED OUTFLOW | | | 22,508.22 |
| Total | | | **22,508.22** | **22,508.22** |
| **Adjusting Journal Entries JE # 3** | | **F.06** | | |
| GASB 68 Entry 2: To recognize current year amortization of prior year deferred items. | | | | |
| 20-00-3500 | DEFERRED INFLOW | | 4,397.04 | |
| 20-10-4115 | PENSION EXPENSES - GASB 68 | | 9,753.49 | |
| 20-10-4115 | PENSION EXPENSES - GASB 68 | | 22,859.72 | |
| 20-00-3502 | DEF. OUTFLOWS-DIFF. IN PROJ | | | 22,859.72 |
| 20-00-3503 | DEFERRED OUTLOWS - CHANGE IN | | | 9,753.49 |
| 20-10-4115 | PENSION EXPENSES - GASB 68 | | | 4,397.04 |
| Total | | | **37,010.25** | **37,010.25** |
| **Adjusting Journal Entries JE # 4** | | **F.06** | | |
| GASB 68 Entry 3: To recognize beginning balances of new deferred items. | | | | |
| 20-00-3403 | NET PENSION OBLIGATION | | 105,792.99 | |
| 20-00-3500 | DEFERRED INFLOW | | | 1,571.67 |
| 20-00-3502 | DEF. OUTFLOWS-DIFF. IN PROJ | | | 104,221.32 |
| Total | | | **105,792.99** | **105,792.99** |
| **Adjusting Journal Entries JE # 5** | | **F.06** | | |
| GASB 68 Entry 4: To recognize pension expense and current year amortization. | | | | |
| 20-00-3500 | DEFERRED INFLOW | | 390.94 | |
| 20-00-3502 | DEF. OUTFLOWS-DIFF. IN PROJ | | 20,844.23 | |
| 20-00-3403 | NET PENSION OBLIGATION | | | 1,117.88 |
| 20-10-4115 | PENSION EXPENSES - GASB 68 | | | 20,117.29 |
| Total | | | **21,235.17** | **21,235.17** |
| **Adjusting Journal Entries JE # 6** | | **F.06** | | |
| GASB 68 Entry 5: To recognize current year deferred outflows - contributions after measurement date. | | | | |
| 20-00-3501 | DEFERRED OUTFLOW | | 22,635.65 | |
| 20-10-4115 | PENSION EXPENSES - GASB 68 | | | 22,635.65 |
| Total | | | **22,635.65** | **22,635.65** |

Client: *City of Spring Valley Village, Texas*
Engagement: *4.1 - Spring Valley 9/30/18*
Period Ending: *9/30/2018*
Trial Balance: *2.2.01 - TB*
Workpaper: *2.5.06 - Adjusting Journal Entries Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Adjusting Journal Entries JE # 7** | | **F.08** | | |
| To adjust for GASB No.75. | | | | |
| 20-00-3504 | Def. Outflows - Contri aft. Measurement | | 126.65 | |
| 20-00-3505 | Def. outflows - Change in assumption- | | 1,284.86 | |
| 20-00-4120 | PRIOR YEAR UNRESERVED AND | | 17,071.00 | |
| 20-10-4116 | OPEB expense | | 1,476.34 | |
| 20-00-3405 | Net OPEB Obligation | | | 19,958.85 |
| **Total** | | | **19,958.85** | **19,958.85** |
| **Adjusting Journal Entries JE # 8** | | | | |
| To adjust accrued payroll. | | | | |
| 20-00-3402 | ACCRUE PAYROLL | | 3,534.01 | |
| 10-00-1025 | OVER & SHORT - GENERAL FUND | | | |
| 20-10-4011 | SALARIES NON EXEMPT REGULAR | | | 3,534.01 |
| **Total** | | | **3,534.01** | **3,534.01** |
| **Adjusting Journal Entries JE # 9** | | **H.02** | | |
| To adjust depreciation expense and accumulated depreciation. | | | | |
| 20-10-7700 | UTILITY - DEPRECIATION EXPENS | | 653.00 | |
| 20-00-2999 | ACCM. DEPREC.-UTILITY FUND | | | 653.00 |
| **Total** | | | **653.00** | **653.00** |
| **Adjusting Journal Entries JE # 10** | | **H.02** | | |
| To adjust capital asset for pump. | | | | |
| 20-00-2500 | MACHINERY AND EQUIPMENT | | 5,225.00 | |
| 20-70-7002 | CAPITAL - MATERIALS & EQUIP. | | | 5,225.00 |
| **Total** | | | **5,225.00** | **5,225.00** |

| | |
|---|---|
| **MEETING DATE:** | March 26, 2019 |
| **TOPIC:** | Award Of Competitive Sealed Bid Number 2019-01-01B For The New Production Well Project To W.W. Payton Corporation In An Amount Not To Exceed $3,150,000.00. |

**BACKGROUND:**

On January 23, 2019, Bid #2019-01-01B for the New Production Well Project was issued by WSP USA (WSP) on behalf of the City of Spring Valley Village. The bid closed on February 19, 2019, and two bids were received. A copy of the Bid Tabulation Sheet is provided with this agenda item.

The total base bid prices from the two contractors were $2,933,084.00 and $2,978,000.00, respectively. The total base bid prices received are substantially higher than the construction estimate of $2,117,000.00 and total of $2,500,000.00 that the City submitted to the Texas Water Development Board (TWDB) for funding the New Production Well project. WSP assisted the City in preparing the construction estimate and the TWDB funding request.

Bid Review Comments

WSP has indicated that they are aware of several reasons that may have contributed to the contractor bid prices being higher than the construction estimate. These reasons primarily involve changes that have affected the municipal water well and water construction markets within the past year and are listed below:

1. Within the past 6 to 12 months, there has been an increase in the number of municipal and public supply water plant and production well projects being bid versus 2016 – early 2018, when the bid costs for water plant and well infrastructure projects were lower and more competitive.

2. Within the last year, the number of large, local water well contractors that bid similar projects has decreased from three (Alsay, Layne and Weisinger) to two (Alsay and Weisinger).

3. Since mid-2018, the local well contractors and pumping equipment suppliers have reported increases in the costs of steel, well casing, blank production liner pipe, well screens and pump equipment materials of 20%-30%. The local well contractors have also reported increases in their personnel salaries and fuel costs.

**ACTIONS TAKEN**

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

4. AECOM assisted WSP with the design and preliminary budget estimates for the electrical and chemical system equipment upgrades. Related information that AECOM provided to WSP regarding the Houston construction market and the two City bids follows. The highly geared up construction season in the Houston area may have had an influence on interest in this project, as only two bids were received. The market price has increased for electrical and chemical system equipment costs. Electrical equipment prices have increased dramatically in the Houston area since Hurricane Harvey and the AECOM estimate was developed soon after Harvey but before the impact to equipment costs was known. The average bid prices received for this project were considerably higher for the electrical equipment (+$95,000) and chemical systems (+$68,000) and the bid prices for the FRP buildings were generally similar in comparison to the earlier AECOM budget estimate provided by vendors.

5. Limited work hours are available to the contractor, particularly the well contractor, and likely increased the bid costs. There are 168 hours available, if the contractor was allowed to work 24 hours / 7 days per week. The approved, construction hours allow 75 hours per week for the normal construction operations.

WSP USA recommends award of the bid for the New Production Well Project to W.W. Payton in an amount not to exceed $3,150,000.00. A copy of WSP's recommendation letter is provided with this agenda item.

The bid document has not been included with this agenda item due to its size; however, it is available for review on the Purchasing Page of the City's website.

<u>Recommended Funding for New Well</u>
The total TWDB Bond was issued for $2,500,000. The closing balance was $2,332,957.03 after the bond issuance costs and Debt Service Reserve. The remaining Engineering Fees and Special Services Fees for this project total approximately $66,000, leaving $2,266,957.03 available to apply toward the New Production Well project construction costs. Consequently, an additional $883,042.97 is needed for this project.

**ACTIONS TAKEN**

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

During the FY 2019 budget process, Council approved transferring $920,000 to the Debt Service Fund for CO 2019 bond payments. However, since the total bond was split into two different issuances, the debt service payment for CO 2019 is $110,153 - significantly less than originally budgeted – leaving $809,847 available in the budget. Therefore, staff recommends amending the FY 2019 Budget to transfer $809,847 from the General Fund to the Utility Fund for this capital project instead of transferring the amount to the Debt Service Fund. If Council approves of this recommended change in the transfer, then the revision will be included in the FY 2019 Budget Amendment.

Staff recommends funding the remaining $73,196 from the General Fund FY 2018 unexpended fund balance.

**RECOMMENDATION:** WSP USA and City Staff recommend awarding Competitive Sealed Bid Number 2019-01-01B for the New Production Well Project to W.W. Payton Corporation in an amount not to exceed $3,150,000.00.

**ATTACHMENTS:**

- Bid Tabulation Sheet Prepared by WSP USA
- Award Recommendation letter from John Nelson and Peter Lyman with WSP USA
- Bid Review Letter from John Nelson and Peter Lyman with WSP USA
- Copy of Bid Proposal Submitted by W. W. Payton Corporation

**FUNDING ISSUES:**

☐ Not applicable – no dollars are being spent or received.

☒ $2,266,957.03 is already available in Acct/Project # <u>20-60-7401</u> from TWDB SWIFT Funds for this project.

☒ Not budgeted, if approved, the various accounts will be included in the next Budget Amendment.

- ☒ $809,847 from various accounts in the General Fund will be transferred to Acct/Project # <u>20-60-7401</u>
- ☒ $73,196 from unexpended fund balance will be used and added to Acct/Project # <u>20-60-7401</u>
- ☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# __________

**FINANCE VERIFICATION OF FUNDING:**

| **SUBMITTING STAFF MEMBER:** | **CITY ADMINISTRATOR APPROVAL:** |
|---|---|
| Arthur Faiello, Director of Public Works | |

**ACTIONS TAKEN**

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ☐YES ☐NO | | |

DIVIDER PAGE

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | **BID NUMBER 1**<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | | **BID NUMBER 2**<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | **AVERAGE OF TWO BIDS** | |
|---|---|---|---|---|---|---|---|---|---|---|
| **ITEM** | **DESCRIPTION** | **UNIT** | **TOTAL APPROX. QUAN.** | **UNIT PRICE** | **TOTAL AMOUNT** | | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** |
| **B. BASE UNIT PRICE** | | | | | | | | | | |
| 1 | Mobilization and Demobilization | L.S. | 1 | $60,000.00 | $60,000.00 | | $60,000.00 | $60,000.00 | $60,000.00 | $60,000.00 |
| 2 | Drill, Construct, Test and Equip Well | L.S. | 1 | $ 1,336,500.00 | $1,336,500.00 | | $1,678,000.00 | $1,678,000.00 | $1,507,250.00 | $1,507,250.00 |
| 3 | Permanent pump for Well 2, concrete pump foundation, steel fabricated discharge head, column pipe, oil tubing, lineshaft with electric motor, ¼-inch, PVC coated stainless steel air-line tubing and 1-¼-inch Schedule 40 PVC solution tubing. | L.S. | 1 | $ 263,454.00 | $263,454.00 | | $235,000.00 | $235,000.00 | $249,227.00 | $249,227.00 |
| 4 | Discharge piping manifold from Well 1 to meter run, concrete sidewalk and pipe supports, complete. | L.S. | 1 | $ 49,020.00 | $49,020.00 | | $40,000.00 | $40,000.00 | $44,510.00 | $44,510.00 |
| 5 | Turn discharge head of existing pump at Well 1, demise existing pump foundation and construct new concrete pump foundation | L.S. | 1 | $ 36,480.00 | $36,480.00 | | $30,000.00 | $30,000.00 | $33,240.00 | $33,240.00 |
| 6 | Discharge piping manifold from Well 2 to meter run, concrete sidewalk and pipe supports, complete. | L.S. | 1 | $ 46,170.00 | $46,170.00 | | $40,000.00 | $40,000.00 | $43,085.00 | $43,085.00 |
| 7 | Meter run piping and fitting and collection line to tie-in with existing piping to the ground storage tanks. | L.S. | 1 | $ 108,300.00 | $108,300.00 | | $50,000.00 | $50,000.00 | $79,150.00 | $79,150.00 |
| 8 | All electrical work, programming work, electrical foundation pads and canopy for Well No. 2. | L.S. | 1 | $ 437,760.00 | $437,760.00 | | $325,000.00 | $325,000.00 | $381,380.00 | $381,380.00 |
| 9 | All chlorination, ammonia, fluoride and polyphosphate system work for single injection point at the water plant. | L.S. | 1 | $ 294,120.00 | $294,120.00 | | $295,000.00 | $295,000.00 | $294,560.00 | $294,560.00 |
| 10 | Building foundation, two 8'x8' FRP buildings and one 10'x10' FRP building for chemical systems. | L.S. | 1 | $ 163,590.00 | $163,590.00 | | $105,000.00 | $105,000.00 | $134,295.00 | $134,295.00 |
| 11 | Concrete splash box and drain for Well No. 1 | L.S. | 1 | $ 12,225.00 | $12,225.00 | | $4,210.00 | $4,210.00 | $8,217.50 | $8,217.50 |
| 12 | Concrete splash box and drain for Well No. 2 | L.S. | 1 | $ 12,255.00 | $12,255.00 | | $8,000.00 | $8,000.00 | $10,127.50 | $10,127.50 |
| 13 | Asphalt apron and subgrade around Well No. 2. | S.F. | 7,850 | $ 5.00 | $39,250.00 | | $9.00 | $70,650.00 | $7.00 | $54,950.00 |
| 14 | 8-Foot Chain Link Fence | L.F. | 500 | $ 20.00 | $10,000.00 | | $25.00 | $12,500.00 | $22.50 | $11,250.00 |
| 15 | 16-Foot Wide Chain Link Double Swing Gate | EA. | 2 | $ 1,000.00 | $2,000.00 | | $1,700.00 | $3,400.00 | $1,350.00 | $2,700.00 |
| 16 | 3-Foot Wide Chain Link Single Pedestrian Swing Gate | EA. | 1 | $ 1,000.00 | $1,000.00 | | $1,000.00 | $1,000.00 | $1,000.00 | $1,000.00 |
| 17 | Filter Fabric Fence | L.F. | 240 | $ 4.00 | $960.00 | | $1.00 | $240.00 | $2.50 | $600.00 |
| 18 | Sound Barrier | L.F. | 250 | $ 240.00 | $60,000.00 | | $80.00 | $20,000.00 | $160.00 | $40,000.00 |
| | TOTAL UNIT BASE BID: | | | | $2,933,084.00 | * | | $2,978,000.00 | | $2,955,542.00 |
| | * Bid Form States $2,933,114. This is $30 over the actual total of $2,933,084 | | | | | | | | | |
| **C. EXTRA UNIT PRICE** | | | | | | | | | | |
| 19 | Spectralog, if required by the City, in the pilot hole after making and reviewing Gamma Ray Log, all complete. | EA. | 1 | $ 1,705.00 | $1,705.00 | | $1,600.00 | $1,600.00 | $1,652.50 | $1,652.50 |
| 20 | Furnish and install 30-sack cement plug, if required, in the pilot hole below the selected completion depth of the well, complete. | EA. | 1 | $ 6,600.00 | $6,600.00 | | $6,000.00 | $6,000.00 | $6,300.00 | $6,300.00 |
| 21 | Extra sacks of cement more than the base amount of 30 sacks in a cement plug below the selected completion depth of the well included in Item 20. above. | SK. | 10 | $ 27.50 | $275.00 | | $25.00 | $250.00 | $26.25 | $262.50 |

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | **BID NUMBER 1**<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | **BID NUMBER 2**<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | **AVERAGE OF TWO BIDS** | |
|---|---|---|---|---|---|---|---|---|---|
| **ITEM** | **DESCRIPTION** | **UNIT** | **TOTAL APPROX. QUAN.** | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** |
| 22 | Complete water-sampling operation in the pilot hole from which the City requires water samples to be taken with a base development and pumping time of 36 hours, water samples and analyses, and associated static water-level measurements and pumping rate, all complete. | EA. | 3 | $ 34,705.00 | $104,115.00 | $32,200.00 | $96,600.00 | $33,452.50 | $100,357.50 |
| 23 | Pilot hole, as required, other than the 1,300-foot base depth for the well in Item 2.(2) | L.F. | 50 | $ 66.00 | $3,300.00 | $60.00 | $3,000.00 | $63.00 | $3,150.00 |
| 24 | Abandonment, if required, of pilot hole included in Item 2. | EA. | 1 | $ 105,000.00 | | $105,000.00 | | $105,000.00 | |
| 25 | 20-inch diameter surface casing, as required, cemented in place other than the 730-foot base depth for the well in Item 2.(2) | L.F. | 10 | $ 198.00 | $1,980.00 | $180.00 | $1,800.00 | $189.00 | $1,890.00 |
| 26 | 14-inch diameter blank production casing, as required, in place other than the 320-foot base length for the well in Item 2.(2) | L.F. | 10 | $ 110.00 | $1,100.00 | $100.00 | $1,000.00 | $105.00 | $1,050.00 |
| 27 | 14-inch diameter stainless steel screen wrapped on mild steel pipe, as required in place other than the 230-foot base length for the well in Item 2.(2) | L.F. | 15 | $ 275.00 | $4,125.00 | $250.00 | $3,750.00 | $262.50 | $3,937.50 |
| 28 | 20-foot length of pump column assembly, air-line, and one 1¼-inch Schedule 40 PVC tube in place complete, if required, other than the 520-foot base length for the pump in Item 3.(2) | EA. | 4 | $ 2,750.00 | $11,000.00 | $2,500.00 | $10,000.00 | $2,625.00 | $10,500.00 |
| 29 | Intermediate stage of bowl assembly (cast iron) added to the pump, as quoted in Item 3., if required, and as shown in the pump data submittals for present conditions. | EA. | 2 | $ 2,200.00 | $4,400.00 | $2,000.00 | $4,000.00 | $2,100.00 | $4,200.00 |
| 30 | Intermediate stage of bowl assembly (ductile iron) added to the pump, as quoted in Item 3., if required, and as shown in the pump data submittals for present conditions. | EA. | 2 | $ 2,475.00 | $4,950.00 | $2,250.00 | $4,500.00 | $2,362.50 | $4,725.00 |
| 31 | One-hour of pumping or water-level recovery time, if required, other than 36 hours for a complete water sampling operation given in Item 22.(2) | HR. | 20 | $ 82.50 | $1,650.00 | $75.00 | $1,500.00 | $78.75 | $1,575.00 |
| 32 | One-hour of pumping test time, if required, other than 96 hours given for the well in Item 22.(2) | HR. | 10 | $ 330.00 | $3,300.00 | $300.00 | $3,000.00 | $315.00 | $3,150.00 |
| | TOTAL EXTRA UNIT PRICE | | | | $148,500.00 | | $137,000.00 | | $142,750.00 |

| **ITEM** | **DESCRIPTION** | | | | **TOTAL AMOUNT** | | **TOTAL AMOUNT** | | **TOTAL AMOUNT** |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Centerpoint Energy Allowance for Electrical Service for Well 2 | SITE | 1 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 |
| TOTAL CASH ALLOWANCES | | | | | $35,000.00 | | $35,000.00 | | $35,000.00 |

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | BID NUMBER 1<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | | BID NUMBER 2<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | AVERAGE OF TWO BIDS | |
|---|---|---|---|---|---|---|---|---|---|---|
| **ITEM** | **DESCRIPTION** | **UNIT** | **TOTAL APPROX. QUAN.** | **UNIT PRICE** | **TOTAL AMOUNT** | | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** |
| **TOTAL** | | | | | **$3,116,584.00** | ** | | **$3,150,000.00** | | **$3,133,292.00** |

**Total Bid Price on Bid Form States $3,116,614. This is $30 over actual total of $3,116,584.00

DIVIDER PAGE

February 22, 2019

Julie Robinson, City Administrator, and
Arthur Faiello, Director of Public Works & Utilities
City of Spring Valley Village
1025 Campbell Road
Houston, Texas 77055

Re: New Production Well

Dear Ms. Robinson and Mr. Faiello:

Our firm has reviewed the bids received at the City of Spring Valley Village (City) City Hall on Tuesday morning, February 19, 2019 for the above referenced project consisting of a new production well, pumping equipment, discharge piping and electrical and chemical systems. Attached is a copy of the bid tabulation that includes a comparison between the two bids received from Principal Plant Services, LTD. and W. W. Payton Corporation.

The low, B. BASE UNIT PRICE bid of $2,933,084.00 was submitted by Principal Plant Services, LTD and W. W. Payton Corporation submitted a slightly higher, B. BASE UNIT PRICE bid of $2,978,000.00, which are substantially higher than the construction estimate of $2,117,000.00 that the City submitted to the Texas Water Development Board (TWDB) for funding for the City's infrastructure expansion. WSP USA (WSP) assisted the City in preparing the construction estimate and the TWDB funding request.

Both contractors that submitted bids acknowledged receiving Addendum No. 1 and Addendum No. 2.

Each contractor that submitted a bid to the City was required to provide documents and information that are outlined in Section 00100 - Instructions to Bidders.

The two contractors that submitted a bid provided the required Bid Security in the amount of five percent (5%) of the bidders maximum Bid price in the form of a Bid Bond issued by a surety meeting the requirements of Paragraph 5.1.1. of the General Conditions.

Principal Plant Services, LTD submitted copies of the Form of Proposal, Bid Form, a Bid Bond and a Certificate of Interested Parties (Form 1295) with its bid documents. Principal Plant Services, LTD did not submit information regarding financial data, previous project experience,

WSP USA
Formerly
LBG-Guyton Associates
16200 Park Row, Suite 200
Houston, TX 77084

Tel.: +1 713-468-8600
wsp.com

personnel, equipment, materials or the identity of its subcontractors or major suppliers with its bid.

W. W. Payton Corporation submitted copies of the Form of Proposal, Bid Form, Bidder's Bond, the Subcontractors and Major Suppliers Form, a financial statement, a qualification statement with completed projects, projects in progress and resumes for key personnel with its bid.

Based on review of the bids and documents submitted by the two contractors and the information outlined in this letter, our firm recommends that the City of Spring Valley Village select W. W. Payton Corporation for the contract, if the City awards the contract for this project.

Please review the bid information and contact us, if the City has any related questions or would like for WSP to provide additional information.

Kind regards,

| | |
|---|---|
| John W. Nelson, P.G.<br>Supervising Hydrogeologist | Peter S. Lyman, P.E.<br>Environmental Engineer |

Encl.

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | BID NUMBER 1<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | BID NUMBER 2<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | AVERAGE OF TWO BIDS | |
|---|---|---|---|---|---|---|---|---|---|
| **ITEM** | **DESCRIPTION** | **UNIT** | **TOTAL APPROX. QUAN.** | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** |
| **B. BASE UNIT PRICE** | | | | | | | | | |
| 1 | Mobilization and Demobilization | L.S. | 1 | $60,000.00 | $60,000.00 | $60,000.00 | $60,000.00 | $60,000.00 | $60,000.00 |
| 2 | Drill, Construct, Test and Equip Well | L.S. | 1 | $ 1,336,500.00 | $1,336,500.00 | $1,678,000.00 | $1,678,000.00 | $1,507,250.00 | $1,507,250.00 |
| 3 | Permanent pump for Well 2, concrete pump foundation, steel fabricated discharge head, column pipe, oil tubing, lineshaft with electric motor, ¼-inch, PVC coated stainless steel air-line tubing and 1-¼-inch Schedule 40 PVC solution tubing. | L.S. | 1 | $ 263,454.00 | $263,454.00 | $235,000.00 | $235,000.00 | $249,227.00 | $249,227.00 |
| 4 | Discharge piping manifold from Well 1 to meter run, concrete sidewalk and pipe supports, complete. | L.S. | 1 | $ 49,020.00 | $49,020.00 | $40,000.00 | $40,000.00 | $44,510.00 | $44,510.00 |
| 5 | Turn discharge head of existing pump at Well 1, demise existing pump foundation and construct new concrete pump foundation | L.S. | 1 | $ 36,480.00 | $36,480.00 | $30,000.00 | $30,000.00 | $33,240.00 | $33,240.00 |
| 6 | Discharge piping manifold from Well 2 to meter run, concrete sidewalk and pipe supports, complete. | L.S. | 1 | $ 46,170.00 | $46,170.00 | $40,000.00 | $40,000.00 | $43,085.00 | $43,085.00 |
| 7 | Meter run piping and fitting and collection line to tie-in with existing piping to the ground storage tanks. | L.S. | 1 | $ 108,300.00 | $108,300.00 | $50,000.00 | $50,000.00 | $79,150.00 | $79,150.00 |
| 8 | All electrical work, programming work, electrical foundation pads and canopy for Well No. 2. | L.S. | 1 | $ 437,760.00 | $437,760.00 | $325,000.00 | $325,000.00 | $381,380.00 | $381,380.00 |
| 9 | All chlorination, ammonia, fluoride and polyphosphate system work for single injection point at the water plant. | L.S. | 1 | $ 294,120.00 | $294,120.00 | $295,000.00 | $295,000.00 | $294,560.00 | $294,560.00 |
| 10 | Building foundation, two 8'x8' FRP buildings and one 10'x10' FRP building for chemical systems. | L.S. | 1 | $ 163,590.00 | $163,590.00 | $105,000.00 | $105,000.00 | $134,295.00 | $134,295.00 |
| 11 | Concrete splash box and drain for Well No. 1 | L.S. | 1 | $ 12,225.00 | $12,225.00 | $4,210.00 | $4,210.00 | $8,217.50 | $8,217.50 |
| 12 | Concrete splash box and drain for Well No. 2 | L.S. | 1 | $ 12,255.00 | $12,255.00 | $8,000.00 | $8,000.00 | $10,127.50 | $10,127.50 |
| 13 | Asphalt apron and subgrade around Well No. 2. | S.F. | 7,850 | $ 5.00 | $39,250.00 | $9.00 | $70,650.00 | $7.00 | $54,950.00 |
| 14 | 8-Foot Chain Link Fence | L.F. | 500 | $ 20.00 | $10,000.00 | $25.00 | $12,500.00 | $22.50 | $11,250.00 |
| 15 | 16-Foot Wide Chain Link Double Swing Gate | EA. | 2 | $ 1,000.00 | $2,000.00 | $1,700.00 | $3,400.00 | $1,350.00 | $2,700.00 |
| 16 | 3-Foot Wide Chain Link Single Pedestrian Swing Gate | EA. | 1 | $ 1,000.00 | $1,000.00 | $1,000.00 | $1,000.00 | $1,000.00 | $1,000.00 |
| 17 | Filter Fabric Fence | L.F. | 240 | $ 4.00 | $960.00 | $1.00 | $240.00 | $2.50 | $600.00 |
| 18 | Sound Barrier | L.F. | 250 | $ 240.00 | $60,000.00 | $80.00 | $20,000.00 | $160.00 | $40,000.00 |
| | TOTAL UNIT BASE BID: | | | | $2,933,084.00 * | | $2,978,000.00 | | $2,955,542.00 |
| | * Bid Form States $2,933,114. This is $30 over the actual total of $2,933,084 | | | | | | | | |
| **C. EXTRA UNIT PRICE** | | | | | | | | | |
| 19 | Spectralog, if required by the City, in the pilot hole after making and reviewing Gamma Ray Log, all complete. | EA. | 1 | $ 1,705.00 | $1,705.00 | $1,600.00 | $1,600.00 | $1,652.50 | $1,652.50 |
| 20 | Furnish and install 30-sack cement plug, if required, in the pilot hole below the selected completion depth of the well, complete. | EA. | 1 | $ 6,600.00 | $6,600.00 | $6,000.00 | $6,000.00 | $6,300.00 | $6,300.00 |
| 21 | Extra sacks of cement more than the base amount of 30 sacks in a cement plug below the selected completion depth of the well included in Item 20. above. | SK. | 10 | $ 27.50 | $275.00 | $25.00 | $250.00 | $26.25 | $262.50 |

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | BID NUMBER 1<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | BID NUMBER 2<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | AVERAGE OF TWO BIDS | |
|---|---|---|---|---|---|---|---|---|---|
| ITEM | DESCRIPTION | UNIT | TOTAL APPROX. QUAN. | UNIT PRICE | TOTAL AMOUNT | UNIT PRICE | TOTAL AMOUNT | UNIT PRICE | TOTAL AMOUNT |
| 22 | Complete water-sampling operation in the pilot hole from which the City requires water samples to be taken with a base development and pumping time of 36 hours, water samples and analyses, and associated static water-level measurements and pumping rate, all complete. | EA. | 3 | $ 34,705.00 | $104,115.00 | $32,200.00 | $96,600.00 | $33,452.50 | $100,357.50 |
| 23 | Pilot hole, as required, other than the 1,300-foot base depth for the well in Item 2.(2) | L.F. | 50 | $ 66.00 | $3,300.00 | $60.00 | $3,000.00 | $63.00 | $3,150.00 |
| 24 | Abandonment, if required, of pilot hole included in Item 2. | EA. | 1 | $ 105,000.00 | | $105,000.00 | | $105,000.00 | |
| 25 | 20-inch diameter surface casing, as required, cemented in place other than the 730-foot base depth for the well in Item 2.(2) | L.F. | 10 | $ 198.00 | $1,980.00 | $180.00 | $1,800.00 | $189.00 | $1,890.00 |
| 26 | 14-inch diameter blank production casing, as required, in place other than the 320-foot base length for the well in Item 2.(2) | L.F. | 10 | $ 110.00 | $1,100.00 | $100.00 | $1,000.00 | $105.00 | $1,050.00 |
| 27 | 14-inch diameter stainless steel screen wrapped on mild steel pipe, as required in place other than the 230-foot base length for the well in Item 2.(2) | L.F. | 15 | $ 275.00 | $4,125.00 | $250.00 | $3,750.00 | $262.50 | $3,937.50 |
| 28 | 20-foot length of pump column assembly, air-line, and one 1¼-inch Schedule 40 PVC tube in place complete, if required, other than the 520-foot base length for the pump in Item 3.(2) | EA. | 4 | $ 2,750.00 | $11,000.00 | $2,500.00 | $10,000.00 | $2,625.00 | $10,500.00 |
| 29 | Intermediate stage of bowl assembly (cast iron) added to the pump, as quoted in Item 3., if required, and as shown in the pump data submittals for present conditions. | EA. | 2 | $ 2,200.00 | $4,400.00 | $2,000.00 | $4,000.00 | $2,100.00 | $4,200.00 |
| 30 | Intermediate stage of bowl assembly (ductile iron) added to the pump, as quoted in Item 3., if required, and as shown in the pump data submittals for present conditions. | EA. | 2 | $ 2,475.00 | $4,950.00 | $2,250.00 | $4,500.00 | $2,362.50 | $4,725.00 |
| 31 | One-hour of pumping or water-level recovery time, if required, other than 36 hours for a complete water sampling operation given in Item 22.(2) | HR. | 20 | $ 82.50 | $1,650.00 | $75.00 | $1,500.00 | $78.75 | $1,575.00 |
| 32 | One-hour of pumping test time, if required, other than 96 hours given for the well in Item 22.(2) | HR. | 10 | $ 330.00 | $3,300.00 | $300.00 | $3,000.00 | $315.00 | $3,150.00 |
| | TOTAL EXTRA UNIT PRICE | | | | $148,500.00 | | $137,000.00 | | $142,750.00 |

| ITEM | DESCRIPTION | | | | TOTAL AMOUNT | | TOTAL AMOUNT | | TOTAL AMOUNT |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Centerpoint Energy Allowance for Electrical Service for Well 2 | SITE | 1 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 |
| TOTAL CASH ALLOWANCES | | | | | $35,000.00 | | $35,000.00 | | $35,000.00 |

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | BID NUMBER 1<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | | BID NUMBER 2<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | AVERAGE OF<br>TWO BIDS | |
|---|---|---|---|---|---|---|---|---|---|---|
| **ITEM** | **DESCRIPTION** | **UNIT** | **TOTAL APPROX. QUAN.** | **UNIT PRICE** | **TOTAL AMOUNT** | | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** |
| **TOTAL** | | | | | **$3,116,584.00** | ** | | **$3,150,000.00** | | **$3,133,292.00** |

**Total Bid Price on Bid Form States $3,116,614. This is $30 over actual total of $3,116,584.00

DIVIDER PAGE

February 22, 2019

Julie Robinson, City Administrator, and
Arthur Faiello, Director of Public Works & Utilities
City of Spring Valley Village
1025 Campbell Road
Houston, Texas 77055

Re: New Production Well, Contractor Bids

Dear Ms. Robinson and Mr. Faiello:

As you are aware, public bids for the new production well project were opened at the Council chambers at the City of Spring Valley Village (City) City Hall on Tuesday morning, February 19, 2019, at approx. 10:10 a.m. Sealed bids were received from two contractors, Principal Plant Services, LTD. and W. W. Payton Corporation. The total base bid prices from the two contractors were $2,933,084.00 and $2,978,000.00, respectively, and a copy of the bid tabulation is attached. The total base bid prices received are substantially higher than the construction estimate of $2,117,000.00 and total of $2,500,000.00 that the City submitted to the Texas Water Development Board (TWDB) for funding for the City's infrastructure expansion. WSP USA (WSP) assisted the City in preparing the construction estimate and the TWDB funding request.

WSP is aware of several reasons that may have contributed to the contractor bid prices being higher than the prior estimate and these reasons follow, which primarily involve changes that have affected the municipal well and water construction markets within the past year.

1. Within the past 6 to 12 months, there has been an increase in the number of municipal and public supply water plant and production well projects being bid versus 2016 – 2017 - early 2018, when the bid costs for water plant and well infrastructure projects were lower and more competitive.
2. Within the last year, the number of large, local water well contractors that bid similar projects has decreased from three (Alsay, Layne and Weisinger) to two (Alsay and Weisinger).
3. Since mid-2018, the local well contractors, pumping equipment suppliers have reported increases in the costs of steel, well casing, blank production liner pipe, well screens and pump equipment materials, of about 20 to 30 percent. The local

WSP USA
Formerly
LBG-Guyton Associates
16200 Park Row, Suite 200
Houston, TX 77084

Tel.: +1 713-468-8600
wsp.com

well contractors also have reported increases in their personnel salaries and fuel costs.

4. AECOM assisted WSP with the design and preliminary budget estimates for the electrical and chemical system equipment and planned upgrades and related information that AECOM provided to WSP regarding the Houston construction market and the two City bids follows. The highly geared up construction season in the Houston area may have had an influence on interest in this project, as only two bids were received. The market price has increased for electrical and chemical system equipment costs. Electrical equipment prices have increased dramatically in the Houston area since Hurricane Harvey and the AECOM estimate was developed soon after Harvey and before the impact to equipment costs was known. The average bid prices received for this project were considerably higher for the electrical equipment (+$95,000) and chemical systems (+$68,000) and the bid prices for the FRP buildings were generally similar in comparison to the earlier AECOM budget estimate provided by vendors.
5. Limited work hours are available to the contractor, particularly the well contractor, and likely increased the bid costs. There are 168 hours available, if the contractor was allowed to work 24 hours / 7 days per week. The approved, construction hours allow 75 hours per week for the normal construction operations.

WSP is ready to meet with the City to discuss the contractor bids, the information outlined in this letter and possible options for the City's considerations regarding the water well project. Please contact us at your convenience and we will work to answer any related questions or provide additional information, if helpful.

Kind regards,

John W. Nelson, P.G.
Supervising Hydrogeologist

Peter S. Lyman, P.E.
Environmental Engineer

Encl.

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | BID NUMBER 1<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | BID NUMBER 2<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | AVERAGE OF TWO BIDS | |
|---|---|---|---|---|---|---|---|---|---|
| ITEM | DESCRIPTION | UNIT | TOTAL APPROX. QUAN. | UNIT PRICE | TOTAL AMOUNT | UNIT PRICE | TOTAL AMOUNT | UNIT PRICE | TOTAL AMOUNT |
| **B. BASE UNIT PRICE** | | | | | | | | | |
| 1 | Mobilization and Demobilization | L.S. | 1 | $60,000.00 | $60,000.00 | $60,000.00 | $60,000.00 | $60,000.00 | $60,000.00 |
| 2 | Drill, Construct, Test and Equip Well | L.S. | 1 | $ 1,336,500.00 | $1,336,500.00 | $1,678,000.00 | $1,678,000.00 | $1,507,250.00 | $1,507,250.00 |
| 3 | Permanent pump for Well 2, concrete pump foundation, steel fabricated discharge head, column pipe, oil tubing, lineshaft with electric motor, ¼-inch, PVC coated stainless steel air-line tubing and 1-¼-inch Schedule 40 PVC solution tubing. | L.S. | 1 | $ 263,454.00 | $263,454.00 | $235,000.00 | $235,000.00 | $249,227.00 | $249,227.00 |
| 4 | Discharge piping manifold from Well 1 to meter run, concrete sidewalk and pipe supports, complete. | L.S. | 1 | $ 49,020.00 | $49,020.00 | $40,000.00 | $40,000.00 | $44,510.00 | $44,510.00 |
| 5 | Turn discharge head of existing pump at Well 1, demise existing pump foundation and construct new concrete pump foundation | L.S. | 1 | $ 36,480.00 | $36,480.00 | $30,000.00 | $30,000.00 | $33,240.00 | $33,240.00 |
| 6 | Discharge piping manifold from Well 2 to meter run, concrete sidewalk and pipe supports, complete. | L.S. | 1 | $ 46,170.00 | $46,170.00 | $40,000.00 | $40,000.00 | $43,085.00 | $43,085.00 |
| 7 | Meter run piping and fitting and collection line to tie-in with existing piping to the ground storage tanks. | L.S. | 1 | $ 108,300.00 | $108,300.00 | $50,000.00 | $50,000.00 | $79,150.00 | $79,150.00 |
| 8 | All electrical work, programming work, electrical foundation pads and canopy for Well No. 2. | L.S. | 1 | $ 437,760.00 | $437,760.00 | $325,000.00 | $325,000.00 | $381,380.00 | $381,380.00 |
| 9 | All chlorination, ammonia, fluoride and polyphosphate system work for single injection point at the water plant. | L.S. | 1 | $ 294,120.00 | $294,120.00 | $295,000.00 | $295,000.00 | $294,560.00 | $294,560.00 |
| 10 | Building foundation, two 8'x8' FRP buildings and one 10'x10' FRP building for chemical systems. | L.S. | 1 | $ 163,590.00 | $163,590.00 | $105,000.00 | $105,000.00 | $134,295.00 | $134,295.00 |
| 11 | Concrete splash box and drain for Well No. 1 | L.S. | 1 | $ 12,225.00 | $12,225.00 | $4,210.00 | $4,210.00 | $8,217.50 | $8,217.50 |
| 12 | Concrete splash box and drain for Well No. 2 | L.S. | 1 | $ 12,255.00 | $12,255.00 | $8,000.00 | $8,000.00 | $10,127.50 | $10,127.50 |
| 13 | Asphalt apron and subgrade around Well No. 2. | S.F. | 7,850 | $ 5.00 | $39,250.00 | $9.00 | $70,650.00 | $7.00 | $54,950.00 |
| 14 | 8-Foot Chain Link Fence | L.F. | 500 | $ 20.00 | $10,000.00 | $25.00 | $12,500.00 | $22.50 | $11,250.00 |
| 15 | 16-Foot Wide Chain Link Double Swing Gate | EA. | 2 | $ 1,000.00 | $2,000.00 | $1,700.00 | $3,400.00 | $1,350.00 | $2,700.00 |
| 16 | 3-Foot Wide Chain Link Single Pedestrian Swing Gate | EA. | 1 | $ 1,000.00 | $1,000.00 | $1,000.00 | $1,000.00 | $1,000.00 | $1,000.00 |
| 17 | Filter Fabric Fence | L.F. | 240 | $ 4.00 | $960.00 | $1.00 | $240.00 | $2.50 | $600.00 |
| 18 | Sound Barrier | L.F. | 250 | $ 240.00 | $60,000.00 | $80.00 | $20,000.00 | $160.00 | $40,000.00 |
| | TOTAL UNIT BASE BID: | | | | $2,933,084.00 * | | $2,978,000.00 | | $2,955,542.00 |

* Bid Form States $2,933,114. This is $30 over the actual total of $2,933,084

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **C. EXTRA UNIT PRICE** | | | | | | | | | |
| 19 | Spectralog, if required by the City, in the pilot hole after making and reviewing Gamma Ray Log, all complete. | EA. | 1 | $ 1,705.00 | $1,705.00 | $1,600.00 | $1,600.00 | $1,652.50 | $1,652.50 |
| 20 | Furnish and install 30-sack cement plug, if required, in the pilot hole below the selected completion depth of the well, complete. | EA. | 1 | $ 6,600.00 | $6,600.00 | $6,000.00 | $6,000.00 | $6,300.00 | $6,300.00 |
| 21 | Extra sacks of cement more than the base amount of 30 sacks in a cement plug below the selected completion depth of the well included in Item 20. above. | SK. | 10 | $ 27.50 | $275.00 | $25.00 | $250.00 | $26.25 | $262.50 |

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | BID NUMBER 1<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | BID NUMBER 2<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | AVERAGE OF TWO BIDS | |
|---|---|---|---|---|---|---|---|---|---|
| **ITEM** | **DESCRIPTION** | **UNIT** | **TOTAL APPROX. QUAN.** | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** |
| 22 | Complete water-sampling operation in the pilot hole from which the City requires water samples to be taken with a base development and pumping time of 36 hours, water samples and analyses, and associated static water-level measurements and pumping rate, all complete. | EA. | 3 | $ 34,705.00 | $104,115.00 | $32,200.00 | $96,600.00 | $33,452.50 | $100,357.50 |
| 23 | Pilot hole, as required, other than the 1,300-foot base depth for the well in Item 2.(2) | L.F. | 50 | $ 66.00 | $3,300.00 | $60.00 | $3,000.00 | $63.00 | $3,150.00 |
| 24 | Abandonment, if required, of pilot hole included in Item 2. | EA. | 1 | $ 105,000.00 | | $105,000.00 | | $105,000.00 | |
| 25 | 20-inch diameter surface casing, as required, cemented in place other than the 730-foot base depth for the well in Item 2.(2) | L.F. | 10 | $ 198.00 | $1,980.00 | $180.00 | $1,800.00 | $189.00 | $1,890.00 |
| 26 | 14-inch diameter blank production casing, as required, in place other than the 320-foot base length for the well in Item 2.(2) | L.F. | 10 | $ 110.00 | $1,100.00 | $100.00 | $1,000.00 | $105.00 | $1,050.00 |
| 27 | 14-inch diameter stainless steel screen wrapped on mild steel pipe, as required in place other than the 230-foot base length for the well in Item 2.(2) | L.F. | 15 | $ 275.00 | $4,125.00 | $250.00 | $3,750.00 | $262.50 | $3,937.50 |
| 28 | 20-foot length of pump column assembly, air-line, and one 1¼-inch Schedule 40 PVC tube in place complete, if required, other than the 520-foot base length for the pump in Item 3.(2) | EA. | 4 | $ 2,750.00 | $11,000.00 | $2,500.00 | $10,000.00 | $2,625.00 | $10,500.00 |
| 29 | Intermediate stage of bowl assembly (cast iron) added to the pump, as quoted in Item 3., if required, and as shown in the pump data submittals for present conditions. | EA. | 2 | $ 2,200.00 | $4,400.00 | $2,000.00 | $4,000.00 | $2,100.00 | $4,200.00 |
| 30 | Intermediate stage of bowl assembly (ductile iron) added to the pump, as quoted in Item 3., if required, and as shown in the pump data submittals for present conditions. | EA. | 2 | $ 2,475.00 | $4,950.00 | $2,250.00 | $4,500.00 | $2,362.50 | $4,725.00 |
| 31 | One-hour of pumping or water-level recovery time, if required, other than 36 hours for a complete water sampling operation given in Item 22.(2) | HR. | 20 | $ 82.50 | $1,650.00 | $75.00 | $1,500.00 | $78.75 | $1,575.00 |
| 32 | One-hour of pumping test time, if required, other than 96 hours given for the well in Item 22.(2) | HR. | 10 | $ 330.00 | $3,300.00 | $300.00 | $3,000.00 | $315.00 | $3,150.00 |
| | TOTAL EXTRA UNIT PRICE | | | | $148,500.00 | | $137,000.00 | | $142,750.00 |

| **ITEM** | **DESCRIPTION** | | | | **TOTAL AMOUNT** | | **TOTAL AMOUNT** | | **TOTAL AMOUNT** |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Centerpoint Energy Allowance for Electrical Service for Well 2 | SITE | 1 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 | $35,000.00 |
| TOTAL CASH ALLOWANCES | | | | | $35,000.00 | | $35,000.00 | | $35,000.00 |

OWNER CITY OF SPRING VALLEY VILLAGE
PROJECT: NEW PRODUCTION WELL
Bid No. 2019-01-01B

TABULATION OF BIDS
BIDS RECEIVED AND OPENED AT
CITY HALL - HOUSTON, TX 77055
AT 10:10 A.M., TUESDAY, FEBRUARY 19, 2019

| # OF BIDS: 2<br># OF ITEMS: 32 | | | | BID NUMBER 1<br>Principle Plant Services, LTD.<br>27080 Mandell Rd.<br>Cleveland, Texas 77328 | | | BID NUMBER 2<br>W. W. Payton Corporation<br>30655 FM 529<br>Brookshire, Texas 77423 | | AVERAGE OF TWO BIDS | |
|---|---|---|---|---|---|---|---|---|---|---|
| **ITEM** | **DESCRIPTION** | **UNIT** | **TOTAL APPROX. QUAN.** | **UNIT PRICE** | **TOTAL AMOUNT** | | **UNIT PRICE** | **TOTAL AMOUNT** | **UNIT PRICE** | **TOTAL AMOUNT** |
| **TOTAL** | | | | | **$3,116,584.00** | ** | | **$3,150,000.00** | | **$3,133,292.00** |

**Total Bid Price on Bid Form States $3,116,614. This is $30 over actual total of $3,116,584.00

DIVIDER PAGE

Document 00310

FORM OF PROPOSAL

To: **City of Spring Valley Village**
**1025 Campbell Road**
**Houston, Texas 77055**

Project: New Production Well

Bidder: W. W. Payton Corporation
[Print or type full name of proprietorship, partnership, corporation, or joint venture]

1. OFFER

Having examined the place of the Work and all matters referred to in the Bid Documents, and the Contract Documents prepared by or approved by the Owner's Engineer for the named Project, we, the undersigned, hereby offer to enter into a Contract to perform the Work for the Total Bid Price of

three million one hundred fifty thousand and no/100 Dollars

($ 3,150,000.00 )

[Print or type in words and figures, Bidder's Total Bid Price]

**Stipulated Price (Lump Sum) Contract.** If the Bid is for a Stipulated Price Contract, the Total Bid Price is the total Stipulated Price offered, including Cash Allowances and Alternate Bids, if any.

**Unit Price Contract.** If the Bid is for a Unit Price Contract, the Total Bid Price, including Cash Allowances, if any, is tabulated in: Document 00410 – Bid Form.

**Changes in Contract Price Due to Variations in Actual Quantities.** For items quoted in Document 00410 – Bid Form, the Total Bid Price is based in whole or in part on the Unit Price multiplied by the quantity for each of the items listed. The Contract Price is subject to change due to variation in the actual quantities of each item in the completed Work in accordance with the Contract Documents.

**Security Deposit.** Included herewith is a Security Deposit in the amount of 5 percent of the Total Bid Price, as required by Document 00100 - Instructions to Bidders.

**Period for Bid Acceptance.** This offer shall be open to acceptance and is irrevocable for 90 days from the Bid date. That period may be extended by mutual written agreement of the City and the Bidder. After 90 days, the Bidder may withdraw without penalty if no mutual agreement can be reached.

**Forfeiture of Security Deposit.** If this Bid is accepted within the time period stated above and the bonds and other required documentation are not provided within the time stated, the Security Deposit or a portion thereof shall be forfeited as described in Document 00100 - Instructions to Bidders.

**Return of Security Deposit.** If this Bid is not accepted within the time period stated above, the Security Deposit shall be returned to the undersigned in accordance with provisions of Document 00100 - Instructions to Bidders, unless a mutually satisfactory arrangement is made for its retention and validity for an extended period of time for acceptance.

2. CONTRACT TIME

If this offer is accepted, Substantial Completion of the Work will be achieved in **365** calendar days, as stated in the Supplementary Conditions.

3. ADDENDA

The following Addenda have been received. The modifications to the Bid Documents noted therein have been considered and all costs relating thereto are included in the Bid Price:

Addendum No. 1, dated 2-12-19

Addendum No. 2-, dated 2-18-19 -

Addendum No. -, dated -

Addendum No. -, dated -

Addendum No. -, dated -

4. SUPPLEMENTS TO THIS BID:

The following Supplements are attached as an integral part of this Bid:

[X] Document 00315 - Security Deposit (*Form supplied by Bidder*)
[X] Document 00410 – Bid Form
[X] Others as listed: Document 00101.

5. SIGNATURES:

Bidder:__
[Please print or type the full name of your proprietorship, partnership, corporation, or joint venture.*]

By: 2-19-19
[Signature] [Date]

Name: Wesley W. Payton President
[Please print or type name] [Title]

Address: P.O. BOX 1056, Katy, Texas 77492
[Mailing]

30655 FM 529, Brookshire, TX 77423
[Street, if different]

Telephone: (281) 371-7068
[Print or type telephone number]

* *If the Bid is a joint venture, add additional Bid form signature sheets for each member of the joint venture.*

** *The undersigned, as bidder, certifies that the only person or parties interested in this proposal as principals are those named herein; that the Bidder has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the Contract for the Project.*

*Note: This document constitutes a government record, as defined by ' 37.01 of the Texas Penal Code. Submission of a false government record is punishable as provided in ' 37.10 of the Texas Penal Code.*

END OF DOCUMENT

Document 00410B

BID FORM – PART B

## 1.0 TOTAL BID PRICE HAS BEEN CALCULATED BY BIDDER, USING THE FOLLOWING COMPONENT PRICES AND PROCESS (PRINT OR TYPE NUMERICAL AMOUNTS):

### A. STIPULATED PRICE: $[N/A]

(Total Bid Price; minus Base Unit Prices, Extra Unit Prices, Cash Allowances and All Alternates, if any)

### B. BASE UNIT PRICE TABLE:

| Item No. | Spec Ref. | Base Unit Short Title | Unit of Measure | Estimated Quantity | Unit Price (this column controls) | Total in figures |
|---|---|---|---|---|---|---|
| 1. | 01502 | Mobilization and Demobilization for Water Well No. 2. | L.S. | 1 | $60,000(1) | $60,000(1) |
| 2. | 01110 | Drill, construct, test and equip Water Well No. 2, including:<br>2a) Pilot hole drilled, logged and sampled.<br>2b) Reaming of pilot hole and conductor casing set and cemented in place.<br>2c) Underreaming the pilot hole below the conductor casing.<br>2d) Production casing and screen(s) set in place.<br>2e) Graveling, sterilizing, developing and testing the well.<br>2f) Furnishing the test pumping equipment.<br>2g) Well yard clearing, grading, sidewalks, surfacing, topsoil, seeding and sodding. | L.S. | 1 | 1,678,000.00 | 1,678,000.00 |
| 3. | 01110 | Permanent pump bowl for Well 2, concrete pump foundation, steel fabricated discharge head, column pipe, oil tubing, lineshaft with electric motor, ¼-inch, PVC coated stainless steel air-line tubing and 1-¼-inch Schedule 40 PVC solution tubing. | L.S. | 1 | 235,000.00 | 235,000.00 |
| 4. | 01110 | Discharge piping manifold from Well 1 to meter run, concrete sidewalk and pipe supports, complete. | L.S. | 1 | 40,000.00 | 40,000.00 |
| 5. | 01110 | Turn discharge head of existing pump at Well 1, demise existing pump foundation and construct new concrete pump foundation | L.S. | 1 | 30,000.00 | 30,000.00 |

2,978,000.00

| Item No. | Spec Ref. | Extra Unit Short Title | Unit of Measure | Estimated Quantity | Unit Price (this column controls) | Total in figures |
|---|---|---|---|---|---|---|
| 20. | 02529 | Furnish and install 30-sack cement plug, if required, in the pilot hole below the selected completion depth of the well, complete. | EA. | 1 | 6,000.00 | 6,000.00 |
| 21. | 02529 | Extra sacks of cement more than the base amount of 30 sacks in a cement plug below the selected completion depth of the well included in Item 20. above. | SK. | 10 | 25.00 | 250.00 |
| 22. | 02529 | Complete water-sampling operation in the pilot hole from which the City requires water samples to be taken with a base development and pumping time of 36 hours, water samples and analyses, and associated static and pumping water-level measurements and pumping rate, all complete. | EA. | 3 | 32,200.00 | 96,600.00 |
| 23. | 02529 | Pilot hole, as required, other than the 1,300-foot base depth for the well in Item 2.(2) | L.F. | 50 | 60.00 | 3,000.00 |
| 24. | 02529 | Abandonment, if required, of pilot hole included in Item 2. | EA. | 1 | $105,000.00(1) | (leave blank) |
| 25. | 02529 | 20-inch diameter surface casing, as required, cemented in place other than the 730-foot base depth for the well in Item 2.(2) | L.F. | 10 | 180.00 | 1,800.00 |
| 26. | 02529 | 14-inch diameter blank production casing, as required, in place other than the 320-foot base length for the well in Item 2.(2) | L.F. | 10 | 100.00 | 1,000.00 |
| 27. | 02529 | 14-inch diameter stainless steel screen wrapped on mild steel pipe, as required in place other than the 230-foot base length for the well in Item 2.(2) | L.F. | 15 | 250.00 | 3,750.00 |
| 28. | 15162 | 20-foot length of pump column assembly, air-line, and one 1¼-inch Schedule 40 PVC tube in place complete, if required, other than the 520-foot base length for the pump in Item 3.(2) | EA. | 4 | 2,500.00 | 10,000.00 |
| 29. | 15162 | Intermediate stage of bowl assembly (cast iron) added to the pump, as quoted in Item 3., if required, and as shown in the pump data submittals for present conditions. | EA. | 2 | 2,000.00 | 4,000.00 |

| Item No. | Spec Ref. | Extra Unit Short Title | Unit of Measure | Estimated Quantity | Unit Price (this column controls) | Total in figures |
|---|---|---|---|---|---|---|
| 30. | 15162 | Intermediate stage of bowl assembly (ductile iron) added to the pump, as quoted in Item 3., if required, and as shown in the pump data submittals for present conditions. | EA. | 2 | 2,250.00 | 4,500.00 |
| 31. | 02529 | One-hour of pumping or water-level recovery time, if required, other than 36 hours for a complete water sampling operation given in Item 22.(2) | HR. | 20 | 75.00 | 1,500.00 |
| 32. | 02529 | One-hour of pumping test time, if required, other than 96 hours given for the well in Item 2.(2) | HR. | 10 | 300.00 | 3,000.00 |
| **C. TOTAL EXTRA UNIT PRICES** | | | | | | $ 137,000.00 |

## D. CASH ALLOWANCE TABLE:

| Item No. | Spec Ref. | Cash Allowance Short Title | Cash Allowance in figures (3) |
|---|---|---|---|
| 1 | 01110 | CenterPoint Energy Allowance for Electrical Service for Well 2 | $35,000.00 |
| | | | |
| | | | |
| | | | |
| | | | |
| **D. TOTAL CASH ALLOWANCES** | | | $35,000.00 |

## E. ALTERNATES TABLE:

| Item No. | Spec Ref. | Alternate Short Title | Unit of Measure | Estimated Quantity | Unit Price (this column controls) | Total Price for Alternate in figures |
|---|---|---|---|---|---|---|
| 1 | | N/A | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| **TOTAL ALTERNATES** | | | | | | $________ |

**F. TOTAL BID PRICE:** $ 3,150,000.00
(Add Totals for Items A., B., C., D., and E. above)

**2.0 SIGNATURES:** By signing this Document, I agree that I have received and reviewed all Addenda and considered all costs associated with the Addenda in calculating the Total Bid Price.

Bidder: W.W. Payton Corporation
(Print or type full name of your proprietorship, partnership, corporation, or joint venture.*)

By: WJ
Signature

2-19-19
Date

Name: Wesley W. Payton
(Print or type name)

President
Title

Address: P.O. BOX 1056, Katy, RX 77492
(Mailing)

30655 FM 529, Brookshire, TX 77423
(Street, if different)

Telephone and Fax Number: (281) 371-7068
(Print or type numbers)

* If Bid is a joint venture, add additional Bid Form signature sheets for each member of the joint venture.

** Bidder certifies that the only person or parties interested in this offer as principals are those named above. Bidder has not directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding.

Note: This document constitutes a government record, as defined by § 37.01 of the Texas Penal Code. Submission of a false government record is punishable as provided in § 37.10 of the Texas Penal Code.

Footnotes for Tables B through E:
(1) Fixed Unit Price determined prior to Bid. Cannot be adjusted by the Bidder.
(2) The same unit price applies if there is a unit quantity deduction.
(3) Cash Allowance determined prior to Bid cannot be adjusted by the Bidder. Payment will be made in accordance with Contract Terms and Conditions.

Document 00101

SUBCONTRACTORS AND MAJOR SUPPLIERS FORM

**SUBCONTRACTORS AND TYPE OF WORK TO BE PERFORMED**

JCS - Chemical System

Backwater - Fence

Alsay - Water well

**LOCAL SUBCONTRACTORS (Principal Business Location in Harris County)**

JCS

Alsay

backwater

**MAJOR SUPPLIERS**

To meet spec

**LOCAL MAJOR SUPPLIERS (Principal Business Location in Harris County)**

END OF DOCUMENT

Document 00315

BIDDER'S BOND

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

**THAT WE,** W. W. Payton Corporation [Bidder], as Principal, hereinafter called Bidder, and the other subscriber hereto, Hartford Fire Insurance Company, as Surety, do hereby acknowledge ourselves to be held and firmly bound to the City of Spring Valley Village (Owner), a municipal corporation, and its successors in the sum of Five Percent (5%) of Greatest Amount Bid--- Dollars ($ 5% G.A.B.--------) (an amount equal to 5 percent of the greatest amount bid), the said Bidder and Surety do bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally.

**THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:**

**WHEREAS**, the Bidder has submitted on or about this day a proposal offering to perform the following:

[Project Description]
New Production Well - Bid No. 2019-01-10B

in accordance with the Drawings, Specifications, and terms and conditions related thereto to which reference is hereby made.

**NOW, THEREFORE**, if the said Bidder's offer as stated in the Document 00310 - Form of Proposal is accepted by the Owner, and the said Bidder executes and returns to the Owner the number of original counterparts of the Document 00510 - Form of Agreement required by the Owner, on the forms prepared by the Owner, for the work described herein and also executes and returns the same number of the Performance, Payment and Maintenance Bonds (such bonds to be executed by a Corporate Surety authorized by the State Board of Insurance to conduct insurance business in the State of Texas, and having an underwriting limitation in at least the amount of the bond) in connection with the work described herein, within the time specified, then this obligation shall become null and void; otherwise it is to remain in full force and effect.

In the event that the Bidder is unable to or fails to perform the obligations undertaken herein, the undersigned Bidder and Surety shall be liable to the Owner for the full amount of this obligation which is hereby acknowledged as the amount of damages which will be suffered by the Owner on account of the failure of such Bidder to perform such obligations, the actual amount of such damages being difficult to ascertain.

Notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United States Postal Service post office or receptacle, with proper postage affixed (certified mail, return receipt requested), addressed to the respective other party at the address prescribed in the Contract Documents, or at such other address as the receiving party may hereafter prescribe by written notice to the sending party.

**IN WITNESS THEREOF**, the said Bidder and Surety have signed and sealed this instrument on the respective dates written below their signatures and have attached current Power of Attorney.

ATTEST, SEAL: (if a corporation)
WITNESS: (if not a corporation)

By: [signature]
Name: Martha K. Payton
Title: Secretary

W. W. Payton Corporation
[Name of Bidder]
By: [signature]
Name: Wesley W. Payton
Title: President
Date: February 19, 2019

ATTEST/SURETY WITNESS: (SEAL)

By: Kourtney Reece
Name: Kourtney Reece
Title: Witness
Date: February 19, 2019

Hartford Fire Insurance Company
[Full Name of Surety]
3000 Internet Blvd., #600, Frisco, TX 75034
[Address of Surety for Notice]
[Telephone Number of Surety]
By: Sharon Cavanaugh
Name: Sharon Cavanaugh
Title: Attorney-in-Fact
Date: February 19, 2019

END OF DOCUMENT

# POWER OF ATTORNEY

***Direct Inquiries/Claims to:***
**THE HARTFORD**
**BOND, T-12**
**One Hartford Plaza**
**Hartford, Connecticut 06155**
**Bond.Claims@thehartford.com**
*call:* **888-266-3488** *or fax:* **860-757-5835**

**KNOW ALL PERSONS BY THESE PRESENTS THAT:**

**Agency Name:** MARSH & MCLENNAN AGENCY LLC
**Agency Code:** 46-505987

- [X] **Hartford Fire Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- [X] **Hartford Casualty Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- [X] **Hartford Accident and Indemnity Company**, a corporation duly organized under the laws of the State of Connecticut
- [ ] **Hartford Underwriters Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- [ ] **Twin City Fire Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- [ ] **Hartford Insurance Company of Illinois**, a corporation duly organized under the laws of the State of Illinois
- [ ] **Hartford Insurance Company of the Midwest**, a corporation duly organized under the laws of the State of Indiana
- [ ] **Hartford Insurance Company of the Southeast**, a corporation duly organized under the laws of the State of Florida

having their home office in Hartford, Connecticut, (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, ***up to the amount of*** Unlimited :
Roxanne G. Brune, Sharen Groppell, Francine Hay, Beverly A. Ireland, Edward L. Moore, Kurt A. Risk, James W. Tomforde, Gloria Villa of Houston TX, C.W. Adams, Sharon Cavanaugh of HOUSTON, Texas

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by ☒, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

**In Witness Whereof**, and as authorized by a Resolution of the Board of Directors of the Companies on May 6, 2015 the Companies have caused these presents to be signed by its Senior Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.

John Gray, Assistant Secretary

M. Ross Fisher, Senior Vice President

**STATE OF CONNECTICUT**
} ss. Hartford
**COUNTY OF HARTFORD**

On this 5th day of January, 2018, before me personally came M. Ross Fisher, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Senior Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.

Kathleen T. Maynard

Kathleen T. Maynard
Notary Public
My Commission Expires July 31, 2021

**CERTIFICATE**

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of February 19, 2019
Signed and sealed at the City of Hartford.

Kevin Heckman, Assistant Vice President

POA 2018

**IMPORTANT NOTICE**

To obtain information or make a complaint:
You may contact your Agent.

You may call The Hartford's Consumer Affairs toll-free telephone number for information or to make a complaint at:
**1-800-451-6944**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:
**1-800-252-3439**

You may write the Texas Department of Insurance:
P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007
Web: *www.tdi.texas.gov*
E-mail: *ConsumerProtection@tdi.texas.gov*

**PREMIUM OR CLAIM DISPUTES:**
Should you have a dispute concerning your premium or about a claim, you should contact the (agent) (company) (agent or the company) first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTICE TO YOUR POLICY:**
This notice is for information only and does not become a part or condition of the attached document.

**IMPORTANT NOTICE**

To obtain information or make a complaint:

You may contact your agent.

You may call Hartford Insurance Group at the toll free telephone number for information or to make a complaint at:

**1-800-392-7805**

You may also write to The Hartford:

**The Hartford**
**Hartford Financial Products**
**2 Park Avenue, 5th Floor**
**New York, New York 10016**
**1-212-277-0400**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

**1-800-252-3439**

You may write the Texas Department of Insurance

P.O. Box 149104
Austin, TX 78714-9104
Fax Number (512) 490-1007
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

**PREMIUM OR CLAIMS DISPUTES: Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.**

**ATTACH THIS NOTICE TO YOUR POLICY: This notice is for your information only and does not become a part or condition of the attached document.**

**AVISO IMPORTANTE**

Para obtener informacion o para someter una queja.

Puede comunicarse con su agente.

Usted puede llamar al numero de telefono gratis de The Hartford Insurance Group para informacion o para someter una queja al

**1-800-392-7805**

Usted tambien puede escribir a The Hartford.

**The Hartford**
**Hartford Financial Products**
**2 Park Avenue, 5th Floor**
**New York, New York 10016**
**1-212-277-0400**

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de compañías, coberturas, derechos o quejas al:

**1-800-252-3439**

Puede escribir al Departamento de Seguros de Texas

P.O. Box 149104
Austin, TX 78714-9104
Fax Number (512) 490-1007
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

**DISPUTAS SOBRE PRIMAS O RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con su agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).**

**UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.**

# W. W. PAYTON CORPORATION
## BALANCE SHEETS
## JULY 31, 2017 AND 2016

### ASSETS

| | 2017 | 2016 |
|---|---|---|
| **CURRENT ASSETS:** | | |
| Cash | $ 4,589,204 | $ 2,230,726 |
| Certificate of deposit | 643,534 | 141,716 |
| Notes receivable: | | |
| Employees | 119,604 | 370,477 |
| Stockholder | 58,855 | |
| | 178,459 | 370,477 |
| Accounts receivable: | | |
| Estimates and trade | 5,222,189 | 5,690,456 |
| Retainage | 1,145,301 | 1,939,360 |
| Employees | 14,900 | 24,525 |
| Miscellaneous | 406 | 16,814 |
| | 6,382,796 | 7,671,155 |
| Net investment in sales-type lease | 106,728 | 93,012 |
| Prepaid federal income tax | 606,999 | 223,999 |
| Inventory - materials and supplies | 1,361,000 | 1,388,279 |
| Work in progress: | | |
| Cost and estimated earnings in excess of billings on contracts in progress | 285,668 | 1,600,050 |
| Total current assets | 14,154,388 | 13,719,414 |
| **PROPERTY AND EQUIPMENT:** | | |
| Machinery and equipment | 1,880,954 | 2,406,021 |
| Buildings and improvements | 1,305,263 | 1,305,263 |
| Furniture and fixtures | 135,365 | 135,365 |
| Automobiles and trucks | 1,128,004 | 1,193,314 |
| | 4,449,586 | 5,039,963 |
| Less accumulated depreciation | 3,179,828 | 3,594,299 |
| | 1,269,758 | 1,445,664 |
| Land | 112,800 | 112,800 |
| | 1,382,558 | 1,558,464 |
| **OTHER ASSETS:** | | |
| Net investment in sales-type lease | 1,011,759 | 1,135,814 |
| Notes receivable - employees, less current maturities | 349,926 | 455,974 |
| Notes receivable - stockholder, less current maturities | 117,711 | |
| | 1,479,396 | 1,591,788 |
| TOTAL | $ 17,016,342 | $ 16,869,666 |

See notes to financial statements

## LIABILITIES AND STOCKHOLDER'S EQUITY

| | 2017 | 2016 |
|---|---|---|
| **CURRENT LIABILITIES:** | | |
| Current maturities of long-term debt | $ 123,597 | $ 86,568 |
| Accounts payable: | | |
| Trade | 1,088,240 | 1,430,226 |
| Retainage | 448,185 | 576,707 |
| Miscellaneous | 868 | 228 |
| | 1,537,293 | 2,007,161 |
| Accrued expenses: | | |
| Ad valorem and franchise taxes | 80,363 | 81,364 |
| Payroll, bonuses, payroll taxes and payroll insurance | 576,177 | 607,522 |
| | 656,540 | 688,886 |
| Advance billings: | | |
| Billings in excess of cost and estimated earnings on contracts in progress | 1,686,638 | 1,144,799 |
| Total current liabilities | 4,004,068 | 3,927,414 |
| **LONG-TERM DEBT:** | | |
| Total | 138,202 | 168,638 |
| Less current maturities | 123,597 | 86,568 |
| | 14,605 | 82,070 |
| **DEFERRED FEDERAL INCOME TAX** | 48,336 | 126,670 |
| **STOCKHOLDER'S EQUITY:** | | |
| Common stock - par value, $1; authorized, 1,000,000 shares; issued and outstanding, 216,000 shares | 216,000 | 216,000 |
| Additional paid-in capital | 9,882 | 9,882 |
| Retained earnings | 12,723,451 | 12,507,630 |
| | 12,949,333 | 12,733,512 |
| TOTAL | $ 17,016,342 | $ 16,869,666 |

# CONTRACTOR'S STATEMENT

# OF

# QUALIFICATIONS

# QUALIFICATION STATEMENT

**Submitted to:** City of Spring Village Valley, Texas

**By:** W. W. PAYTON CORPORATION (Corporation)

**Principal Office:** 30655 F.M. 529, BROOKSHIRE, TEXAS 77423

**Mailing Address:** P.O. BOX 1056, KATY, TEXAS 77492-1056

The signatory of this questionnaire guarantees the truth and accuracy of all statements and of all answers to interrogatories hereafter made.

1. **How many years has your organization been in business as a general contractor under your present** Business name? 28

2. **How many years' experience in this type of construction work has your organization had:**
   (a) as a general contractor? 28
   (b) as an electrical contractor? 28

3. **What projects has your organization completed?**
   See the attached Supplemental Information (SI-1)

4. **Have you ever failed to complete any work awarded you?** No

   If so, where and why? N/A

5. **Have you completed any projects within the area of this project?** Yes

   If so, when, where & what? We have completed various water plants within Harris, Fort Bend, Brazoria, Galveston & Montgomery Counties. We do all phases of construction including civil, mechanical and electrical with our construction forces.

6. **The work, if awarded you, will have the personal supervision of whom?**

a. For administrative management? Eric A. Sliva / Chad J. Payton
b. For general construction superintendence? Dana L. Nelson
   1) What experience does the designated General Construction Superintendent have in this type of work?

   All excavation & dirt, all structural items, all mechanical & electrical (including SCADA) and various Other items.

7. **What equipment do you own that is available for the proposed work?**

We own our own bulldozers, backhoes, loaders and various sizes of trucks and trailers. All hand, power & motorized tools and equipment required to accomplish the construction connected with this proposed contract is owned by W. W. Payton Corporation and are maintained in a new or first-class service condition. Other equipment required on a temporary or occasional basis is rented or leased, as required. We also have required instrumentation & test equipment for electrical work.

8. **Do you have adequate bonding capacity to provide a performance bond and labor and material paymen bond for this project? What is your available bonding capacity?**

Yes

$ 35,000,000.00

9. **List the construction projects your organization has underway on this date.**

Please see the attached Supplemental Information (SI-2)

10. **Banking Reference -** Austin County State Bank
436 South Front Street – Bellville, Texas 77418
Ph: (979) 865-4200 Contact: Jim O'Jibway

11. **Accountant -** Morris, Ligon & Rodriguez
13333 Southwest Freeway #190, Sugar Land, Texas 77478
Ph: (713) 242-2400 Contact: Steve Ligon

12. **Surety Company -** Hartford Fire Insurance Company
c/o Marsh & McLennan Agency
2500 City West BLVD, Suite 2400
Houston, Texas 77042
Ph: (713) 780-6100 Contact: Glen Odell, Agent

**QUALIFICATION STATEMENT**

W. W. Payton Corporation
(Name of Organization)

Wesley W. Payton – President

**STATE OF TEXAS**

**COUNTY OF WALLER**

Wesley W. Payton, being duly sworn, deposes and says that he is the President of the above W. W. Payton Corporation and that the answers to the foregoing questions and all statements there in contained are true and correct.

Sworn to before me this

19th day of February, 2019

(Notary Public)
Kimberly Campbell

My Commission Expires: 9-12-2022

KIMBERLY CAMPBELL
NOTARY PUBLIC
STATE OF TEXAS
ID# 131720413
EXPIRES 9-12-2022

# COMPLETED PROJECTS

| Contract Amount | Name of Project | Location in Texas | Brief Project Description | Subcontracted Portion of Work | Scheduled Completion | Date Completed | Engineer Phone # Contact |
|---|---|---|---|---|---|---|---|
| $570,000.00 | City of Bay City | Matagorda County | Grace St. WP Improvement | 10% | December 2018 | December 2018 | c/o Jones & Carter, Inc., (713) 777-5337 Stephanie Kaspar, P.E. |
| $208,000.00 | Chelford City MUD | Harris County | Water Plant #1 Rehab. | 50% | December 2018 | December 2018 | c/o Van De Wiele & Vogler (713) 782-0042 Norm Scholes, P.E. |
| $ 475,000.00 | City of Sugar Land | Fort Bend County | Groundwater Treatment Plant Improvements | 0% | December 2018 | December 2018 | AECOM (281) 646-2400 Keith O'Connor, P.E. |
| $125,000.00 | Sunbelt Fresh Water Supply | Harris County | District Chloramine System at Marquita & Cuta Court WP | 0% | October 2018 | October 2018 | c/o A&S Engineering (713) 942-2700 Troy M. Bordelon, P.E. |
| $ 550,000.00 | Harris County MUD #36 | Harris County | WP Building Impvts. & MCC Replacement | 0% | October 2018 | October 2018 | c/o IDS Engineering Group (713) 462-3178, Brian D. Gerould P.E. |
| $260,000.00 | Montgomery County MUD #15 | Montgomery County | WP #2 – Generator | 0% | October 2018 | October 2018 | c/o AEI Engineering (281) 350-7027 Ross Crawford |
| $415,000.00 | Kleinwood Joint Power Board | Harris County | Main Switchgear Replacement | 0% | October 2018 | October 2018 | c/o AEI Engineering (281) 350-7027 Ross Crawford |
| $1,008,000.00 | Harris County WC & ID #114 | Harris County | WP #1 Imprv. | 70% | October 2018 | October 2018 | c/o AEI Engineering (281) 350-7027 Ross Crawford |
| $1,435,000.00 | Cypress Hill MUD No. 1 | Harris County | WP#1 Pump Repl. & GST Addition | 30% | September 2018 | September 2018 | c/o Dannenbaum Engineering (713) 520-9570 Carl McConnell, P.E. |
| $89,000.00 | Harris County MUD#396 | Harris County | LS #1 & Natural Gas Gen. | 0% | March 2018 | March 2018 | c/o Brown & Gay, Inc. (281) 558-8700 Brent Fields, P.E. |
| $ 560,000.00 | Lamar CISD | Fort Bend County | Foster High School Water Plant | 20% | March 2018 | March 2018 | c/o Vanir - Rice & Gardner (832) 223-0499, Florentina Ganem |
| $300,000.00 | Chelford City MUD | Fort Bend County | RWTF LED Lighting | 0% | February 2018 | February 2018 | c/o Van De Wiele & Vogler (713) 782-0042, Norm Scholes, P.E. |
| $540,000.00 | Chelford City MUD | Harris County | RWTP Clarifier Panels | 0% | February 2018 | February 2018 | c/o Van De Wiele & Vogler (713) 782-0042 Norm Scholes, P.E. |
| $80,000.00 | Brazoria County MUD#29 | Brazoria County | HPT Replacement At WP#1 | 0% | February 2018 | February 2018 | c/o EHRA (713) 784-4500 Jennifer Elms, P.E. |
| $1,400,000.00 | City of Rosenberg | Fort Bend County | Chlor. Conv. WP Nos. 2,3,4,5 & 6 | 40% | February 2018 | February 2018 | c/o Jones & Carter (713) 777-5337 Somnath Chilukuri, P.E. |
| $3,590,000.00 | Harris County MUD #71 | Harris County | WP#3 | 30% | January 2018 | January 2018 | c/o Brown & Gay, Inc. (281) 558-8700 Josh Pena, P.E. |
| $235,000.00 | Harris County MUD #358 | Harris County | WP#1 – Hydro Replacement | 0% | January 2018 | January 2018 | c/o Brown & Gay, Inc. (281) 558-8700, Katherine Hollaway, P.E. |
| $315,000.00 | City of Manvel | Brazoria County | WP Improvements | 25% | January 2018 | January 2018 | Daniel Scott Engineering (281) 519-8530 Willie Alfaro |

# COMPLETED PROJECTS (Continued)

| Contract Amount | Name of Project | Location in Texas | Brief Project Description | Subcontracted Portion of Work | Scheduled Completion | Date Completed | Engineer Phone # Contact |
|---|---|---|---|---|---|---|---|
| $3,000,000.00 | Mont. Co. MUD#119 | Montgomery County | Water Plant #2 Ph. 1 | 2% | December 2017 | December 2017 | c/o Jones & Carter, Inc. (281) 363-4039 Jonathan White, P.E. |
| $155,000.00 | Harris County MUD No. 400 | Harris County | WP Imprv. & BP Add. | 0% | November 2017 | November 2017 | c/o Jones & Carter (713) 777-5337 Toby McQuery, P.E. |
| $ 110,000.00 | Harris County MUD #155 | Harris Co. | MCC Relocation | 0% | November 2017 | November 2017 | c/o Texas Land Engineering (713) 955-0145 Ross Miller |
| $4,050,000.00 | Harris County MUD #33 | Harris Co. | WTP #1 Imprv. & Remote WW | 20% | September 2017 | September 2017 | c/o Langford Engineering (713) 461-3530 James Cartwright, P.E. |
| $60,000.00 | Montgomery Co. MUD #119 | Montgomery Co. | WP#1 Orthophosphate | 0% | October 2017 | October 2017 | c/o Jones & Carter (713) 777-5337, Toby McQuery, P.E. |
| $509,000.00 | City of Richmond | Fort Bend Co. | Chloramine Conversion | 40% | September 2017 | September 2017 | Kelly R. Kaluza & Assoc. (281) 341-0808, Christopher Argo, P.E. |
| $110,000.00 | Harris Co. MUD #183 | Harris Co. | WP#1 Analyzer Repl. | 60% | September 2017 | September 2017 | c/o Jones & Carter (713) 777-5337, Toby McQuery, P.E. |
| $840,000.00 | Far Hills MUD | Montgomery Co. | WP Improv. | 20% | September 2017 | September 2017 | c/o Langford Engineering (713) 461-3530 Tim Hardin, P.E. |
| $636,000.00 | Rolling Fork PUD | Harris Co. | WP Imprv. | 20% | September 2017 | September 2017 | c/o A & S Engineering (713) 9421-2700 Ronald Anderson II, P.E. |
| $105,000.00 | Harris Co. MUD#105 | Harris Co. | BP Replace. | 0% | September 2017 | September 2017 | c/o Van De Wiele & Vogler (713) 782-0042 Norm Scholes, P.E. |
| $150,000.00 | Ft Bend Co. MUD#134A | Fort Bend Co. | Hydro #2 | 0% | September 2017 | September 2017 | LJA Engineering (713) 953-5200 Gregg Hann, P.E. |
| $457,000.00 | Plantation MUD | Fort Bend Co. | WP # 1 & #2 Improvements | 25% | September 2017 | September 2017 | c/o Jones & Carter (713) 777-5337, Toby McQueary, P.E. |
| $2,087,000.00 | Ponderosa Joint Powers Agency | Harris Co. | WWTP Improvements | 0% | September 2017 | September 2017 | c/o A & S Engineering (713) 942-2700, Gerald Gehman, P.E. |
| $1,780,000.00 | Fort Bend Co. MUD#134A | Fort Bend Co. | WP#2 | 25% | September 2017 | September 2017 | c/o LJA Engineering (713)953-5200, Greg Hann, P.E. |
| $1,847,000.00 | Grand Mission MUD#1 | Fort Bend Co. | WP#3 Ph. 1 | 30% | September 2017 | September 2017 | c/o Jones & Carter, Inc. (832) 913-4000, Rual Porras, P.E. |
| $1,037,000.00 | City of Conroe | Montgomery Co. | GST for WW #14 | 20% | June 2017 | June 2017 | c/o Halff Associates (713) 588-2450 Gabriel Benevides |
| $545,000.00 | Harris County John Paul's Landing | Harris Co. | Ph. 2 WW | 25% | June 2017 | June 2017 | c/o Sanders Engineering (713) 784-4830 Jeffery Pena, P.E. |
| $138,000.00 | Harris Co. MUD#250 | Harris Co. | Rehab. GST WW Piping | 0% | June 2017 | June 2017 | c/o Huitt-Zollars (281)496-0066 Russ Cosbey, P.E. |
| $900,000.00 | Harris Co. MUD#264 | Harris Co. | WP#1 GST Repl. | 40% | June 2017 | June 2017 | c/o Jones & Carter (713) 777-5337 Stephanie Kaspar, P.E. |

# COMPLETED PROJECTS (Continued)

| Contract Amount | Name of Project | Location in Texas | Brief Project Description | Subcontracted Portion of Work | Scheduled Completion | Date Completed | Engineer Phone # Contact |
|---|---|---|---|---|---|---|---|
| $875,000.00 | Trail of the Lakes MUD | Montgomery Co. | WP#2 GST Repl. | 40% | June 2017 | June 2017 | c/o Brown & Gay, Inc. (281) 558-8700 Aaron Hargrove, P.E. |
| $160,000.00 | Charterwood MUD | Harris Co. | Conv. To Bleach Sys. | 25% | May 2017 | May 2017 | c/o AEI Engine (281) 350-7027 Ross Crawford |
| $2,130,000.00 | Montgomery Co. MUD#18 | Montgomery Co. | WW#2 & WP#1 | 15% | May 2017 | May 2017 | Bleyl & Assoc. (713) 441-7833 Ken Walker |
| $718,000.00 | West Memorial MUD | Harris Co. | BP Imprv. @ WP 1&2. | 10% | May 2017 | May 2017 | c/o AEI Engineering (281) 350-7027 Patrick Newton, P.E. |
| $4,740.000.00 | Harris Co. MUD #167 | Harris Co. | WP#2 WW#3 | 35% | May 2017 | May 2017 | c/o AECOM (713) 780-4100 Bruce Baumel |
| $1,650,000.00 | Harris Co. MUD#168 | Harris Co. | WP#3 Imprv. | 50% | February 2017 | February 2017 | Sherrington, Inc., (281)758-1531 Sean Humble, P.E. |
| $270,000.00 | Harris Co. MUD#530 | Harris Co. | WP#1 Draft Aerator | 0% | January 2017 | January 2017 | c/o LJA Engineering (713) 953-5200 Margaret Gillentine, P.E. |
| $245,000.00 | Harris Co. MUD#118 | Harris Co. | WP #1 Elec. Upgrades | 0% | November 2016 | November 2016 | c/o EHRA (713) 784-4500 Travis Schulze, P.E. |
| $545,000.00 | Harris County Precinct 3 | Harris Co. | Replacement GST | 40% | October 2016 | October 2016 | c/o Harris County Precinct 3 (713) 755-3036 Robert Castaneda |
| $2,130,000.00 | Harris Co. ID#18 | Harris Co. | WP#1 – Ph. 2 | 10% | October 2016 | October 2016 | c/o Jones & Carter, Inc. (832) 913-4000 Tommy Vance, P.E. |
| $890,000.00 | Inverness Forest ID | Harris Co. | WP Imptv's. | 20% | October 2016 | October 2016 | c/o Langford Engineering (713) 461-3530 Michael Helfrich, P.E. |
| $974,800.00 | Harris Co. WCID #36 | Harris Co. | Pot W Sys. Imptv's. | 10% | November 2016 | November 2016 | c/o MA Engenderers (512) 517-1808 Wayne Murry |
| $75,000.00 | City of Liverpool | Brazoria Co. | Arsenic Removal System | 60% | October 2016 | October 2016 | c/o Kelly R. Kaluza (281) 341-0808 Christopher Argo, P.E. |
| $305,000.00 | Harris Co. WC &ID #114 | Harris Co. | WP#2 MCC Replacement | 0% | October 2016 | October 2016 | c/o AEI Engineering (281) 350-7027 Mr. Ross Crawford |
| $1,490,000.00 | Blue Ridge West MUD | Fort Bend Co. | WW#2 & Gen. Add. | 15% | October 2016 | October 2016 | c/o Jones & Carter, Inc. (832) 913-4000 Albert Lazcano, P.E. |
| $670,000.00 | Crosby MUD | Montgomery Co. | GST #3 & Gen. | 80% | October 2016 | October 2016 | c/o IDS Engineers (713) 462-3178 Teague Harris, P.E. |
| $338,000.00 | Sienna Plantation | Harris Co. | Rehab & Recoat GST & Hydro | 15% | October 2016 | October 2016 | c/o Costello, Inc. (713) 783-7788 Guy Humphrey, P.E. |
| $2,205,000.00 | Harris Co. MUD#433 | Harris Co. | Water Plant No. 2 | 5% | October 2016 | October 2016 | c/o Brown & Gay, Inc. (281) 558-8700 J.W. Johnson, Jr., PE |
| $1,400,000.00 | City of Sugar Land | Fort Bend Co. | Pump Station Rehab & Building | 10% | October 2016 | October 2016 | c/o Othon, Inc. (713) 975-8555 Abraham Rodriguez, PE |
| $2,490,000.00 | Montgomery Co. MUD #15 | Montgomery Co. | WP#2 | 15% | October 2016 | October 2016 | c/o AEI Engineering, Inc. (281) 350-7027 Jay Chapman, P.E. |

# COMPLETED PROJECTS (Continued)

| Contract Amount | Name of Project | Location in Texas | Brief Project Description | Subcontracted Portion of Work | Scheduled Completion | Date Completed | Engineer Phone # Contact |
|---|---|---|---|---|---|---|---|
| $1,800,000.00 | City of Pasadena | Harris Co. | Wafer St. GST | 35% | October 2016 | October 2016 | c/o HR Green (713) 965-9996 Mike Halde, P.E. |
| $1,694,000.00 | Montgomery Co. MUD#96 | Montgomery Co. | New WP | 30% | October 2016 | October 2016 | c/o Water Engineers (281)373-0500 Ray Young, P.E. |
| $3,515,000.00 | Cinco MUD #1 | Fort Bend Co. | Reclaimed Water Facility | 25% | October 2016 | October 2016 | c/o AECOM (713) 780-4100 Bruce Baumel |
| $1,809,000.00 | City of Oak Ridge North | Montgomery Co. | WP Modifications | 25% | October 2016 | October 2016 | c/o Jones & Carter, Inc. (832) 913-4000 Grant Detro, P.E. |
| $250,000.00 | Harris Co. MUD#222 | Harris Co. | Electrical Imprv. | 0% | April 2016 | April 2016 | c/o Jones & Carter, Inc., (713) 777-5337 Stephanie Kaspar, P.E. |
| $550,000.00 | Pecan Grove MUD | Fort Bend Co. | WP#2 Imptv's | 20% | March 2016 | March 2016 | c/o Jones & Carter, Inc. (713) 777-5337 Grady Turner, P.E. |
| $1,540,000.00 | City of Sugar Land | Fort Bend Co. | Replacement Well | 40% | March 2016 | March 2016 | c/o Jones & Carter, Inc. (713)-777-5337 Grady Turner |
| $920,000.00 | City of Sugar Land | Fort Bend Co. | Dissolve O2 Imptv's. | 45% | March 2016 | March 2016 | c/o AECOM (713) 780-4100 Bruce Baumel |
| $1,412,000.00 | Mission Bend MUD #2 | Fort Bend Co. | WP #1,2 LS Imptv's. | 90% | March 2016 | March 2016 | c/o AECOM (713) 780-4100 Bruce Baumel |
| $2,499,000.00 | Harris Co. MUD #530 | Harris Co. | WP #1 | 25% | March 2016 | March 2016 | c/o LJA Engineering (713)953-5200 Michael Rusk, P.E. |
| $2,490.000.00 | Harris Co. MUD #531 | Harris Co. | WP#1 | 25% | March 2016 | March 2016 | c/o LJA Engineering (713)953-5200 Michael Rusk, P.E. |
| $3,905,000.00 | Montgomery Co. MUD #105 | Montgomery Co. | WP #1 | 45% | November 2015 | November 2015 | c/o Costello, Inc. (713) 783-7788 Dave Corbin |
| $258,000.00 | City of Deer Park | Harris Co. | SWTP Imprv. Repl ATS & Utility Improv | 0% | July 2015 | July 2015 | Langford Engineering Ph: (713)461-3530 Tim Hardin, P.E. |
| $2,500,000.00 | Harris Co. MUD #102 | Harris Co. | WP#2 Expansion | 25% | July 2015 | July 2015 | c/o AEI Engineering, Inc. (281) 350-7027 Jay Chapman, P.E. |
| $286,000.00 | City of Conroe | Montgomery Co. | Cooling Tower WW #24 | 45% | July 2015 | July 2015 | c/o Van De Wiele & Vogler, Inc. (713) 782-0042 Norm Scholes, P.E. |
| $120,700.00 | Harris Co. MUD#257 | Harris Co. | Hydro Addition | 0% | October 2015 | August 2015 | c/o Terra & Associates (713) 993-0333 Kleber Denny, P.E. |
| $1,150,000.00 | Grand Lakes MUD #4 | Fort Bend Co. | WP #1Chlor. Conversion | 45% | August 2015 | August 2015 | c/o Costello, Inc. (713) 783-7788 Dave Corbin |
| $1,490,000.00 | Sienna Plantation MUD #1 | Fort Bend Co. | WP Exp. | 50% | August 2015 | August 2015 | c/o Costello, Inc. (713) 783-7788 Dave Corbin |
| $920,000.00 | Cimarron MUD | Fort Bend Co. | WP#1 Imptv's. | 45% | August 2015 | August 2015 | c/o Van De Wiele & Vogler, Inc. (713) 782-0042 Norm Scholes, P.E. |

## COMPLETED PROJECTS (Continued)

| Contract Amount | Name of Project | Location in Texas | Brief Project Description | Subcontracted Portion of Work | Scheduled Completion | Date Completed | Engineer Phone # Contact |
|---|---|---|---|---|---|---|---|
| $2,947,000.00 | Fort Bend Co. MUD #42 | Fort Bend Co. | Water Plant Improvements | 10% | June 2015 | June 2015 | c/o Dannenbaum Engineering (713) 520-9570 Wayne Ahrens, P.E. |
| $1,100,000.00 | North Park P.U.D. | Harris Co. | Rehab. At WP#1 | 25% | June 2015 | June 2015 | c/o Dannenbaum Engineering (713) 520-9570 Wayne Ahrens, P.E. |
| $3,100,000.00 | Fort Bend Co. MUD #182 | Fort Bend Co. | Water Plant | 20% | June 2015 | June 2015 | c/o LJA Engineering (713)953-5200 Michael Rusk P.E. |
| $790,000.00 | Montgomery Co. MUD #8 & #9 | Montgomery Co. | Catahoula WP Ph 2 | 30% | April 2014 | April 2014 | c/o Jones and Carter Inc. (713) 363-4039 Dustin Stoudt |
| $1,490,000.00 | Windfern Forest UD | Harris Co. | Well #3 & Collection Line | 25% | April 2014 | April 2014 | c/o Jacobs Engineering (713)357-6000 Dave Niles |
| $275,000.00 | Harris Co. F.W.S.D. #51 | Harris Co. | Chlorination System | 10% | April 2014 | April 2014 | c/o IDS Engineering (713) 462-3178 Paul Wallick, PE |
| $2,280,000.00 | Nottingham Country MUD | Harris Co. | Water Well 3 & Generator | 30% | April 2014 | April 2014 | c/o IDS Engineering (713) 462-3178 Matt Carpenter, P.E. |
| $743,000.00 | NW Harris Co. MUD#30 | Harris Co | WP GST Addition | 30% | March 2014 | March 2014 | c/o AEI Engineering (281) 350-7027 Ross Crawford |
| $938,000.00 | City of Willis | Montgomery Co. | WP #1 & #3 Upgrades | 30% | March 2014 | March 2014 | c/o Bleyl & Associates (936) 441-7833 Ken Walker |
| $1,130,000.00 | Grand Mission MUD No. 1 | Fort Bend Co. | WP #1 Ph. 2 Expansions | 20% | February 2014 | February 2014 | c/o Jones & Carter, Inc. (713)-777-5337 Toby McQueary |
| $1,304,000.00 | Charterwood MUD | Harris Co. | WP #1 Imp. | 25% | February 2014 | February 2014 | c/o AEI Engineering (281) 350-7027 Ross Crawford |
| $540,000.00 | City of Angleton | Brazoria Co. | Emg. Bkup Generator | 0% | February 2014 | February 2014 | c/o Dannenbaum Engineering (713) 520-9570 Carl McConnell, P.E. |
| $1,646,000.00 | Harris Co. MUD #421 | Harris Co. | Re-Pump Facility | 35% | October 2013 | October 2013 | c/o EHRA. (713) 784-4500 Jennifer Elms, P.E. |
| $683,000.00 | North Forest MUD | Harris Co. | GST BP's CL2 Equip. | 99% | August 2013 | August 2013 | c/o Langford Engineering (713) 558-8700 Michael Helfreid, PE |
| $210,000.00 | San Jacinto River Authority | Montgomery Co. | Well #3 Elec. Upgrades | 85% | August 2013 | August 2013 | c/o SJRA (713)-737-5358 Aaron Schindwok |
| $650,000.00 | Harris County MUD #6 | Harris Co. | Replacement of Control Panel & Tele Sys. | 0% | August 2013 | August 2013 | c/o AECOM (713) 780-4100 Bruce Baumel |
| $344,000.00 | Spring Creek UD | Montgomery Co. | WP#1 Imp. PK#2 | 20% | August 2013 | August 2013 | c/o A&S Engineers (713) 942-2700 Jack Flores, P.E. |
| $572,000.00 | City of Sugar Land | Fort Bend Co. | First Colony & Austin PKWY WP MCC | 30% | January 2013 | January 2013 | c/o City of Sugar Land (281) 275-2466 Pete Polito |
| $868,000.00 | City of Sugar Land | Fort Bend Co. | North WWTP Improvements | 10% | January 2013 | January 2013 | c/o Alan Plummer & Associates, (713) 464-2724 Karen Hood |

# COMPLETED PROJECTS (Continued)

| Contract Amount | Name of Project | Location in Texas | Brief Project Description | Subcontracted Portion of Work | Scheduled Completion | Date Completed | Engineer Phone # Contact |
|---|---|---|---|---|---|---|---|
| $376,000.00 | San Jacinto River Authority | Montgomery Co. | Well 11 & 12 Elec. Upgrade | 30% | October 2012 | October 2012 | c/o SJRA (281) 367-9511 Aaron Schindewolf, P.E. |
| $8,616,000.00 | Harris Co. ID #18 | Harris Co. | Water Plant #1 Phase I | 40% | September 2012 | September 2012 | c/o Costello, Inc. (713) 783-7788 Bill Zollman, P.E. |
| $712,000.00 | San Jacinto River Authority | Montgomery Co. | WW Bldg. & Elec. Upgrades | 30% | August 2012 | August 2012 | c/o IDS Engineers (713) 462-3178 Paul Wallick, P.E. |
| $1,173,000.00 | Harris Co. MUD #53 | Harris Co. | Padstow WP GST 2 & 3 | 45% | August 2012 | August 2012 | c/o Huitt-Zollars, Inc. (281) 496-0066 John Savage |
| $736,000.00 | Mayde Creek MUD | Harris Co. | Emergency Generator | 0% | August 2012 | August 2012 | c/o IDS Engineers (713) 462-3178 Teague Harris, P.E. |
| $410,150.00 | Clear Lake City Water Authority | Harris Co. | WP #4 Generator | 0% | July 2012 | July 2012 | c/o LAN, Inc. (713) 266-6900 Brian Edwards, P.E. |
| $642,000.00 | Sugar Land Aeration Impvts. | City of Sugar Land | Aeration Improvements | 0% | March 2012 | March 2012 | City of Sugar Land, Texas (281) 275-2466 Mike Wilkinson |
| $1,581,000.00 | Harris Co. MUD #372 | Harris Co. | Booster Pump Station | 30% | February 2012 | February 2012 | c/o Pate Engineers (713) 462-3178 Matt Carpenter, P.E. |
| $1,168,000.00 | Harris Co. MUD #102 | Harris Co. | W.P. #1 Improvements | 15% | February 2012 | February 2012 | c/o AEI Engineering (281) 350-7027 Ross Crawford |
| $1,482,000.00 | Ft. Bend Co. MUD #106 | Fort Bend Co. | Water Well & W.P. Impvts. | 40% | February 2012 | February 2012 | c/o AECOM (713) 780-4100 Bruce Baumel |
| $672,000.00 | Harris Co. WC&ID #136 | Harris Co. | Water Plant Improvements | 10% | February 2012 | February 2012 | c/o Langford Engineering (713) 461-3530 Michael Helfrich, Jr., PE |
| $642,000.00 | Kingsbridge MUD | Fort Bend Co. | Water Plant #3 | 0% | February 2012 | February 2012 | c/o Miller & Associates, Inc. (281) 497-8700 David Miller, P.E. |

# PROJECTS IN PROGRESS

| Contract Amount | Name of Project | Location in Texas | Brief Project Description | Percent Complete | Scheduled Completion | Name and Address of Owner with Phone # |
|---|---|---|---|---|---|---|
| $5,900,000.00 | Clear Brook City MUD | Harris County | WP Improvements | 75% | January 2019 | Blackline Engineering<br>1616 S Voss Rd, Suite 100k, Houston, 77057<br>Scott Novosad, P.E. |
| $4,290,000.00 | City of Sugar Land Riverstone WP Impv. | Fort Bend County | Riverstone WP Improv. | Sub-Complete | - | Kit Professionals<br>2000 W. Sam Houston Pkwy. South, Suite 1400<br>Houston, TX 77042,<br>(713) 783-8700, Piero Battistini, PE |
| $2,195,000.00 | Harris County MUD #500 | Harris County | Water Supply & Storage Facility #2 | 75% | September 2018 | c/o EHRA<br>10555Westoffice Dr., Houston, TX 77042<br>(713) 784-4500, Jennifer Elms P.E. |
| $ 800,000.00 | Dickinson-Galveston County WCID #1 | Galveston County | Lobit Booster Station | Sub-Complete | - | c/o HDR Engineering, Inc.<br>4828 Loop Central Drive, Suite 800, Houston, TX 77081<br>(713) 622-9264, Efrain Him P.E. |
| $ 485,000.00 | City of Sweeny | Brazoria County | 2017 WWTP Electrical Improvements | Sub-Complete | - | c/o O'Malley Strand Associates<br>203 South Jackson St., Brenham, TX 77833<br>(979) 836-7937, William Huebner, P.E. |
| $ 680,000.00 | Gulf Coast Water Authority | Galveston County | Bayshore Booster Pump Station | Sub-Complete | - | c/o ARKK Engineering<br>7322 SW Freeway, Suite 1040, Houston, TX 770747<br>(713) 400-2755, David Kasper, P.E. |
| $ 1,200,000.00 | Sunbelt Fresh Water Supply District | Harris County | Fairgreen Water Plant Expansion | Sub-Complete | - | c/o A&S Engineering<br>10377 Stella Link Road, Houston, TX 77025<br>(713) 942-2700, Darla K. Dewar |
| $ 620,000.00 | Lake Forest Utility District | Harris County | GST Replacement | Sub-Complete | - | c/o AEI Engineering<br>11450 Compaq Center W Dr., #660, Houston, TX 77090<br>(281) 350-7027, Ross Crawford |
| $ 170,000.00 | Lake Forest Utility District | Harris County | Generator Addition | Sub-Complete | - | c/o AEI Engineering<br>11450 Compaq Center W Dr., #660, Houston, TX 77090<br>(281) 350-7027, Ross Crawford |
| $122,000.00 | Rolling Fork PUD | Harris County | WP Recoating -- 2018 | 2% | June 2018<br>*Delay till Fall* | c/o A&S Engineering<br>10377 Stella Link Road, Houston, TX 77025<br>(713) 942-2700, Troy M. Bordelon, P.E. |
| $302,000.00 | Big Oaks MUD | Harris County | WP No. 1 Rehab | 2% | July 2018<br>*Delay till Fall* | c/o IDS Engineering Group<br>13430 NW Freeway, Suite 700, Houston, TX 77040<br>(713) 462-3178, Matthew Carpenter, P.E. |
| $2,500,000.00 | Fort Bend County MUD#30 | Fort Bend County | Water Supply Plant No. 3 | 60% | April 2019 | c/o JA Costanza<br>4301 Center St., Deer Park, TX 77536<br>(281) 930-9339, Brent Berthier P.E. |
| 3,350,000.00 | Harris County MUD #105 | Harris County | Water Plant #3 | 75% | February 2019 | c/o Van De Wiele & Vogler<br>2925 Briarpark Dr., #275, Houston, TX 77042<br>(713) 782-0042 Norm Scholes, P.E. |
| $73,000.00 | Lake Forest Utility District | Harris County | WW#2 Gas Flare Mods | 20% | December 2018 | c/o AEI Engineering<br>11450 Compaq Center W Dr., #660, Houston, TX 77090<br>(281) 350-7027, Ross Crawford |
| $1,900,000.00 | Fort Bend County MUD#190 | Fort Bend County | Lakeview Retreat WP #1 | 50% | Ph. 1<br>February 2019<br>Ph. 2<br>April 2019 | c/o Jones & Carter, Inc.<br>6330 West Loop S #150, Bellaire, TX 77401<br>(832) 913-4000, Toby McQueary, P.E. |
| $100,000.00 | Harris-Ft. Bend County MUD#3 | Harris-Ft. Bend County | Generator at Katy Gap LS | Sub-Complete | - | c/o Van De Wiele & Vogler<br>2925 Briarpark Dr., #275, Houston, TX 77042<br>(713) 782-0042 Norm Scholes, P.E. |
| $195,000.00 | Harris County WCID #89 | Harris County | WWTP Potable Water & Office Building | 10% | January 2019 | c/o AEI Engineering<br>11450 Compaq Center W Dr., #660, Houston, TX 77090<br>(281) 350-7027, Ross Crawford |
| $480,000.00 | Harris County WCID No. 132 | Harris County | LS Emergency Generator & MCC Replacement | 10% | November 2019 | c/o AEI Engineering<br>11450 Compaq Center W Dr., #660, Houston, TX 77090<br>(281) 350-7027, Ross Crawford |
| $585,000.00 | Northwest Harris County MUD#23 | Harris County | WP#1 BP Addition and MCC | 25% | August 2019 | c/o JNS Engineering<br>722 Pin Oak Rd, Suite 202A, Katy, TX 77494<br>(281) 391-3366 John Strange |

# PROJECTS IN PROGRESS (Continued)

| Contract Amount | Name of Project | Location in Texas | Brief Project Description | Percent Complete | Scheduled Completion | Name and Address of Owner with Phone # |
|---|---|---|---|---|---|---|
| $4,665,000.00 | Harris County MUD#1 | Harris County | Water Plant No. 4 450% | | June 2019 | c/o Van De Wiele & Vogler 2925 Briarpark Dr., #275, Houston, TX 77042 (713) 782-0042 Norm Scholes, P.E. |
| $160,000.00 | Harris County MUD #119 | Harris County | WP#2 – Generator Replacement | 10% | February 2019 | c/o A&S Engineering 10377 Stella Link Road, Houston, TX 77025 (713) 942-2700, Troy M. Bordelon, P.E. |
| $468,000.00 | Harris County MUD#162 | Harris County | Electrical improvements | 5% | April 2019 | c/o BGE, Inc. 10777Westheimer Rd, Suite 400, Houston, TX 77042 (281) 558-8700 Brent Fields, P.E. |
| $780,000.00 | Camp Stake WTP- Boys Scouts of America | San Jacinto County | Camp Strake Water Treatment Plant | 40% | February 2019 | Forney Construction 8945 Long Point Rd, Houston, TX 77055 (713) 224-1900 Ricky Anderson |
| $1,550,000.00 | City of Texas City | Galveston County | Water Plant Phase 1 | 25% | April 2019 | c/o ARKK Engineering 7322 SW Freeway, Suite 1040, Houston, TX 770747 (713) 400-2755, David Kasper, P.E. |
| $275,000.00 | Harris County MUD #433 | Harris County | WP#1 & #2 HPT Additions | 85% | January 2019 | c/o BGE, Inc. 10777Westheimer Rd, Suite 400, Houston, TX 77042 (281) 558-8700 Brent Fields, P.E. |
| $4,650,000.00 | Bridgeland Development on Behalf of HCMUDE#418 | Harris County | WW#4 & WW Collection Line | 35% | June 2019 | c/o BGE, Inc. 10777Westheimer Rd, Suite 400, Houston, TX 77042 (281) 558-8700 Brent Fields, P.E. |
| $2,575,000.00 | Brazoria County MUD #56 | Brazoria County | WS & SF to serve Meridiana | Waiting on NTP | - | c/o EHRA 10555Westoffice Dr., Houston, TX 77042 (713) 784-4500, Jennifer Elms P.E. |
| $215,000.00 | Memorial Villages Water Authority | Harris County | Chloramine Disinfection System | 15% | January 2019 | c/o Langford Engineering 1080 West Sam Houston Pkwy N, Houston, TX 77043 (713) 558-8700 John Davis |
| 1,398,000.00 | Weston MUD | Fort Bend County | Rehab of the East WP #2 | 5% | July 20 | c/o IDS Engineering Group 13430 NW Freeway, Suite 700, Houston, TX 77040 (713) 462-3178, Matthew Carpenter, P.E. |
| 3,800,000.00 | Memorial Villages Water Authority | Harris County | Creekside WP Improvements | 5% | Ph1. April 2019 Ph.2 July 2019 | c/o Langford Engineering 1080 West Sam Houston Pkwy N, Houston, TX 77043 (713) 558-8700 John Davis |
| $890,000.00 | Bissonnet MUD | Harris County | WP Nos. 1 & 2 Improvements | Waiting on NTP | 300 CD (Final) Waiting on NTP | c/o Jones & Carter, Inc. 6330 West Loop S #150, Bellaire, TX 77401 (832) 913-4000, Toby McQueary, P.E. |
| $955,000.00 | Lake Forest UD | Harris | WP#3- Storm Mitigation Improvements | Waiting on NTP | 300 CD (Final) Waiting on NTP | c/o AEI Engineering 11450 Compaq Center W Dr., #660, Houston, TX 77090 (281) 350-7027, Ross Crawford |
| $385,000.00 | City of Sugar Land - | Fort Bend County | Greatwood WP #1 & 2 - HPT Additions | Waiting on NTP | 240 CD (Sub.) | c/o BGE, Inc. 10777Westheimer Rd, Suite 400, Houston, TX 77042 (281) 558-8700 Brent Fields, P.E. |
| $660,000.00 | HCMUD#217 | Harris County | WP MCC Improvements | Waiting on NTP | 190 CD (Final) | c/o Langford Engineering 1080 West Sam Houston Pkwy N, Houston, TX 77043 (713) 558-8700 John Davis |
| $180,000.00 | Bridgestone MUD | Harris County | WP#5 EST Booster Pump Building | Waiting on NTP | 240 CD (Final) | c/o Jones & Carter, Inc. 6330 West Loop S #150, Bellaire, TX 77401 (832) 913-4000, Toby McQueary, P.E. |
| $520,000.00 | Fort Bend Co. MUD# 131 - | Fort bend County | Water Plant Expansion Phase II | Waiting on NTP | 180 CD (Sub.) 210 CD (Final) | C/o LJA Engineering 1904 W. Grand Parkway N, Suite 100, TX 77449 (713) 953-2500 |

# W.W. PAYTON CORPORATION
## RESUMES FOR KEY PERSONNEL

Name: Wesley W. Payton Present position of office: President
Years with Organization: 28
Years of construction experience: 48
Detailed construction experience: All phases of actual construction and supervisory capacities relating to this type of work, both in office and field

Name: Dana L. Nelson Present position of office: Field Superintendent
Years with Organization: 28
Years of construction experience: 48
Detailed construction experience: All phases of actual construction and supervisory capacities relating to this type of work.

Name: Chad Payton Present position of office: Project Manager
Years with Organization: 19
Years of construction experience: 20
Detailed construction experience: All phases of actual construction and supervisory capacities relating to this type of work, both in office and field.

Name: Eric A. Sliva Present position of office: Office/Project Manager
Years with Organization: 16
Years of construction experience: 16
Detailed construction experience: Responsible for contracts, submittals, purchasing and pay applications

Name: Ryan Payton Present position of office: Project Manager/Electrical
Years with Organization: 9
Years of construction experience: 17
Detailed construction experience: All phases of actual construction and supervisory capacities relating to this type of work, both in office and field. Manages all electrical aspects of our projects.

Name: Robert Park Present position of office: Master Electrician
Years with Organization: 9
Years of construction experience: 22
Detailed construction experience: Responsible for all electrical installation as well as meeting Code requirements on all projects.

Name: Randy Key Present position of office: Project Manager
Years with Organization: 12
Years of construction experience: 12
Detailed construction experience: All phases of actual construction and supervisory capacities relating to this type of work, both in office and field.

Name: Mark Wood Present position of office: Piping Foreman
Years with Organization: 24
Years of construction experience: 28
Detailed construction experience: Supervision of all piping and underground facilities relating to this type of work, in the field.

Name: Jason Bailey Present position of office: Safety Manager
Years with Organization: 12
Years of construction experience: 24
Detailed construction experience: Responsible for administration of weekly safety meetings, general jobsite safety and first point of contact in case of accidents.

**NOTE:**

The principals and management staff of W. W. Payton Corporation are responsible for the management and construction of new Water Plants, modifications and additions to Water & Wastewater Plant Facilities & related electrical work, including Telemetry & Programming Systems.

**Spring Valley Village City Council**
**Agenda Item Data Sheet**

| | |
|---|---|
| **MEETING DATE:** | March 26, 2019 |
| **TOPIC:** | **Resolution Number 19-XX**<br><br>**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF CONTRACT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND W.W. PAYTON CORPORATION FOR THE NEW PRODUCTION WELL PROJECT (BID #2019-01-01B); PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.** |
| **BACKGROUND:** | In the previous agenda item, the City Council awarded Bid Number 2019-01-01B for the New Production Well Project to W.W. Payton Corporation in an amount not to exceed $3,150,000.00. This Resolution approves a contract with W.W. Payton Corporation for the New Production Well Project.<br><br>Please note that, due to the size of the contract, only the first 13 pages have been included with the Resolution and in the Agenda Packet. The complete contract is on file with and available for inspection from the City Secretary. |
| **RECOMMENDATION:** | Staff recommends approval of the Resolution. |
| **ATTACHMENTS:** | • Resolution Number 19-XX |
| **FUNDING ISSUES:** | ☒ Not applicable – no dollars are being spent or received.<br>☐ Full amount already budgeted in Acct/Project# _____<br>☐ Not budgeted, if approved, the following will be included in the next Budget Amendment:<br>☐ $_______ from Acct/Project# __________ will be transferred to Acct/Project# __________<br>☐ $_______ from unassigned fund balance will be used and added to Acct/Project# __________<br><br>☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# __________ |

**FINANCE VERIFICATION OF FUNDING:**

| | |
|---|---|
| **SUBMITTING STAFF MEMBER:**<br><br>Arthur Faiello, Director of Public Works | **CITY ADMINISTRATOR APPROVAL:** |

## ACTIONS TAKEN

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

**RESOLUTION NUMBER 19-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF CONTRACT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND W.W. PAYTON CORPORATION FOR THE NEW PRODUCTION WELL PROJECT (BID #2019-01-01B); PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council has been presented a proposed Contract by and between the City of Spring Valley Village, Texas and W.W. Payton Corporation for the New Production Well Project (Bid #2019-01-01B) (hereinafter called "Contract"), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference; and

**WHEREAS**, upon full review and consideration of the Contract and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor should be authorized to execute the Contract and any and all documents necessary to effectuate such Contract on behalf of the City of Spring Valley Village;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, THAT**:

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The terms and conditions of the Contract, having been reviewed by the City Council of the City of Spring Valley Village and found to be acceptable and in the best interests of the City of Spring Valley Village and its citizens, are hereby in all things approved.

Section 3. The Mayor is hereby authorized to execute the Contract and empowered, for and on behalf of the City, to take all such actions and to execute, verify, acknowledge, certify to, file and deliver all such instruments and documents required in the Contract as shall in the judgment of the Mayor be appropriate in order to effect the purposes of the foregoing resolution and Contract.

Section 4. This Resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED** on this the ___ day of ___________, 2019.

______________________________________
Tom Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

______________________________________
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

EXHIBIT “A”

TO

RESOLUTION NUMBER 18-XX

**THIS AGREEMENT** is dated as of the ________________ day of ____________________

in the year by and between City of Spring Valley Village (hereinafter called OWNER) and

W.W. Payton Corporation

____________________________________(hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

**Article 1. WORK.**

1.1. CONTRACTOR shall perform the Work in a good and workmanlike manner and in the best way and most expeditious and economical manner consistent with the interests of the OWNER, shall exercise the degree of care, skill, and diligence in the performance of the Work in accordance with and consistent with industry standards for similar circumstances, shall utilize its best skill, efforts, and judgment in furthering the interests of the OWNER, and shall furnish efficient business administration and supervision (collectively, CONTRACTOR's "Standard of Care").

1.2. CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

Drilling, construction, development and testing of a new production well at the City of Spring Valley Village Water Plant, installation of chlorine, ammonia, polyphosphate and fluoride systems, piping from Well 1 and the new production well to the existing ground storage tanks, other miscellaneous site improvements and site restoration.

**Article 2. PROJECT MANAGER AND ENGINEER.**

2.1 PROJECT MANAGER.

WSP USA has been designated as the PROJECT MANAGER and is to assume all duties and responsibilities assigned to PROJECT MANAGER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

2.2 ENGINEER.

The Project has been designed by WSP USA, who is to assume all duties and responsibilities assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

**Article 3. CONTRACT TIMES.**

3.1. The Work will be substantially completed within 365 days after the date when the Contract Times commence to run as provided in Paragraph 2.3 of the General Conditions and will be completed and ready for final payment in accordance with Paragraph 14.9 of the General Conditions within 400 days after the date when the Contract Times commence to run.

3.2. *Liquidated Damages.* OWNER and CONTRACTOR recognize that time is of the essence to this Agreement and that OWNER will suffer financial loss if the Work is not completed within the times specified in Paragraph 3.1 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. They also recognize the delays, expense, and difficulties involved in proving the actual loss suffered by OWNER if the Work is not completed on time. Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty), CONTRACTOR shall pay OWNER One Thousand Two Hundred dollars ($ 1,200.00 ) for each day that expires after the time specified in Paragraph 3.1 above for Substantial Completion until the Work is substantially complete. After Substantial Completion, if CONTRACTOR shall neglect, refuse, or fail to complete the remaining Work within the time specified in Paragraph 3.1 above for completion and readiness for final payment or any proper extension thereof granted by OWNER, CONTRACTOR shall pay OWNER One Thousand Two Hundred dollars ($ 1,200.00 ) for each day that expires after the time specified in Paragraph 3.1 for completion and readiness for final payment.

**Article 4. CONTRACT PRICE.**

OWNER shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts as indicated in the Bid, Section 00410.

As provided in Paragraph 11.4.1 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classification are to be made by PROJECT MANAGER as provided in Paragraph 9.7 of the General Conditions. Unit prices have been computed as provided in Paragraph 11.4 of the General Conditions.

**Article 5. PAYMENT PROCEDURES.**

CONTRACTOR shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by PROJECT MANAGER as provided in the General Conditions.

5.1. *Progress Payments; Retainage.* Subject to OWNER's right to withhold payment in Paragraph 15.4.4 of the General Conditions, OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR's completed Applications for

Payment as recommended by PROJECT MANAGER, on or about the 25th day of each month during construction as provided in Paragraphs 5.1.1. and 5.1.2. below. All such payments will be measured by the schedule of values established in Paragraph 2.4.2.3 of the General Conditions (and in the case of Unit Price Work based on the number of units completed).

5.1.1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below, but, in each case, less the aggregate of payments previously made and less such amounts as PROJECT MANAGER shall determine, or OWNER may withhold, in accordance with Paragraph 15.4.4 of the General Conditions.

95 percent of Work completed and included in the Application for Payment (with the balance being retainage).

85 percent (with the balance being retainage) of materials and equipment not incorporated in the Work (but delivered, suitably stored and accompanied by documentation satisfactory to OWNER as provided in Paragraph 15.2 of the General Conditions) and included in the Application for Payment.

5.1.2. Upon Substantial Completion and submission of a completed Application for Payment, in an amount sufficient to increase total payments to CONTRACTOR to 98 percent of the Contract Price (with the balance being retainage), less such amounts as PROJECT MANAGER shall determine, or OWNER may withhold, in accordance with Paragraph 15.4.4 of the General Conditions.

5.2. *Final Payment.* Upon final completion and acceptance of the Work in accordance with Paragraph 15.9 of the General Conditions and submission of a completed Application for Payment, OWNER shall pay the remainder of the Contract Price as recommended by PROJECT MANAGER as provided in said Paragraph 15.9.

**Article 6. NOT USED**

**Article 7. CONTRACTOR'S REPRESENTATIONS.**

In order to induce OWNER to enter into this Agreement, CONTRACTOR makes the following representations and warranties:

7.1. CONTRACTOR has examined and carefully studied the Contract Documents (including the Addenda listed in Article 8) and the other related data identified in the Bidding Documents including "technical data."

7.2. CONTRACTOR has visited the site, has conducted all testing at the site CONTRACTOR deems necessary, has become familiar with, has taken into consideration in formulating its BID, and accepts the general, local, and site conditions that may affect cost, progress, performance and furnishing of the Work;

7.3. CONTRACTOR is familiar with and has taken into consideration in formulating its BID and accepts all federal, state, and local Laws and Regulations that may affect cost, progress, performance, and furnishing of the Work.

7.4. CONTRACTOR has carefully studied all reports of explorations and tests of subsurface conditions at or contiguous to the site which have been identified in the Supplementary Conditions as provided in paragraph 4.2.1 of the General Conditions. CONTRACTOR accepts the determination set forth in paragraph SC-4.2 of the Supplementary Conditions of the extent of the "technical data" contained in such reports and drawings upon which CONTRACTOR is entitled to rely as provided in paragraph 4.2 of the General Conditions. CONTRACTOR understands, acknowledges, and agrees that such reports are not Contract Documents and may not be complete for CONTRACTOR's purposes. CONTRACTOR understands, acknowledges, and agrees that OWNER, PROJECT MANAGER, and ENGINEER are not responsible for and make no warranties regarding the accuracy or completeness of information and data shown or indicated in the Bidding Documents with respect to surface and subsurface conditions. CONTRACTOR has obtained and carefully studied and is responsible for obtaining and studying any and all such additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing of the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by CONTRACTOR and safety precautions and programs incident thereto as may be necessary. CONTRACTOR does not consider that any additional examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance and furnishing of the Work in accordance with the times, price and other terms and conditions of the Contract Documents.

7.5. CONTRACTOR is aware of the general nature of work to be performed by OWNER and others at the site that relates to Work for which this BID is submitted as indicated in the Contract Documents.

7.6. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the site, reports and PLANS identified in the Contract Documents and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

7.7. CONTRACTOR has given PROJECT MANAGER written notice of all conflicts, errors, ambiguities or discrepancies that CONTRACTOR has discovered in the Contract Documents, and the written resolution thereof by PROJECT MANAGER is acceptable to CONTRACTOR, CONTRACTOR has no questions regarding the Work, CONTRACTOR has all information necessary to make a fully informed BID, and the Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performing and furnishing the Work for which this BID is submitted.

7.8. CONTRACTOR represents and warrants that CONTRACTOR (i) is qualified and experienced, (ii) is capable of performing the Work and has available resources to perform the Work, and (iii) understands and agrees to the terms of all of the Contract Documents.

**Article 8. CONTRACT DOCUMENTS.**

The Contract Documents that comprise the entire agreement between OWNER and CONTRACTOR concerning the Work consist of the following:

8.1. This Agreement (pages 1 to __8__, inclusive).

8.2. Bid Form (pages __A1__ to __6__, inclusive) marked Section 00410.

8.3. Performance, Payment, and other Bonds, identified as Sections 00610, 00620, and 00630 consisting of __4__, __2__, and __4__ pages, respectively.

8.4. Other Exhibits to this Agreement (pages ________ to ________, inclusive) (if any).

8.5. Notice to Proceed.

8.6. General Conditions (pages i to 60, inclusive), marked Section 00700.

8.7. Supplementary Conditions (pages __i__ to __B-1-5__, inclusive), marked Section 00800.

8.8. Specifications, bearing the title _City of Spring Valley New Production Well Project_ and consisting of __1__ volume(s), as listed in table of contents thereof.

8.9. PLANS consisting of a cover sheet and sheets numbered __1__ through __37__, inclusive with each sheet bearing the following general title:

8.10. Addenda numbers __1__ to __1__, inclusive.

The documents listed in Article 8.2 et seq. above are attached to this Agreement (except as expressly noted otherwise above).

There are no Contract Documents other than those listed above in this Article. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraphs 3.3.1 and 3.3.2 of the General Conditions.

**Article 9. MISCELLANEOUS.**

9.1. Terms used in this Agreement which are defined in Article 1 of the General Conditions will have the meanings indicated in the General Conditions.

9.2. No assignment by CONTRACTOR of any rights under or interests in the Contract Documents will be binding on OWNER or effective without the prior written consent of the OWNER; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.3. OWNER and CONTRACTOR each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.4. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONTRACTOR, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision. If, however, the void or unenforceable provision is of the essence of this Agreement, nothing in this Paragraph 9.4 shall prevent this entire Agreement from being void.

9.5. OTHER PROVISIONS. As noted hereinafter:

9.5.1. The following Articles shall survive termination of this Agreement: 3 (Contract Times); 7 (Contractor's Representations); and 9 (Miscellaneous).

9.5.2. Headings and titles of Articles in this Agreement are included herein for convenience of reference only and shall not constitute a part of the Agreement for any other purpose and will not affect in any way the meaning or interpretation of this Agreement.

9.5.3. This Agreement as executed by authorized representatives of OWNER and CONTRACTOR constitutes the entire Agreement between the parties with respect to matters herein, and there are no oral or written understandings, representations, or commitments of any kind, express or implied, not expressly set forth herein.

9.5.4. This Agreement, its interpretation, and any disputes relating to, arising out of, or connected with this Agreement, shall be governed by the laws of the State of Texas, without regard to conflicts of law provisions. Any dispute relating to, arising out of, or connected with this Agreement shall be filed and maintained in the state or federal courts located in Harris County, Texas, unless otherwise agreed by the parties in connection with an Alternative Dispute Resolution Agreement.

9.5.5. Each party hereto represents and warrants that the person executing this Agreement on its behalf is duly authorized and empowered to do so and that all formalities necessary for its approval of this Agreement have been satisfied.

9.5.6. CONTRACTOR undertakes performance of the Work as an independent contractor. Nothing herein shall create a relationship of employer and employee, joint venture, or partnership between OWNER and CONTRACTOR, its agents, representatives, employees, or subcontractors for any purpose whatsoever. Nothing herein shall create a relationship of principal and agent between OWNER and CONTRACTOR, its agents, employees, representatives, or subcontractors. Neither party shall have the authority to bind or obligate the other in any manner as a result of the relationship created hereby.

9.5.7. Upon payment of a portion of the Work, CONTRACTOR shall be deemed to have sold and conveyed to OWNER, and OWNER shall be deemed to have purchased from CONTRACTOR all of CONTRACTOR's right, title, and interest in the Work. From and after the date of such payment, within fifteen (15) days of the request of OWNER, CONTRACTOR shall execute and deliver such bills of sale and other instruments of conveyance, assignment, transfer, and delivery as OWNER may reasonably request in order to convey such right, title, and interest to OWNER. From and after the date of such payment, title to the Work shall remain with OWNER.

9.5.8. CONTRACTOR fully understands, and will assure that its subcontractors and suppliers fully understand that OWNER is a public entity and thus (1) an entity against which no mechanics lien may be asserted, and (2) an entity that can be bound only by agents with actual authority and (3) an entity that can only be bound to make payments from funds actually available for the performance of this Agreement.

9.5.9. Waiver of any breach of the Contract shall not constitute waiver of a subsequent breach.

9.5.10. Although the Contract Documents have been largely drafted by OWNER, in the event of any disputes over meaning and application, the Contract Documents shall be interpreted fairly and reasonably neither more strongly for nor against either party.

IN WITNESS WHEREOF, OWNER and CONTRACTOR have signed this Agreement in triplicate. One counterpart each has been delivered to OWNER, CONTRACTOR, and PROJECT MANAGER. All portions of the Contract Documents have been signed, initialed, or identified by OWNER and CONTRACTOR or identified by PROJECT MANAGER on their behalf.

This Agreement will be effective on ______________________________, (which is the Effective Date of the Agreement).

| | |
|---|---|
| OWNER City of Spring Valley Village | CONTRACTOR W.W. Payton Corporation |
| By: ______________________ | By: ______________________ Wesley W. Payton - President |
| [CORPORATE SEAL] | [CORPORATE SEAL] |
| Attest______________________ | Attest______________________ Marilyn R. Payton - Secretary |
| Address for giving notices | Address for giving notices |
| 1025 Campbell Road | P.O. Box 1056 |
| Houston, TX 77055 | Katy, Texas 77492-1056 |
| (OWNER is public body. Evidence of authority to sign and resolution or other documents authorizing execution of Agreement is attached.) | If CONTRACTOR is a corporation, attach evidence of authority to sign). |

APPROVED:

______________________________

Ms. Julie Robinson
City Administrator

**END OF SECTION**

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, Marilyn R. Payton, certify that I am the secretary of the corporation named as Contractor in the Agreement; and that Wesley W. Payton, who signed the Agreement on behalf of Contractor, was then President of the corporation; that I know his or her signature, and his or her signature is genuine; and that the Agreement was duly signed for and on behalf of the corporation by authority of its governing body.

Marilyn R. Payton Secretary

(Corporate Seal)

Document 00510

STANDARD FORM OF AGREEMENT

STATE OF TEXAS
COUNTY OF HARRIS

THIS AGREEMENT, made and entered into this,_____ day of_______________A.D., 20___, by and between the City of Spring Valley Village, Texas of the County of Harris and State of Texas, duly incorporated and existing under and by virtue of the Constitution and the laws of the State of Texas, acting by and through the undersigned Mayor of the City of Spring Valley Village, Texas, thereunto duly authorized to do so, hereinafter referred to as "Owner", and W.W. Payton Corporation, a corporation duly authorized to do business and existing under the laws of the State of Texas, acting by and through a duly authorized officer thereof as attested to by the Secretary of said corporation of the City of Brookshire, County of Waller, State of Texas, hereinafter referred to as "Contractor".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Owner and under the conditions expressed in the bond(s) bearing even date herewith (if any), the Contractor hereby agrees with the Owner to commence and complete the construction of certain improvements described as follows:

**City of Spring Valley Village New Production Well Project**

and all necessary work of every kind or nature, including all extra work in connection therewith necessary to complete said improvements, under the terms as stated in the contract documents, including the General Conditions of Agreement, and, at its own proper cost, and expense, to furnish all materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and other accessories and services necessary to complete the said construction in accordance with the conditions and prices stated in the Proposal attached hereto, and in accordance with the Notice to Bidders, General and Special Conditions of Agreement, plans and other drawings and printed or written explanatory matter thereof, and the Specifications and addenda therefore, as prepared by WSP USA, Inc., hereinafter called "PROFESSIONAL", each of which has been identified by the CONTRACTOR and the PROFESSIONAL, together with the CONTRACTOR's written Proposal, the General Conditions of Agreement and the Performance and Payment Bonds hereto attached, all of which are made a part thereof and collectively evidence and constitute the entire Contract.

The CONTRACTOR hereby agrees to commence work within ten (10) days after the date of written notice to do so shall have been given to it and to complete the same within the time specified in the contract documents, subject to such extensions of time as shall be specified in the General and Special Conditions or shall have been specifically agreed to in writing by the parties hereto, which writing shall be attached to this Contract as a part thereof.

The Owner agrees to pay the CONTRACTOR in current funds for the performance of the Contract in accordance with the Proposal submitted therefor, which forms a part of this Contract, subject to additions and deductions as provided in the contract documents, and to make payment on account thereof as provided therein.

In accordance with Chapter 2270 of the Texas Government Code, Contractor hereby verifies that it (a) does not boycott Israel, and (2) will not boycott Israel during the term of this Contract or any extensions thereof.

The undersigned persons executing this Contract and all other documents executed simultaneously herewith, do certify and attest that they are executing the same in their capacity as herein stated as the act and deed of the municipality and that they have authority to do so under the terms of the resolutions of said municipality and that, unless more specifically set out in the resolutions of said municipality, the following is an excerpt of the official minutes of said municipality as found and contained in the official minute book of said municipality:

RESOLVED that Tom S. Ramsey holding the office of Mayor of Spring Valley Village, Texas is authorized to execute, for and on behalf of this municipality, a Contract with the City of Spring Valley Village, Texas, a copy of which is attached hereto and marked "Exhibit A".

IN WITNESS WHEREOF, the Mayor of Spring Valley Village, Texas and the City Administrator of the City of Spring ValleyVillage, Texas, hereunto, has executed this Agreement in the year and date first above written, under the authority granted to them under the provisions duly enacted by the City Council of the City of Spring Valley Village, Texas.

____________________________________

MAYOR, City of Spring Valley Village, Texas

____________________________________

City Administrator, City of Spring Valley Village, Texas

IN WITNESS WHEREOF, the undersigned officers of the corporation, whose names are hereinafter set out, do certify and attest that they have executed this Agreement in their capacities as herein stated, for and on behalf of said corporation and that they have authority to do so under specific authorization granted to them under a resolution duly adopted by the City Council of the City of Spring Valley Village, Texas, as set out in the official minute book of said corporation, and an excerpt of said resolution is herein previously set out.

W.W. Payton Corporation
CONTRACTING CORPORATION
(CONTRACTOR)

Officer Wesley W. Payton

President
Office Held

W. W. PAYTON CORPORATION TEXAS

ATTEST:

Secretary Marilyn R. Payton

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**MEETING DATE:** March 26,2019

**TOPIC:** **Ordinance Number 2019-XX**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING SECTION 6.001, WATER METER CONNECTIONS, FROM APPENDIX "A," SCHEDULE OF FEES FOR THE CITY OF SPRING VALLEY VILLAGE, TEXAS; ESTABLISHING A SCHEDULE OF FEES FOR WATER METER CONNECTIONS; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.**

**BACKGROUND:** The most recent update to the City water connection fee schedule occurred July 28, 2009. Due to increases in material and labor costs associated with the transition to automated meters, this fee schedule needs to be updated to reflect the current material and labor costs.

| (1.1) New Meters | Current Fees | Proposal New Fees |
|---|---|---|
| ¾” meter | $1,000.00 | $1,300.00 |
| 1” meter | $1,200.00 | $1,500.00 |
| 1 ½” meter | $2,600.00 | $2,975.00 |
| 2” meter | $2,600.00 | $2,975.00 |
| (1.2) Replacement Meters – Same Size | | |
| ¾” meter | $50.00, plus 60.00 labor | $250.00 plus $150 labor |
| 1” meter | $150.00, plus $60.00 labor | $360.00 plus $150 labor |
| 1 ½” meter | $350.00, plus $60 labor | $600.00 plus $150 labor |
| 2” meter | $450.00, plus $60.00 labor | $650.00, plus $150 labor |
| (1.3) Temporary Meters (All Types): | | |
| | $450.00 | $1,400.00 |
| (1.4) Boring Fee: | $1,000.00 | $1,350.00 |

A copy of the boring fee quote from Herbert Irrigation Services Inc.’s is provided with this agenda item.

The proposed Ordinance would increase the City’s water connection fees to recoup costs from the contractor, material costs and labor costs. If approved, the new water connection fees would be effective April 1, 2019.

**RECOMMENDATION:** Staff recommends approval of the Ordinance.

## ACTIONS TAKEN

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

| | |
|---|---|
| **ATTACHMENTS:** | • Ordinance Number 2019-XX<br>• Copy of Quote from Hebert Irrigation Service Dated March 14, 2019<br>• Copy of Ferguson's Water Meter Quotes |
| **FUNDING ISSUES:** | ☐ Not applicable – no dollars are being spent or received.<br>☐ Full amount already budgeted in Acct/Project# ___________<br>☐ Not budgeted, if approved, the following will be included in the next Budget Amendment:<br>☐ $_______ from Acct/Project# ___________ will be transferred to Acct/Project# ___________<br>☐ $_______ from unassigned fund balance will be used and added to Acct/Project# ___________<br>☒ Additional Revenue will be added to Revenue Acct# __20-01-5400 |
| **FINANCE VERIFICATION OF FUNDING:** | |

| **SUBMITTING STAFF MEMBER:** | **CITY ADMINISTRATOR APPROVAL:** |
|---|---|
| Michelle Yi, City Treasurer | |

**ACTIONS TAKEN**

| **APPROVAL** | **READING PASSED** | **OTHER** |
|---|---|---|
| ❑YES ❑NO | | |

## ORDINANCE NO. 2019-XX

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING SECTION 6.001, WATER METER CONNECTIONS, FROM APPENDIX "A," SCHEDULE OF FEES FOR THE CITY OF SPRING VALLEY VILLAGE, TEXAS; ESTABLISHING A SCHEDULE OF FEES FOR WATER METER CONNECTIONS; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.**

* * * * * *

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS:**

**Section 1.** The Code of Ordinances of the City of Spring Valley Village, Texas, is hereby amended by deleting from Appendix "A" thereof, said Appendix "A" being a "Schedule of Fees for the City of Spring Valley Village, Texas," all of Section 6.001 and substituting therefor a new Section 6.001 to provide as follows:

**6.001 Water Meter Connections**

(1) Water Meter Connections. Charges for connections to the City's water supply system shall be as follows:

| | |
|---|---|
| (1.1)Meters (Each): | |
| ¾" meter | $1,300.00 |
| 1" meter | $1,500.00 |
| 1 ½" meter | $2,975.00 |
| 2" meter | $2,975.00 |
| (1.2) Replacement Meters – same Size | |
| ¾" meter | $250.00, plus $150.00 labor |
| 1" meter | $360.00, plus $150.00 labor |
| 1 ½" meter | $600.00, plus $150 labor |
| 2" meter | $650.00, plus $150.00 labor |
| (1.3) Temporary Meters (All Types): | |
| $1,400.00 | Deposit, refundable based on condition of returned meter. City will retain portion required to repair or replace, as required. |
| (1.4) Boring Fee: | $1,350.00 |
| *Labor charge for replacement of meters is based on standard of two (2) hours for two (2) workers. If complicating conditions requires additional labor, the applicable property owner shall be responsible for actual additional costs incurred. | |
| **Boring fee is based on typical costs. If complicating conditions results in additional costs, the applicable property owner shall be responsible for the actual additional costs. | |

**Section 2.** All other ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

**Section 3.** Beginning with the month of April 2019, the rates established by this Ordinance shall be charged each time for each connection to the City of Spring Valley Village water meter connections.

**Section 4.** In the event any clause phrase, provision, sentence, or part of this Ordinance, or the "Schedule of Fees for the City of Spring Valley Village, Texas" adopted hereby, or the application of 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 or said schedule of fees as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Spring Valley Village, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

**PASSED, APPROVED, AND ADOPTED** this __ day of March, 2019.

______________________________
Tom Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

______________________________
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

DIVIDER PAGE

**Hebert Irrigation Services, Inc.**
10027 Chickasaw Lane
Houston, TX 77041
(713) 462-8886 FAX (713) 690-4490
HebertIrr@gmail.com

# Estimate

| Date | Estimate # |
| --- | --- |
| 3/14/2019 | 65344 |

| Name / Address |
| --- |
| Spring Valley<br>Doug Williams<br>dwilliams@springvalleytx.com<br>713-875-8375 |

| Project |
| --- |
| |

| Description | Qty | Cost | Total |
| --- | --- | --- | --- |
| SCOPE OF WORK: Horizontal Directional Drilling<br>1- 40' Bore 3"<br>Pull 1 1/2" water line | | 1,325.00 | 1,325.00 |

BRUCE HEBERT, BBA,LI3819,BP5872

| | |
| --- | --- |
| **Subtotal** | $1,325.00 |
| **Sales Tax (8.25%)** | $0.00 |
| **Total** | $1,325.00 |

DIVIDER PAGE

# Spring Valley Village - V4 Mi.Net PD Composite or Bronze Meter AMI System w/Tyler Data Trnsf.

| 1. Meters & Transmitters | | | | Installation Pricing | | |
|---|---|---|---|---|---|---|
| **Item Description** | **Quantity** | **Unit Material Price** | **Extended Mtrl. Price** | **Unit Install Price** | **Extended Install Price** | **Total Price** |
| **5/8" Water Meter** - 420 Composite or Bronze PD Meter, w/ Mi.Node 4, TTL bracket | 1,090 | $210.00 | $228,900.00 | $52.00 | $56,680.00 | $285,580.00 |
| **1" Water Meter** -452 Bronze PD Meter w/Mi.Node 4, TTL bracket | 1,155 | $335.00 | $386,925.00 | $52.00 | $60,060.00 | $446,985.00 |
| **1 1/2" Water Mete**r -DI Nylon Coated PD Meter w/Mi.Node 4, TTL Bracket. | 25 | $570.00 | $14,250.00 | $400.00 | $10,000.00 | $24,250.00 |
| **2" Water Meter** - DI Nylon Coated PD Meter w/Mi.Node 4, TTL bracket | 33 | $615.00 | $20,295.00 | $400.00 | $13,200.00 | $33,495.00 |
| **3" MVR Water Meter**- 350 MVR Vertical Turbine Meter w/Mi.Node 4, TTL Bracket | 1 | $1,550.00 | $1,550.00 | $475.00 | $475.00 | $2,025.00 |
| **4" MVR Water Meter** - 650 MVR Vertical Turbine Meter w/Mi.Node 4, TTL Bracket | 1 | $2,085.00 | $2,085.00 | $475.00 | $475.00 | $2,560.00 |
| | 2,305 | | **$654,005.00** | | **$140,890.00** | **$794,895.00** |

| 3. Furnish and Install MiNet AMI System | | | | Installation Pricing | | |
|---|---|---|---|---|---|---|
| **Item Description** | **Quantity** | **Unit Material Price** | **Extended Mtrl. Price** | **Unit Install Price** | **Extended Install Price** | **Total Price** |
| Infrastructure: Mi.Hub-XR Fixed Base RF Data Collector - Mi.Net AMI Collector w/antenna and 3G backhaul radio. | 2 | $5,900.00 | $11,800.00 | $4,800.00 | $9,600.00 | $21,400.00 |
| Infrastructure: Mi.Node AC Repeator | 1 | $2,150.00 | $2,150.00 | $245.00 | $245.00 | $2,395.00 |
| Infrastructure: Mi.Node DC Repeator | 2 | $1,400.00 | $2,800.00 | $1,550.00 | $3,100.00 | $5,900.00 |
| MS Supplies Pole 25' to 100' **(Only if needed)** | 2 | $0.00 | $0.00 | $4,900.00 | $9,800.00 | $9,800.00 |
| MiNet 3G Backhaul - cellular data transmission from collector to server.**** | 2 | $440.00 | $880.00 | $0.00 | $0.00 | $880.00 |
| Mi.Tech H4Handheld w/Install Kit | 1 | $7,500.00 | $7,500.00 | | | $7,500.00 |
| AMI Water Prem Host - Mi.Host™ ** | 2,305 | $4.20 | $9,681.00 | $0.00 | $0.00 | $9,681.00 |
| CIS File Interface | 1 | $18,500.00 | $18,500.00 | $0.00 | $0.00 | $18,500.00 |
| | | | **$53,311.00** | | **$22,745.00** | **$76,056.00** |

| 4. Training and Support Services -AMI | | | | Installation Pricing | | |
|---|---|---|---|---|---|---|
| **Item Description** | **Quantity** | **Unit Service Price** | **Extended Service Price** | **Unit Install Price** | **Extended Install Price** | **Total Price** |
| **Project Management**-- Covers complete project coordination by Ferguson Project Manager/Integration Specialist and Mueller Project Manager. Inlcudes On-Site Training, Coordination & | 1 | $65,000.00 | $65,000.00 | | | $65,000.00 |
| | | | **$65,000.00** | | | **$65,000.00** |
| | **Total Price for Mi.Net AMI PD Meter System:** | | | | | **$935,951.00** |

| Tyler/Incode Data File Interface & Transfer: | | | | | | |
|---|---|---|---|---|---|---|
| **Item Description** | **Quantity** | **Unit Material Price** | **Extended Mtrl. Price** | **Unit Install Price** | **Extended Install Price** | **Total Price** |
| CIS Custom File Interface | 1 | $5,000.00 | $5,000.00 | | | $5,000.00 |
| Automated Data Services | 1 | $5,000.00 | $5,000.00 | | | $5,000.00 |
| | | | | | **Tyler/Incode Data Transfer:** | **$10,000.00** |
| | | | | | **Total Price for Mi.Net AMI PD Meter System w/WaterSmart Portal:** | **$945,951.00** |

## Year 2 thru 20 Annual Fees:

| | | | | | | |
|---|---|---|---|---|---|---|
| **After 1st Year Optional Maintenance Fee-Equip. **Annual Fee** | | | | | | |
| Year 2 - Collector Maintenance | 2 | $1,450.00 | $2,900.00 | | | $2,900.00 |
| Year 2-Handheld Maintenance | 1 | $775.00 | $775.00 | | | $775.00 |
| | | | | | **Total Annual Fees-Equipment & Backhaul:** | **$3,675.00** |
| | | | | | | |
| **Mueller AMI Hosting:**<br>**(includes 24/7 NOC Center Monitoring)** | | | | | | |
| **After 1st Year Software Maintenance **Annual Fee** | | | | | | |
| Year 2- Mueller AMI Water Prem Host-Per Year | 2305 | $4.20 | $9,681.00 | | | $9,681.00 |
| Year 2 - Mi.Net 3G Backhaul | 2 | $440.00 | $880.00 | | | $880.00 |
| | | | | | **Total Annual Fees-Mueller AMI Host:** | **$10,561.00** |
| | | | | | | |
| **Tyler/Incode Date File Transfer - For Portal** | | | | | | |
| **After 1st Year Software Maintenance **Annual Fee** | | | | | | |
| Year 2 - Tyler/Incode File Transfer - Per Year | 1 | $5,200.00 | $5,200.00 | | | $5,200.00 |
| | | | | | **Total Annual Fees-WaterSmart Consumer Portal:** | **$5,200.00** |

**Spring Valley Village City Council**
**Agenda Item Data Sheet**

| | |
|---|---|
| **MEETING DATE:** | March 26, 2019 |
| **TOPIC:** | Request from Village Fire Commission To Retain the 4th Quarter 2018 Ambulance Revenues and Place Such Funds into Facility Fund 4. |
| **BACKGROUND:** | On February 27, 2019, the Village Fire Department Board of Commissioners voted unanimously to retain the 4th Quarter 2018 Ambulance Revenues of $39,780.00 with the City's approval and to place these funds in Facility Fund 4. A copy of the letter received notifying the City of the Commission's action is provided with this agenda item.<br><br>The City of Spring Valley's proportionate share of this revenue is $6,464.25, and the Commission did not include a corresponding reduction of expenditures for the City. If approved, the FY 2019 Budget Amendment will include a reduction of the ambulance revenues that were built into the approved FY 2019 Budget.<br><br>The Village Fire Commission requests that the City approve the Village Fire Department's retention of the 4th Quarter 2018 ambulance revenues and placement of such funds into Facility Fund 4. |
| **RECOMMENDATION:** | None |
| **ATTACHMENTS:** | • Letter from Administrator of the Village Fire Department<br>• 2018 VFD Ambulance Billing Funds 4th Quarter |
| **FUNDING ISSUES:** | ☐ Not applicable – no dollars are being spent or received.<br>☐ Full amount already budgeted in Acct/Project# ___________<br>☒ Not budgeted, if approved, the following will be included in the next Budget Amendment:<br>☒ $_6,464.25_ will reduced from Revenue Account# _10-01-5409_<br>☐ $__________ from unassigned fund balance will be used and added to Acct/Project# _____________<br>☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# ___________ |
| **FINANCE VERIFICATION OF FUNDING:** | [signature] |

| | |
|---|---|
| **SUBMITTING STAFF MEMBER:**<br><br>Michelle Yi, City Treasurer | **CITY ADMINISTRATOR APPROVAL:**<br><br>[signature] |

**ACTIONS TAKEN**

| APPROVAL | READING PASSED | OTHER |
|---|---|---|
| ❑YES ❑NO | | |

DIVIDER PAGE

Village Fire Department

901 Corbindale Rd
Houston, Texas 77024
(713) 468-7941
(713) 468-5039 FAX

*Protecting and Serving the Cities of:*

BUNKER HILL VILLAGE
HEDWIG VILLAGE
HILSHIRE VILLAGE
HUNTERS CREEK VILLAGE
PINEY POINT VILLAGE
SPRING VALLEY VILLAGE

**To:**

Ms. Kelly Johnson, City of Hedwig Village
Ms. Susan Blevins, City of Hilshire Village
Mr. Tom Fullen, City of Hunters Creek Village
Mr. Roger Nelson, City of Piney Point Village
Ms. Julie Robinson, City of Spring Valley

**CC:** Village Fire Department Commissioner and Alternates

**From:** Marlo Longoria

**Date:** March 4, 2019

**Re:** 4$^{Th}$ Quarter Ambulance Funds

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During our Regular Board Meeting February 27, 2019, the Village Fire Department Board of Commissioners voted unanimously to retain the 4$^{Th}$ Quarter Ambulance revenue of $39,780.00 with the city's approval, these funds will be placed in Facility Fund 4.

Please place the 4$^{Th}$ Quarter Ambulance Revenue of $39,780.00 on your agenda for consideration and advise us on your council's action in writing.

Thank you,

Marlo Longoria

Enclosure

DIVIDER PAGE

| | | 1st Quarter 2018 | 2nd Quarter 2018 | 3rd Quarter 2018 | 4th Quarter 2018 | Year-To-Date 2018 |
|---|---|---|---|---|---|---|
| City of Bunker Hill Village | 19.00% | 17,284.52 * | 2,059.18 | 0.00 | 7,558.20 | 26,901.90 |
| City of Hedwig Village | 18.50% | 16,823.50 * | 1,970.03 | 0.00 | 7,359.30 | 26,152.83 |
| City of Hilshire Village | 3.00% | 2,531.72 * | -793.70 | 0.00 | 1,193.40 | 2,931.42 |
| City of Hunters Creek Village | 22.25% | 21,687.96 | 10,610.29 | 0.00 | 8,851.05 | 41,149.30 |
| City of Piney Point Village | 21.00% | 19,128.63 * | 2,415.77 | 0.00 | 8,353.80 | 29,898.20 |
| City of Spring Valley Village | 16.25% | 14,748.89 * | 1,568.84 | 0.00 | 6,464.25 | 22,781.98 |
| **TOTALS** | | **$92,205.22** | **$17,830.41** | **$0.00** | **$39,780.00** | **$149,815.63** |
| | | | | 39,899.27 | 39,780.12 | |

VFD transfer to facility to cover roof

* Note
Difference on check is due to McGrath Study
Each city paid the 1st amount owed to McGrath through ambulance fees
Exception of Hunters Creek