EST. 1955

SPRING VALLEY

VILLAGE

Regular City Council Meeting

March 28, 2023

6:00 p.m.

Marcus Vajdos, Mayor
Bo Bothe
Steve Bass

Allen Carpenter, Mayor Pro Tem
David Dominy
Joy McCormack

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 28, 2023, beginning at 6:00 p.m., For the Purpose of Considering and Acting upon the Following Items of Business:

The meeting agenda and agenda packet are posted online at www.springvalleytx.com.

The video link to this meeting is https://us02web.zoom.us/j/81754506155

The public toll-free dial-in numbers to participate in the telephonic meeting are 1-346-248-7799 (Houston), 1-253-215-8782 (US), and 1-301-715-8592 (US); enter the Meeting ID: 817 5450 6155 and #.

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting.

A recording of the telephonic meeting will be made, and will be available to the public in accordance with the Open Meetings Act upon written request.

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

2. **INTRODUCTIONS**

3. **PROCLAMATIONS / ANNOUNCEMENTS / SWEARING-IN**

   3.1 Fair Housing Month Proclamation

   3.2 Spring Branch ISD Proclamation

   3.3 Public Safety Telecommunicator Week

   3.4 Celebration of Life, Julie M. Robinson

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 Regular Called City Council Meeting on February 28, 2023

5.2 Resolution 23-XX - A RESOLUTION OF THE CITY COUNCIL OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE ACCEPTANCE OF AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF); AND AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO ACT AS THE CITY'S EXECUTIVE OFFICERS AND AUTHORIZED REPRESENTATIVES IN ALL MATTERS PERTAINING TO THE CITY'S IMPLEMENTATION OF THE AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF) FUNDS.

5.3 Resolution 23-XX - A RESOLUTION OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE APPROVAL OF THE SPRING VALLEY VILLAGE RECOVERY PLAN ASSOCIATED WITH THE IMPLEMENTATION OF THE COUNTY'S AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF) ALLOCATION.

5.4 Resolution 23-XX - A RESOLUTION ADOPTING THE ATTACHED POLICIES IN CONNECTION WITH THE CITY OF SPRING VALLEY VILLAGE TEXAS PARTICIPATION IN FEDERALLY FUNDED PROJECTS ASSOCIATED WITH THE AMERICAN RESCUE PLAN ACT – CORONAVIRUS LOCAL FISCAL RECOVERY FUND (ARPA – CLFRF) AND ADHERENCE TO THE REGULATIONS DESCRIBED THEREIN.

5.5 Resolution 23-XX - A RESOLUTION OF THE CITY COUNCIL OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE CLASSIFICATION OF THE SPRING VALLEY VILLAGE AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUND (CLFRF) ALLOCATION AS REVENUE LOSS UNDER THE U.S. DEPARTMENT OF THE TREASURY'S FINAL RULE'S STANDARD ALLOWANCE FOR THE PROVISION OF GOVERNMENT SERVICES.

5.6 Approval of Pay Estimate No. 9 for Cedarspur, Burkhart, and Wnningham (East of Voss) Pavement & Utility Improvements Project to MetroCity LLC In The Amount of $ 156,720.95

OLD BUSINESS

6. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING: February 2023 Police Department Staff Report (Chief Schulze):

1. Number of Calls for Service
2. Number of Traffic Violations

7. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING: Activities of the Village Fire Department Commissioners Meeting on March 2, 2023, and Any Special Meetings That May Have Occurred since March 2, 2023. (Mayor Pro-Tem Carpenter / Council Member Bothe)

8. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Reviewing Interlocal Agreement by and between City of Spring Valley Village and City of Hilshire for the provision of police and Municipal Court services.

NEW BUSINESS

9. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Presentation and Acceptance of Fiscal Year 2021-2022 Audited Comprehensive Annual Financial Report Prepared by Belt, Harris Pechacek, LLLP, Certified Public Accountants.

10. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution No. 23-XX - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A CONTRACT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND IDS ENGINEERING GROUP FOR ENGINEERING/ARCHITECTURAL/SURVEYING SERVICES FOR CORONAVIRUS LOCAL FISCAL RECOVERY FUND PROGRAMS AND/OR PROJECTS (RFQ #2022-06-901); 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.

11. **DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** CenterPoint Energy 2023 Annual GRIP Adjustment and Compliance Filing for Rate Schedule No. TCJA-HOU/TXC

12. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Briefing by City Staff:
    1. Status of Cedarspur, Burkhart, Winningham (East of Voss)
    2. Legislative Update

13. **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:

    13.1 Section 551.071. Consultation with Attorney regarding pending or contemplated litigation or a matter in which the duty of the City Attorney requires to be discussed in a closed meeting.

    13.2 Section 551.074 – Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of the City Administrator.

    13.3 Sec. 551.087 - Deliberation Regarding Economic Development Negotiations: (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

14. RECONVENE

15. CONSIDERATION AND POSSIBLE ACTION CONCERNING: Matters Discussed in Executive Session.

16. 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 28, 2023 agenda of items to be considered by City Council was posted on or before the 24th day of March 2023, by 2:00 p.m. pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code.

Attest: J. Torres

Jasmin Torres
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 at 713-461-7969, or Email jtorres@springvalleytx.com for further information.

Consent Agenda Items

MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF SPRING VALLEY VILLAGE, TEXAS
TUESDAY, FEBRUARY 28, 2023 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 Vajdos at 6:01 p.m.

Members Present:
Mayor Marcus Vajdos
Mayor Pro Tem Allen Carpenter
Council Member Steve Bass
Council Member David Dominy
Council Member Joy McCormack (left at 7:58 p.m.)

Members Absent:
Council Member Bo Bothe

2. INTRODUCTIONS

Zachary Meadows, Director of Community Development
Jasmin Torres, City Secretary
Kristina Watson, Public Works Director
Brent Walker, City Treasurer
Carianne Riley, Assistant to the City Administrator
Loren Smith, City Attorney
Mark Schulze, Acting Police Chief
David Dixon, Police Commissioner

At this time, Mayor Vajdos asked Police Commissioner David Dixon to lead a prayer for City Administrator Julie Robinson.

3. PROCLAMATIONS / ANNOUNCEMENTS / SWEARING-IN

None.

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.**

4.1.1 Laura Peachee, 1200 Anne Street, spoke regarding her concerns about the traffic flow on West Tex Drive and Campbell Road. She is requesting that a traffic study be completed because of the Kelsey Seybold building has caused a negative traffic pattern. Drivers are doing illegal U-turns and turning around by using residential driveways.

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 Regular Called City Council Meeting on January 24, 2023

5.2 Resolution 23-XX - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF CHANGE ORDER NUMBER 1 TO THE AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND METROCITY FOR WINNINGHAM, CEDARSPUR, AND BURKHART PAVEMENT & UTILITY IMPROVEMENTS PROJECT; 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.

5.3 Approval of Pay Estimate No. 8 for Cedarspur, Burkhart, and Winningham (East of Voss) Pavement & Utility Improvements Project to MetroCity LLC In The Amount of $ 87,452.31

Council Member Dominy made a motion to approve all items on the Consent Agenda, and Council Member Carpenter seconded the motion. Motion carried 4-0.

At this time, Mayor Vajdos asked that Agenda Item 10 be taken out of order. Council Member Carpenter motioned to have Agenda Item 10 taken out of order, and Council Member Bass seconded the motion. Motion carried 4-0.

10. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING: January 2023 Police Department Staff Report (Chief Schulze):

1. Number of Calls for Service – 2,584
2. Number of Traffic Violations – 1,049
3. Burglary of motor vehicles – In the month of January 2023 there were 5 motor vehicle burglaries. Three of those burglaries were in the business district and of the two in the residential neighborhoods; they were contractors working in the City that had something taken from their vehicles while working. A GMC Sierra was also stolen from the 8500 Katy Freeway, the West Memorial Park Complex.
4. Home Safe – A program that would help residents that cannot communicate with first responders. This would require residents to set up information for the individual that isn't able to communicate and a photograph to identify the individual.

6. 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:

6.1 Section 551.071. Consultation with Attorney regarding pending or contemplated litigation or a matter in which the duty of the City Attorney requires to be discussed in a closed meeting.

6.2 Section 551.074 – Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of the City Administrator.

6.3 Sec. 551.087 - Deliberation Regarding Economic Development Negotiations: (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

Council adjourned into the Executive Session at 6:25 p.m.

7. **RECONVENE**

The City Council meeting reconvened at 7:57 p.m.

8. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Matters Discussed in Executive Session.

Council Member Carpenter made a motion to appoint Zachary Meadows as the Acting City Administrator effective immediately, and Council Member McCormack seconded the motion. Motion carried 4-0.

9. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ratifying Action of the Mayor in executing an Engagement Letter with Brown and Hoffmeister.

Mayor Vajdos explained that this engagement with Brown and Hoffmeister is to avoid a conflict of interest in the current dealings and issues ensuing with the Village Fire Department and the Village Fire Department Board. The current City Attorney, Loren Smith from Olson and Olson, is also the attorney for the City of Bunker Hill, who voted to terminate the Fire Chief. They are also the legal representative for five of the six Memorial Villages. The votes and actions ultimately decided by the other villages caused the termination of the Fire Chief, and the City was not in agreement with that stance. Council Bass made a motion to execute the Engagement Letter with Brown and Hoffmeister, and Council Member Carpenter seconded the motion. Motion carried 3-0.

OLD BUSINESS

11. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Activities of the Village Fire Department Commissioners Meeting on January 25, 2023, and Any Special Meetings That May Have Occurred since January 25, 2023. (Mayor Pro-Tem Carpenter / Council Member Bothe)

Council Member Carpenter introduced Interim Fire Chief Howard Miller. Interim Fire Chief Miller then briefly synopsized his career and experience. Interim Chief Miller also went into the details regarding his previously held position with the Village Fire Department as Battalion Chief and how and why he would not be able to serve in both roles. Council Member Carpenter then briefed the Council on the staffing changes and the now two open positions at the Fire Department.

Council Member Carpenter continued the discussion by briefing the Council on repairs or replacement to the roof that was improperly installed and is part of the existing structure for the Fire Department building. In addition, a replacement needs to happen for the annex building roof where the Fire Department dispatch area is also. The discussion continued with additional mentions of a budget amendment for $350,000-$380,000 that would account for a miscalculation in salaries and a request to hire an additional dispatcher.

The Village Fire Department Board is executing a selection committee for potential Fire Chief candidates and would like Council Member Carpenter to serve on that committee. Council Member Carpenter then asked the Council if they approved his service on the selection committee, and Council was in agreement with this decision.

NEW BUSINESS

12. CONSIDERATION AND POSSIBLE ACTION CONCERNING: Ordinance No. 2023-XX: AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, DECLARING UNOPPOSED CANDIDATES IN THE MAY 6, 2023 GENERAL CITY ELECTION ELECTED TO OFFICE; PROVIDING FOR THE INCORPORATION OF PREAMBLE; CANCELING THE MAY 6, 2023 GENERAL CITY ELECTION; PROVIDING A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

Mayor Vajdos read the Ordinance by caption only. Council Member Dominy made a motion to approve Ordinance No. 2023-02, and Council Member Carpenter seconded the motion. Motion carried 3-0.

13. CONSIDERATION AND POSSIBLE ACTION CONCERNING: Reviewing Interlocal Agreement by and between City of Spring Valley Village and City of Hilshire for provision by Spring Valley Village for the provision of police and Municipal Court services.

Mayor Vajdos presented the review of the Interlocal Agreement with the City of Spring Valley Village and the City of Hilshire Village with concerns regarding Section 2, Paragraph B, specific to the use of police vehicles and vehicle maintenance and service. City Attorney Loren Smith recommended that either Acting City Administrator Zachary Meadows reach out to City Administrator of Hilshire Village, Cassie Stephens or that he would speak to their City Attorney Scott Bounds. Based on this discussion, Council Member Dominy and Council Member Bass requested that there be additional data pulled on the average maintenance costs over a five-year period and presented to City Council before any discussions with Hilshire Village.

14. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING: Briefing by City Staff:

1. Status of Cedarspur, Burkhart, Winningham (East of Voss)

   Director of Public Works Kristina Watson informed the Council that this project is estimated to be complete at the end of April. MetroCity has started concrete removal, sub-grade forms, and pouring concrete in the last two phases of this project. At the beginning of May, they will begin final walk-throughs and punch lists.

2. Status of Cedarspur (West of Bingle) and Burkhart (East of Bingle)

   Acting City Administrator / Community Development Director Zachary Meadows informed the Council that City Administrator Julie Robinson was reviewing the front-end bid documents. Public Works Director Kristina Watson and he will review the documents to get the project out to bid soon.

3. Status of Brighton Place Utilities and Pavement Improvements Project

Director of Public Works Kristina Watson informed the Council that City staff met with the engineers from CobbFendley to discuss the preliminary engineering report. She advised that items from that meeting would be addressed and brought to the Council during the Capital Improvements Plan Workshop in March. Currently, CobbFendley is at the 60% design phase and will wait for additional direction from the Council until after the March meeting.

4. Status of Bingle Road Road Diet

   Ms. Watson advised that there is currently no update or change from the last update that was provided to the Council.

5. Update on Activities of Board of Adjustment

   Mr. Meadows advised that there was a Board of Adjustments meeting on February 22, 2023, two items were discussed during the meeting, both of which did not gain approval. The first item was for a carport addition on Modiste Street; the second was an expansion of a non-conforming structure detached garage on Cedarspur Street.

   Council Member Dominy asked about the culmination of construction on 1213 Tamy Lane and any renovation plans for Tamy Lane near the pedestrian bridge. Acting City Administration stated that he was aware of conversations between City Administrator Julie Robinson and Public Works Director Kristin Watson. Ms. Robinson was looking to review this issue during the Capital Improvement Plan Workshop in March. Council Member Dominy stated he would like to see a plan for the beautification of Tamy Lane. Mayor Vajdos then recommended “Grasscrete” for that area as the use of which was successfully done near the Pech Road pedestrian bridge.

   In addition to the bridge improvements on Tamy Lane, Mr. Meadows advised the Council that the owner of 1213 Tamy Lane and 1214 Campbell Road had a Board of Adjustment application pending for the fence adjacent to Campbell Road, this was originally denied by the Board of Adjustments, however the applicant has filed for reconsideration of the request.

   Mayor Vajdos also asked that about a missing streetlight on Cedarspur Drive. Acting City Administrator Zachary Meadows advised that Public Works Director, Kristina Watson, was actively working on this with Verizon, as its removal was related to the cell node agreement.

   Council Member Bass asked about the work that was approved with the Right-of-Way off Hilldale Street, as he believes that the work that was completed was not to the satisfaction of what was agreed upon. Mr. Meadows advised that he and Ms. Watson would look into it to be rectified.

16. ADJOURNMENT

Council Member Dominy made a motion to adjourn the meeting at 8:43 p.m., and Council Member Carpenter seconded the motion. Motion carried 3-0.

Signed: ___________________________________
Marcus Vajdos
Mayor

Attest: ___________________________________
Jasmin Torres
City Secretary

MEETING DATE:	March 28, 2023
TOPIC:	**RESOLUTION NUMBER 23-XX** **A RESOLUTION OF THE CITY COUNCIL OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE ACCEPTANCE OF AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF); AND AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO ACT AS THE CITY'S EXECUTIVE OFFICERS AND AUTHORIZED REPRESENTATIVES IN ALL MATTERS PERTAINING TO THE CITY'S IMPLEMENTATION OF THE AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF) FUNDS.**
BACKGROUND:	The following Resolution authorizes the Mayor and the City Administrator to act as the City of Spring Valley Village's executive officers in the implementation of the American Rescue Plan Act (ARPA) – Coronavirus Local Fiscal Recovery Funds (CLFRF) Funds.
RECOMMENDATION:	Staff recommends approval of the Resolution.
ATTACHMENTS:	• Resolution Number 23-XX
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:	B.A. Wah
SUBMITTING STAFF MEMBER: Zachary Meadows, Acting City Administrator/ Director of Community Development	**CITY ADMINISTRATOR APPROVAL:** Zachary M

RESOLUTION NUMBER 23-XX

A RESOLUTION OF THE CITY COUNCIL OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE ACCEPTANCE OF AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF); AND AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO ACT AS THE CITY'S EXECUTIVE OFFICERS AND AUTHORIZED REPRESENTATIVES IN ALL MATTERS PERTAINING TO THE CITY'S IMPLEMENTATION OF THE AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF) FUNDS.

WHEREAS, the City Council of Spring Valley Village desires to develop a viable community, including decent housing, suitable living environment, expanding economic opportunities, addressing health and safety needs, and improving critical infrastructure in response to the COVID-19 Pandemic; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interests of the City of Spring Valley Village to utilize and implement ARPA - CLFRF funding;

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The ARPA-CLFRF is hereby authorized to be accepted on behalf of the City from the United States Treasury Department.

Section 3. The City's allocation be split into two (2) tranches in the amount of $1,070,188.00 with Tranche No.1 being $535,094.00 Tranche No. 2 being $535,094.00.

Section 4. The City Council directs and designates the following to act in all matters in connection with the City's participation in the ARPA - CLFRF:

- The Mayor and City Administrator shall serve as the City's Chief Executive Officers and Authorized Representatives to execute funding request, authorizations and any subsequent contractual documents; and

- The City Administrator is authorized to execute environmental review documents and to certify to environmental clearance matters associated with the ARPA – CLFRF funds; and

- The Mayor, City Administrator, and City Secretary are authorized to execute payment documents and/or other forms required to reimburse project costs.

Section 5. All funds will be used in accordance with all applicable federal, state, local and programmatic requirements as directed by the United States Treasury Department.

DULY PASSED AND APPROVED this the 28th day of March, 2023.

Marcus Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

Spring Valley Village City Council
Agenda Item Data Sheet

MEETING DATE:	March 28, 2023
TOPIC:	**RESOLUTION NUMBER 23-XX** **A RESOLUTION OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE APPROVAL OF THE SPRING VALLEY VILLAGE RECOVERY PLAN ASSOCIATED WITH THE IMPLEMENTATION OF THE COUNTY'S AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF) ALLOCATION**
BACKGROUND:	The following Resolution approves the "Recovery Plan" for the American Rescue Plan Act (ARPA) – Coronavirus Local Fiscal Recovery Funds (CLFRF) allocation.
RECOMMENDATION:	Staff recommends approval of the Resolution.
ATTACHMENTS:	• Resolution Number 23-XX
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: Zachary Meadows, Acting City Administrator/ Director of Community Development	**CITY ADMINISTRATOR APPROVAL:**

RESOLUTION NUMBER 23-XX

A RESOLUTION OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE APPROVAL OF THE SPRING VALLEY VILLAGE RECOVERY PLAN ASSOCIATED WITH THE IMPLEMENTATION OF THE COUNTY'S AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF) ALLOCATION

WHEREAS, the City of Spring Valley Village desires to develop a transparent and viable program to ensure funding and program identification are clearly discussed and presented that will allow the City to recovery and respond to the COVID-19 Pandemic; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, , it is necessary and in the best interests of City of Spring Valley Village to approve the Recovery Plan to utilize and implement ARPA - CLFRF funding;

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Approves the Spring Valley Village Recovery Plan.

DULY PASSED AND APPROVED this the 28th day of March, 2023.

____
Marcus Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

____
Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

Spring Valley Village City Council
Agenda Item Data Sheet

MEETING DATE: March 28, 2023

TOPIC:
RESOLUTION NUMBER 23-XX
A RESOLUTION ADOPTING THE ATTACHED POLICIES IN CONNECTION WITH THE CITY OF SPRING VALLEY VILLAGE TEXAS PARTICIPATION IN FEDERALLY FUNDED PROJECTS ASSOCIATED WITH THE AMERICAN RESCUE PLAN ACT – CORONAVIRUS LOCAL FISCAL RECOVERY FUND (ARPA – CLFRF) AND ADHERENCE TO THE REGULATIONS DESCRIBED THEREIN.

BACKGROUND:
The following Resolution adopts the following polices in conjunction with the City of Spring Valley Village's American Rescue Plan Act (ARPA) – Coronavirus Local Fiscal Recovery Funds (CLFRF) allocation:

1. Citizen Participation Plan and Grievance Procedures;
2. Section 3 Policy;
3. Excessive Force Policy;
4. Section 504 Policy and Grievance Procedures;
5. Limited English Proficiency Plan;
6. Fair Housing Policy; and
7. Code of Conduct Policy

RECOMMENDATION: Staff recommends approval of the Resolution.

ATTACHMENTS:
- Resolution Number 23-XX

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:
D.A. Wah

SUBMITTING STAFF MEMBER:
Zachary Meadows, Acting City Administrator/ Director of Community Development

CITY ADMINISTRATOR APPROVAL:
Zachary M

RESOLUTION NUMBER 23-XX

A RESOLUTION ADOPTING THE ATTACHED POLICIES IN CONNECTION WITH THE CITY OF SPRING VALLEY VILLAGE TEXAS PARTICIPATION IN FEDERALLY FUNDED PROJECTS ASSOCIATED WITH THE AMERICAN RESCUE PLAN ACT – CORONAVIRUS LOCAL FISCAL RECOVERY FUND (ARPA – CLFRF) AND ADHERENCE TO THE REGULATIONS DESCRIBED THEREIN.

WHEREAS*,* the City of Spring Valley Village Texas, (hereinafter referred to as "City") has been awarded ARPA - CLFRF funding through an ARPA - CLFRF grant from the United States Treasury Department (hereinafter referred to as "TREASURY");

WHEREAS, the City, in accordance with Section 109 of the Title I of the Housing and Community Development Act. (24 CFR 6); the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107); and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and for construction contracts greater than $10,000, must take actions to ensure that no person or group is denied benefits such as employment, training, housing, and contracts generated by the CLFRF activity, on the basis of race, color, religion, sex, national origin, age, or disability;

WHEREAS, the City, in consideration for the receipt and acceptance of federal funding, agrees to comply with all federal rules and regulations including those rules and regulations governing citizen participation and civil rights protections;

WHEREAS, the City, in accordance with Section 3 of the Housing and Urban Development Act of 1968, as amended, and 24 CFR Part 135, is required, to the greatest extent feasible, to provide training and employment opportunities to lower income residents and contract opportunities to businesses in the ARPA - CLFRF project area;

WHEREAS, the City, in accordance with Section 104(1) of the Housing and Community Development Act, as amended, and State's certification requirements at 24 CFR 91.325(b)(6), must adopt an excessive force policy that prohibits the use of excessive force against non-violent civil rights demonstrations;

WHEREAS, the City, in accordance with Executive Order 13166, must take reasonable steps to ensure meaningful access to services in federally assisted programs and activities by persons with limited English proficiency (LEP) and must have an LEP plan in place specific to the locality and beneficiaries for each ARPA - CLFRF project;

WHEREAS, the City, in accordance with Section 504 of the Rehabilitation Act of 1973, does not discriminate on the basis of disability and agrees to ensure that qualified individuals with disabilities have access to programs and activities that receive federal funds; and

WHEREAS, the City, in accordance with Section 808(e)(5) of the Fair Housing Act (42 USC 3608(e)(5)) that requires federal programs and activities be administered in a manner affirmatively to further the policies of the Fair Housing Act, agrees to conduct at least one activity during the contract period of the ARPA - CLFRF contract, to affirmatively further fair housing;

WHEREAS, the City, agrees to maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The City adopts the following policies:

1. Citizen Participation Plan and Grievance Procedures;
2. Section 3 Policy;
3. Excessive Force Policy;
4. Section 504 Policy and Grievance Procedures;
5. Limited English Proficiency Plan;
6. Fair Housing Policy; and
7. Code of Conduct Policy

DULY PASSED AND APPROVED at a regular meeting of the City Council on the 28th day of March, 2023.

Marcus Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

RESOLUCIÓN NUMERO 23-XX

UNA RESOLUCIÓN QUE ADOPTA LAS POLÍTICAS ADJUNTAS EN RELACIÓN CON LA CIUDAD DE SPRING VALLEY VILLAGE, TEXAS PARTICIPACIÓN EN PROYECTOS FINANCIADOS FEDERALMENTE ASOCIADOS CON LA LEY DEL PLAN DE RESCATE AMERICANO - CORONAVIRUS LOCAL FISCAL RECOVERO FUNDO Y ADHERENCIA REGULACIÓN DE ARPA - CLFRF EN ESTO.

Considerando que*,* la Ciudad de Spring Valley Village, Texas, (en adelante, "Ciudad") ha recibido fondos ARP - CLFRF a través de una subvención ARP - CLFRF del Departamento del Tesoro de los Estados Unidos (en adelante, "TESORO");

Considerando que, la Ciudad, de acuerdo con la Sección 109 del Título I de la Ley de Vivienda y Desarrollo Comunitario. (24 CFR 6); la Ley de Discriminación por Edad de 1975 (42 USC 6101-6107); y la Sección 504 de la Ley de Rehabilitación de 1973 (29 USC 794) y para contratos de construcción superiores a $ 10,000, deben tomar medidas para garantizar que a ninguna persona o grupo se le nieguen beneficios tales como empleo, capacitación, vivienda y contratos generados por la actividad CLFRF, por motivos de raza, color, religión, sexo, nacionalidad, edad o discapacidad;

Considerando que, la Ciudad, en consideración por la recepción y aceptación de fondos federales, acuerda cumplir con todas las reglas y regulaciones federales, incluidas las reglas y regulaciones que rigen la participación ciudadana y la protección de los derechos civiles;

Considerando que, la Ciudad, de acuerdo con la Sección 3 de la Ley de Vivienda y Desarrollo Urbano de 1968, según enmendada, y 24 CFR Parte 135, está obligada, en la mayor medida posible, a brindar capacitación y oportunidades de empleo a los residentes de bajos ingresos. y oportunidades de contratación para negocios en el área del proyecto ARP - CLFRF;

Considerando que, la Ciudad, de acuerdo con la Sección 104 (1) de la Ley de Vivienda y Desarrollo Comunitario, según enmendada, y los requisitos de certificación del Estado en 24 CFR 91.325 (b) (6), deben adoptar una política de fuerza excesiva que prohíba el uso de fuerza excesiva contra manifestaciones no violentas de derechos civiles;

Considerando que, la Ciudad, de acuerdo con la Orden Ejecutiva 13166, debe tomar medidas razonables para asegurar un acceso significativo a los servicios en programas y actividades con asistencia federal por parte de personas con dominio limitado del inglés (LEP) y debe tener un plan LEP en su lugar específico para el localidad y beneficiarios de cada proyecto ARP - CLFRF;

Considerando que, la Ciudad, de acuerdo con la Sección 504 de la Ley de Rehabilitación de 1973, no discrimina por motivos de discapacidad y acuerda asegurar que las personas calificadas con discapacidades tengan acceso a programas y actividades que reciben fondos federales; y

Considerando que, la Ciudad, de acuerdo con la Sección 808 (e) (5) de la Ley de Vivienda Justa (42 USC 3608 (e) (5)) que requiere que los programas y actividades federales se administren de manera afirmativa para promover la políticas de la Ley de Vivienda Justa, acuerda realizar al menos una actividad durante el período del contrato ARP - CLFRF, para promover afirmativamente la vivienda justa;

Considerando que, la Ciudad acuerda mantener normas escritas de conducta que cubran los conflictos de intereses y rijan las acciones de sus empleados involucrados en la selección, adjudicación y administración de contratos.

AHORA, POR LO TANTO, SE RESUELVE POR EL CONSEJO MUNICIPAL DE SPRING VALLEY VILLAGE, TEXAS, ADOPTA LO SIGUIENTE:

Section 1. Las premisas anteriores son verdaderas y correctas y se incorporan aquí y forman parte de ellas para todos los propositos.

Section 2. La Cuidad adopta las siguientes politicas:

1. Plan de Participación Ciudadana y Procedimientos de Quejas;
2. Política de la Sección 3;
3. Política de fuerza excesiva;
4. Política de la Sección 504 y Procedimientos de quejas;
5. Plan de dominio limitado del inglés;
6. Política de vivienda justa; y
7. Política del Código de Conducta

APROBADO Y APROBADO en una reunión ordinaria del Concejo Municipal el día 28 de Febrero del 2023.

____
Marcus Vajdos, Alcalde
Ciudad de Spring Valley Village, Texas

Atestiguar:

____
Jasmin Torres, Secretaria de la Ciudad
Ciudad de Spring Valley Village, Texas

CITIZEN PARTICIPATION PLAN

AMERICAN RESCUE PLAN ACT – CORONAVIRUS LOCAL FISCAL RECOVERY FUND (ARPA – CLFRF)

COMPLAINT PROCEDURES

These complaint procedures comply with the requirements of the United States Treasury Department's ARPA - CLFRF Program and Local Government Requirements found in 24 CFR §570.486 (Code of Federal Regulations). Citizens can obtain a copy of these procedures at the City of Spring Valley Village, 1025 Campbell Rd, Houston, TX 77055, 713-465-8308 during regular business hours.

Below are the formal complaint and grievance procedures regarding the services provided under the ARPA - CLFRF project.

1. A person who has a complaint or grievance about any services or activities with respect to the ARPA - CLFRF project, whether it is a proposed, ongoing, or completed ARP - CLFRF should contact the City of Spring Valley Village, 1025 Campbell Rd, Houston, TX 77055, 713-465-8308.
2. A copy of the complaint or grievance shall be transmitted by the City Secretary to the entity that is the subject of the complaint or grievance and to the City Attorney within five (5) working days after the date of the complaint or grievance was received.
3. The City shall complete an investigation of the complaint or grievance, if practicable, and provide a timely written answer to the person who made the complaint or grievance within ten (10) days.
4. If the investigation cannot be completed within ten (10) working days per 3 above, the person who made the grievance or complaint shall be notified, in writing, within fifteen (15) days where practicable after receipt of the original complaint or grievance and shall detail when the investigation should be completed.
5. If necessary, the grievance and a written copy of the subsequent investigation shall be forwarded to the ARPA - CLFRF for their further review and comment.
6. If appropriate, provide copies of grievance procedures and responses to grievances in both English and Spanish, or other appropriate language.

TECHNICAL ASSISTANCE

When requested, the City shall provide technical assistance to groups that are representative of persons of low- and moderate-income in developing proposals for the use of ARPA - CLFRF funds. The City, based upon the specific needs of the community's residents at the time of the request, shall determine the level and type of assistance.

PUBLIC HEARING PROVISIONS

For each public hearing scheduled and conducted by the City, the following public hearing provisions shall be observed:

1. Public notice of all hearings must be published at least seventy-two (72) hours prior to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice must include the date, time, location, and topics to be considered at the public hearing. A published newspaper article can also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
2. When a significant number of non-English speaking residents are a part of the potential service area of the ARPA - CLFRF project, vital documents such as notices should be published in the predominant language of these non-English speaking citizens.

3. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and the City must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to the hearing.
4. A public hearing held prior to the submission of an ARPA - CLFRF application must be held after 5:00 PM on a weekday or at a convenient time on a Saturday or Sunday.
5. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter should be present to accommodate the needs of the non-English speaking residents.

The City shall comply with the following citizen participation requirements for the preparation and submission of an application for an ARPA - CLFRF project:

1. At a minimum, the City shall hold at least one (1) public hearing prior to submitting the application to the United States Treasury Department.
2. The City shall retain documentation of the hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the proposed use of funds for three (3) years from closeout of the grant to the state. Such records shall be made available to the public in accordance with Chapter 552, Texas Government Code.
3. The public hearing shall include a discussion with citizens as outlined in the applicable ARPA - CLFRF application manual to include, but is not limited to, the development of housing and community development needs, the amount of funding available, all eligible activities under the ARPA - CLFRF program, and the use of past ARPA - CLFRF contract funds, if applicable. Citizens, with particular emphasis on persons of low- and moderate-income who are residents of slum and blight areas, shall be encouraged to submit their views and proposals regarding community development and housing needs. Citizens shall be made aware of the location where they may submit their views and proposals should they be unable to attend the public hearing.
4. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter should be present to accommodate the needs of the non-English speaking residents.

The City must comply with the following citizen participation requirements in the event that the City receives funds from the ARPA - CLFRF program:

1. The City shall also hold a public hearing concerning any substantial change, as determined by ARPA - CLFRF, proposed to be made in the use of ARPA - CLFRF funds from one eligible activity to another again using the preceding notice requirements.
2. Upon completion of the ARPA - CLFRF project, the City shall hold a public hearing and review its program performance including the actual use of the ARPA - CLFRF funds.
3. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, for either a public hearing concerning substantial change to the ARPA - CLFRF project or for the closeout of the ARPA - CLFRF project, publish notice in both English and Spanish, or other appropriate language and provide an interpreter at the hearing to accommodate the needs of the non-English speaking residents.
4. The City shall retain documentation of the ARPA - CLFRF project, including hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three (3) years from closeout of the grant to the state. Such records shall be made available to the public in accordance with Chapter 552, Texas Government Code.

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Marcus Vajdos, Mayor Date

PLAN DE PARTICIPACIÓN CIUDADANA

PLAN DE RESCATE AMERICANO - CORONAVIRUS LOCAL FISCAL RECOVERO FUNDO Y ADHERENCIA REGULACIÓN DE ARPA - CLFRF

PROCEDIMIENTOS QUEJAS DEL

Estos procedimientos de quejas cumplen con los requisitos del Programa ARP - CLFRF del Departamento del Tesoro de los Estados Unidos y los Requisitos del Gobierno Local que se encuentran en 24 CFR §570.486 (Código de Regulaciones Federales). Los ciudadanos pueden obtener una copia de estos procedimientos en la Ciudad de Spring Valley Village, 1025 Campbell Rd, Houston, TX 77055, 713-465-8308, durante el horario comercial habitual.

A continuación se muestran los procedimientos formales de quejas y quejas con respecto a los servicios prestados en el marco del proyecto ARP - CLFRF.

1. Una persona que tenga una queja o queja sobre cualquier servicio o actividad con respecto al proyecto ARPA - CLFRF, ya sea un ARPA - CLFRF propuesto, en curso o completado, debe comunicarse con la Ciudad de Spring Valley Village, 1025 Campbell Rd, Houston, TX 77055, 713-465-8308
2. El Secretario de la Ciudad transmitirá una copia de la queja o queja formal a la entidad que es objeto de la queja o queja y al la Ciudad Fiscal dentro de los cinco (5) días hábiles. después de la fecha de recepción de la queja o agravio.
3. La Ciudad completará una investigación de la queja o queja, si es posible, y proporcionará una respuesta por escrito oportuna a la persona que presentó la queja o queja dentro de los diez (10) días.
4. Si la investigación no se puede completar dentro de los diez (10) días hábiles de los 3 anteriores, se notificará a la persona que presentó la queja o queja, por escrito, dentro de los quince (15) días, cuando sea posible, después de recibir la queja o queja original y deberá detalle cuándo debe completarse la investigación.
5. Si es necesario, la queja y una copia por escrito de la investigación posterior se enviarán al ARPA - CLFRF para su revisión y comentarios adicionales.
6. Si corresponde, proporcione copias de los procedimientos de quejas y respuestas a las quejas tanto en inglés como en español, o en otro idioma apropiado.

ASISTENCIA TÉCNICA

Cuando se solicite, la Ciudad proporcionará asistencia técnica a grupos que sean representativos de personas de ingresos bajos y moderados en el desarrollo de propuestas para el uso de fondos ARPA - CLFRF. La ciudad, según las necesidades específicas de los residentes de la comunidad en el momento de la solicitud, determinará el nivel y el tipo de asistencia.

DISPOSICIONES DE AUDIENCIA PÚBLICA

Para cada audiencia pública programada y conducida por la Ciudad, se observarán las siguientes disposiciones de audiencia pública:

1. El aviso público de todas las audiencias debe publicarse al menos setenta y dos (72) horas antes de la audiencia programada. El aviso público debe publicarse en un periódico local. Cada aviso público debe incluir la fecha, la hora, el lugar y los temas que se considerarán en la audiencia pública. Un artículo de periódico publicado también se puede utilizar para cumplir con este requisito siempre que cumpla con todos los requisitos de contenido y tiempo. Los avisos también deben colocarse en un lugar destacado en los edificios públicos y distribuirse a las autoridades locales de vivienda pública y otros grupos comunitarios interesados.

2. Cuando un número significativo de residentes que no hablan inglés forman parte del área de servicio potencial del proyecto ARPA - CLFRF, los documentos vitales, como los avisos, deben publicarse en el idioma predominante de estos ciudadanos que no hablan inglés.
3. Cada audiencia pública se llevará a cabo en un momento y lugar convenientes para los beneficiarios potenciales o reales e incluirá adaptaciones para personas con discapacidades. Las personas con discapacidades deben poder asistir a las audiencias y la Ciudad debe hacer arreglos para las personas que requieren ayudas o servicios auxiliares si se contactan al menos dos días antes de la audiencia.
4. Una audiencia pública que se lleve a cabo antes de la presentación de una solicitud ARPA - CLFRF debe realizarse después de las 5:00 p.m. En un día laborable o en un horario conveniente los sábados o domingos.
5. Cuando se puede esperar razonablemente que un número significativo de residentes que no hablan inglés participe en una audiencia pública, un intérprete debe estar presente para satisfacer las necesidades de los residentes que no hablan inglés.

La Ciudad deberá cumplir con los siguientes requisitos de participación ciudadana para la preparación y presentación de una solicitud para un proyecto ARPA - CLFRF:

1. Como mínimo, la Ciudad deberá celebrar al menos una (1) audiencia pública antes de presentar la solicitud. al Departamento del Tesoro de los Estados Unidos.
2. La Ciudad conservará la documentación de los avisos de audiencia, una lista de las personas que asistieron a las audiencias, las actas de las audiencias y cualquier otro registro relacionado con el uso propuesto de fondos durante tres (3) años. desde el cierre de la subvención al estado. Dichos registros se pondrán a disposición del público de acuerdo con el Capítulo 552 del Código de Gobierno de Texas.
3. La audiencia pública incluirá una discusión con los ciudadanos como se describe en el manual de solicitud ARPA - CLFRF aplicable para incluir, pero no se limita a, el desarrollo de las necesidades de desarrollo de vivienda y comunidad, la cantidad de fondos disponibles, todas las actividades elegibles bajo el ARPA - Programa CLFRF, y el uso de fondos anteriores del contrato ARPA - CLFRF, si corresponde. Se alentará a los ciudadanos, con especial énfasis en las personas de ingresos bajos y moderados que residen en barrios marginales y áreas deterioradas, a presentar sus puntos de vista y propuestas con respecto al desarrollo de la comunidad y las necesidades de vivienda. Los ciudadanos deberán conocer el lugar donde pueden presentar sus opiniones y propuestas en caso de que no puedan asistir a la audiencia pública.
4. Cuando se puede esperar razonablemente que un número significativo de residentes que no hablan inglés participe en una audiencia pública, un intérprete debe estar presente para satisfacer las necesidades de los residentes que no hablan inglés.

La Ciudad debe cumplir con los siguientes requisitos de participación ciudadana en caso de que la Ciudad reciba fondos del programa ARPA - CLFRF:

1. La Ciudad también deberá realizar una audiencia pública sobre cualquier cambio sustancial, según lo determine ARPA - CLFRF, propuesto para ser realizado en el uso de fondos ARPA - CLFRF de una actividad elegible a otra nuevamente utilizando los requisitos de notificación anteriores.
2. Una vez finalizado el proyecto ARPA - CLFRF, la ciudad celebrará una audiencia pública y revisará el desempeño de su programa, incluido el uso real de los fondos ARPA - CLFRF.
3. Cuando se pueda esperar razonablemente que un número significativo de residentes que no hablen inglés participe en una audiencia pública, ya sea para una audiencia pública relacionada con un cambio sustancial en el proyecto ARPA - CLFRF o para el cierre del proyecto ARPA - CLFRF, publique un aviso en ambos Inglés y Español, u otro idioma apropiado y proporcionar un intérprete en la audiencia para satisfacer las necesidades de los residentes que no hablan inglés.
4. La Ciudad conservará la documentación del proyecto ARPA - CLFRF, incluidos los avisos de audiencia, una lista de las personas que asistieron a las audiencias, las actas de las audiencias y cualquier otro registro relacionado con el uso real de los fondos. por un período de tres (3) años a partir del cierre de la subvención al estado. Dichos registros se pondrán a disposición del público de acuerdo con el Capítulo 552 del Código de Gobierno de Texas.

Marcus Vajdos, Alcalde Fecha

Section 3 Policy

In accordance with 12 U.S.C. 1701u the City of Spring Valley Village agrees to implement the following steps, which, to *the greatest extent feasible*, will provide job training, employment, and contracting opportunities for Section 3 residents and Section 3 businesses of the areas in which the program/project is being carried out.

A. Introduce and pass a resolution adopting this plan as a policy to strive to attain goals for compliance to Section 3 regulations by increasing opportunities for employment and contracting for Section 3 residents and businesses.

B. Assign duties related to implementation of this plan to the designated Civil Rights Officer.

C. Notify Section 3 residents and business concerns of potential new employment and contracting opportunities as they are triggered by ARPA - CLFRF grant awards through the use of: Public Hearings and related advertisements; public notices; bidding advertisements and bid documents; notification to local business organizations such as the Chamber(s) of Commerce or the Urban League; local advertising media including public signage; project area committees and citizen advisory boards; regional planning agencies; and all other appropriate referral sources. Include Section 3 clauses in all covered solicitations and contracts.

D. Maintain a list of those businesses that have identified themselves as Section 3 businesses for utilization in ARPA - CLFRF funded procurements, notify those businesses of pending contractual opportunities, and make this list available for general Grant Recipient procurement needs.

E. Maintain a list of those persons who have identified themselves as Section 3 residents and contact those persons when hiring/training opportunities are available through either the Grant Recipient or contractors.

F. Require that all Prime contractors and subcontractors with contracts over $100,000 commit to this plan as part of their contract work. Monitor the contractors' performance with respect to meeting Section 3 requirements and require that they submit reports as may be required by TREASURY to the Grant Recipient.

G. Submit reports as required by TREASURY regarding contracting with Section 3 businesses and/or employment as they occur; and submit reports within 20 days of the federal fiscal year end (by October 20) which identify and quantify Section 3 businesses and employees.

H. Maintain records, including copies of correspondence, memoranda, etc., which document all actions taken to comply with Section 3 regulations.

As officers and representatives of the City of Spring Valley Village we the undersigned have read and fully agree to this plan and become a party to the full implementation of this program.

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Marcus Vajdos, Mayor | Date

Sección 3 Política

De acuerdo con 12 USC 1701u la Ciudad de Spring Valley Village acuerda implementar los siguientes pasos, que, en *la mayor medida posible*, proporcionarán capacitación, laboral empleo, y oportunidades de contratación para los residentes de la Sección 3 y las empresas de la Sección 3 de las áreas en las que se está llevando a cabo el programa / proyecto.

A. Introducir y aprobar una resolución adoptando este plan como una política para esforzarse por alcanzar las metas de cumplimiento de las regulaciones de la Sección 3 al aumentar las oportunidades de empleo y contratación para los residentes y empresas de la Sección 3.

B. Asignar deberes relacionados con la implementación de este plan al Oficial de Derechos Civiles designado.

C. Notificar a los residentes de la Sección 3 y las inquietudes comerciales sobre posibles nuevos empleos y oportunidades de contratación a medida que se desencadenan por las subvenciones ARPA - CLFRF mediante el uso de: Audiencias públicas y anuncios relacionados; avisos públicos; anuncios de licitación y documentos de licitación; notificación a organizaciones comerciales locales como la (s) Cámara (s) de Comercio o la Urban League; medios publicitarios locales, incluida la señalización pública; comités de área de proyecto y juntas asesoras ciudadanas; agencias de planificación regional; y todas las demás fuentes de referencia apropiadas. Incluya cláusulas de la Sección 3 en todas las solicitudes y contratos cubiertos.

D. Mantener una lista de aquellas empresas que se han identificado a sí mismas como empresas de la Sección 3 para su utilización en adquisiciones financiadas por ARPA - CLFRF, notificar a esas empresas sobre oportunidades contractuales pendientes y hacer que esta lista esté disponible para las necesidades generales de adquisiciones del Beneficiario de la Subvención.

E. Mantenga una lista de aquellas personas que se han identificado a sí mismas como residentes de la Sección 3 y comuníquese con esas personas cuando haya oportunidades de contratación/capacitación disponibles a través del Beneficiario de la Subvención o los contratistas.

F. Exigir que todos los contratistas y subcontratistas Prime con contratos de más de $ 100,000 se comprometan con este plan como parte de su trabajo por contrato. Supervisar el desempeño de los contratistas con respecto al cumplimiento de los requisitos de la Sección 3 y exigir que presenten informes según lo requiera TREASURY al Beneficiario de la Subvención.

G. Presentar informes según lo requiera TREASURY con respecto a la contratación con empresas de la Sección 3 y / o empleo a medida que ocurren; y presentar informes dentro de los 20 días posteriores al final del año fiscal federal (antes del 20 de octubre) que identifiquen y cuantifiquen las empresas y los empleados de la Sección 3.

H. Mantener registros, incluidas copias de correspondencia, memorandos, etc., que documenten todas las acciones tomadas para cumplir con las regulaciones de la Sección 3.

Como funcionarios y representantes de la Ciudad de Spring Valley Village, TX los abajo firmantes hemos leído y estamos totalmente de acuerdo con este plan y nos convertimos en parte de la implementación completa de este programa.

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Marcus Vajdos, Alcalde Fecha

Excessive Force Policy

In accordance with 24 CFR 91.325(b)(6), City of Spring Valley Village hereby adopts and will enforce the following policy with respect to the use of excessive force:

1. It is the policy of City of Spring Valley Village to prohibit the use of excessive force by the law enforcement agencies within its jurisdiction against any individual engaged in non-violent civil rights demonstrations;
2. It is also the policy of City of Spring Valley Village to enforce applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.
3. City of Spring Valley Village will introduce and pass a resolution adopting this policy.

As officers and representatives of City of Spring Valley Village we the undersigned have read and fully agree to this plan and become a party to the full implementation of this program.

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Marcus Vajdos, Mayor Date

Política de fuerza excesiva

De acuerdo con 24 CFR 91.325 (b) (6), la Ciudad de Spring Valley Village por la presente adopta y hará cumplir la siguiente política con respecto al uso de fuerza excesiva:

1. Es la política de la Ciudad de Spring Valley Village prohibir el uso de fuerza excesiva por parte de los organismos encargados de hacer cumplir la ley dentro de su jurisdicción contra cualquier individuo involucrado en manifestaciones no violentas de derechos civiles;
2. También es política de la Ciudad de Spring Valley Village hacer cumplir las leyes estatales y locales aplicables contra la restricción física de la entrada o salida de una instalación o ubicación que sea objeto de manifestaciones no violentas de derechos civiles dentro de su jurisdicción.
3. La Ciudad de Spring Valley Village presentará y aprobará una resolución adoptando esta política.

Como funcionarios y representantes de la Ciudad de Spring Valley Village los abajo firmantes hemos leído y estamos totalmente de acuerdo con este plan, y nos convertimos en parte de la implementación completa de este programa.

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Marcus Vajdos, Alcalde Fecha

<u>Section 504 Policy Against Discrimination based on Handicap and Grievance Procedures</u>

In accordance with 24 CFR Section 8, Nondiscrimination based on Handicap in federally assisted programs and activities of the United States Treasury American Rescue Plan, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Section 109 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5309), City of Spring Valley Village hereby adopts the following policy and grievance procedures:

1. <u>Discrimination prohibited.</u> No otherwise qualified individual with handicaps in the United States shall, solely by reason of his or her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance from the Treasury.

2. The City of Spring Valley Village does not discriminate on the basis of handicap in admission or access to, or treatment or employment in, its federally assisted programs and activities.

3. The City of Spring Valley Village recruitment materials or publications shall include a statement of this policy in 1. above.

4. The City of Spring Valley Village shall take continuing steps to notify participants, beneficiaries, applicants, and employees, including those with impaired vision or hearing, and unions or professional organizations holding collective bargaining or professional agreements with the recipients that it does not discriminate on the basis of handicap in violation of 24 CFR Part 8.

5. For hearing and visually impaired individuals eligible to be served or likely to be affected by the ARPA - CLFRF program, City of Spring Valley Village shall ensure that they are provided with the information necessary to understand and participate in the ARPA - CLFRF program.

6. <u>Grievances and Complaints</u>

A. Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for City of Spring Valley Village to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.
B. Complaints should be addressed to: Jasmin Torres, City of Spring Valley Village, 1025 Campbell Rd, Houston, TX 77055, 713-465-8308, who has been designated to coordinate Section 504 compliance efforts.
C. A complaint should be filed in writing or verbally, contain the name and address of the person filing it, and briefly describe the alleged violation of the regulations.
D. A complaint should be filed within thirty (30) <u>working</u> days after the complainant becomes aware of the alleged violation.
E. An investigation, as may be appropriate, shall follow a filing of a complaint. The investigation will be conducted by City. Informal but thorough investigations will afford all interested persons and their representatives, if any, an opportunity to submit evidence relevant to a complaint.
F. A written determination as to the validity of the complaint and description of resolution, if any, shall be issued by City, and a copy forwarded to the complainant with fifteen (15) <u>working</u> days after the filing of the complaint where practicable.
G. The Section 504 coordinator shall maintain the files and records of the City of Spring Valley Village relating to the complaint's files.

H. The complainant can request a reconsideration of the case in instances where he or she is dissatisfied with the determination/resolution as described in f. above. The request for reconsideration should be made to the City of Spring Valley Village within ten working days after the receipt of the written determination/resolution.

I. The right of a person to a prompt and equitable resolution of the complaint filed hereunder shall not be impaired by the person's pursuit of other remedies such as the filing of a Section 504 complaint with the U.S. Department of Treasury. Utilization of this grievance procedure is not a prerequisite to the pursuit of other remedies.

J. These procedures shall be construed to protect the substantive rights of interested persons, to meet appropriate due process standards and assure that the City of Spring Valley Village complies with Section 504 and Treasury regulations.

______________________________ ________________

Marcus Vajdos, Mayor Date

<u>Sección 504 Política contra la discriminación</u>
<u>basada en discapacidades y procedimientos de quejas</u>

De acuerdo con 24 CFR Sección 8, No discriminación basada en discapacidades en programas y actividades con asistencia federal del Plan de Rescate Estadounidense del Tesoro de los Estados Unidos, Sección 504 de la Ley de Rehabilitación de 1973, según enmendada (29 USC 794), y la Sección 109 de la Ley de Vivienda y Desarrollo Comunitario de 1974, según enmendada (42 USC 5309), la Ciudad de Spring Valley Village adopta la siguiente política y procedimientos de quejas:

1. <u>Prohibida la discriminación.</u> Ninguna persona calificada con discapacidades en los Estados Unidos, únicamente por razón de su discapacidad, será excluida de la participación, se le negarán los beneficios o será objeto de discriminación en cualquier programa o actividad que reciba asistencia financiera federal de la Tesorería.

2. La Ciudad de Spring Valley Village no discrimina por motivos de discapacidad en la admisión o acceso, tratamiento o empleo en sus programas y actividades con asistencia federal.

3. Los Ciudad de Spring Valley Village materiales o publicaciones de reclutamiento de la deberán incluir una declaración de esta política en 1. arriba.

4. La ciudad de Spring Valley Village tomará medidas continuas para notificar a los participantes, beneficiarios, solicitantes y empleados, incluidos aquellos con problemas de visión o audición, y sindicatos u organizaciones profesionales que tengan convenios colectivos o acuerdos profesionales con los destinatarios que no discrimina. la base de la discapacidad en violación de 24 CFR Parte 8.

5. Para las personas con discapacidades auditivas y visuales elegibles para recibir servicios o que puedan verse afectadas por el programa ARPA - CLFRF, la Ciudad de Spring Valley Village se asegurará de que se les proporcione la información necesario para comprender y participar en el programa ARPA - CLFRF.

6. <u>Quejas formales y quejas</u>

A. Cualquier persona que crea que ha sido objeto de discriminación por motivos de discapacidad puede presentar una queja conforme a este procedimiento. Es contra la ley que la Ciudad de Spring Valley Village tome represalias contra cualquier persona que presente una queja o coopere en la investigación de una queja.
B. Las quejas deben dirigirse a: Secretario de la Spring Valley Village, Ciudad de Spring Valley Village, 1025 Campbell Rd, Houston, TX 77055, 713-465-8308, quien ha sido designado para coordinar los esfuerzos de cumplimiento de la Sección 504.
C. Una queja debe presentarse por escrito o verbalmente, contener el nombre y la dirección de la persona que la presenta, y describa brevemente la supuesta violación de las regulaciones.
D. Una queja debe ser presentada dentro de los treinta (30) <u>hábiles</u> días después de que el demandante tenga conocimiento de la presunta violación.
E. Una investigación, según corresponda, seguirá a la presentación de una queja. La investigación será realizada por la ciudad. Las investigaciones informales pero exhaustivas brindarán a todas las personas interesadas y a sus representantes, si los hay, la oportunidad de presentar pruebas relevantes para una queja.
F. Una determinación escrita en cuanto a la validez de la queja y la descripción de la resolución, en su caso, será expedido por Ciudad**,** y una copia remitida al demandante con quince (15) <u>hábiles</u> días siguientes a la presentación de la demanda siempre que sea posible.

G. El coordinador de la Sección 504 mantendrá los archivos y registros de la Ciudad de Spring Valley Village relacionados con los archivos de la queja.
H. El denunciante puede solicitar una reconsideración del caso en los casos en que no esté satisfecho con la determinación / resolución como se describe en f. encima. La solicitud de reconsideración debe hacerse a la Ciudad de Spring Valley Village en cuestión de diez de trabajo días después de la recepción de la resolución / resolución por escrito.
I. El derecho de una persona a una resolución pronta y equitativa de la queja presentada a continuación no se verá afectado por la búsqueda de otros recursos por parte de la persona, como la presentación de una queja de la Sección 504 ante el Departamento del Tesoro de los EE. UU. La utilización de este procedimiento de quejas no es un requisito previo para la búsqueda de otros recursos.
J. Estos procedimientos se interpretarán para proteger los derechos sustantivos de las personas interesadas, para cumplir con los estándares de debido proceso apropiados y asegurar que la Ciudad de Spring Valley Village cumpla con la Sección 504 y las regulaciones del Tesoro.

_______________________________ _________________

Marcus Vajdos, Alcalde Fecha

Fair Housing Policy

In accordance with Fair Housing Act, the City of Spring Valley Village hereby adopts the following policy with respect to the Affirmatively Furthering Fair Housing:

1. City of Spring Valley Village agrees to affirmatively further fair housing choice for all seven protected classes (race, color, religion, sex, disability, familial status, and national origin).
2. City of Spring Valley Village agrees to plan at least one activity during the contract term to affirmatively further fair housing.
3. City of Spring Valley Village will introduce and pass a resolution adopting this policy.

As officers and representatives of the City of Spring Valley Village, we the undersigned have read and fully agree to this plan and become a party to the full implementation of this program.

______________________________ ________________

Marcus Vajdos, Mayor Date

Política de vivienda justa

De acuerdo con la Ley de Vivienda Justa, la Ciudad de Spring Valley Village por la presente adopta la siguiente política con respecto a Promover Afirmativamente la Vivienda Justa: La

1. La Ciudad de Spring Valley Village acuerda afirmar más opciones de vivienda justa para las siete clases protegidas (raza, color, religión , sexo, discapacidad, situación familiar y nacionalidad).
2. La Ciudad de Spring Valley Village acuerda planificar al menos una actividad durante el plazo del contrato para promover afirmativamente la vivienda justa.
3. La Ciudad de Spring Valley Village presentará y aprobará una resolución adoptando esta política.

Como funcionarios y representantes de la Ciudad de Spring Valley Village los abajo firmantes hemos leído y estamos totalmente de acuerdo con este plan y nos convertimos en parte de la implementación completa de este programa.

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Marcus Vajdos, Alcalde Fecha

CODE OF CONDUCT
CONFLICT OF INTEREST POLICY PERTAINING TO PROCUREMENT PROCEDURES

As a Grant Recipient of a federal or state grant contract (including ARPA - CLFRF), the City of Spring Valley Village shall avoid, neutralize, or mitigate actual or potential conflicts of interest so as to prevent an unfair competitive advantage or the existence of conflicting roles that might impair the performance of the federal or state grant contract or impact the integrity of the procurement process.

For procurement of goods and services, no employee, officer, or agent of the City of Spring Valley Village shall participate in the selection, award, or administration of a contract supported by federal or state grant funds (including ARPA - CLFRF) if he or she has a real or apparent conflict of interest. Such a conflict could arise if the employee, officer, or agent; any member of his/her immediate family; his/her partner; or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

No officer, employee, or agent of the City of Spring Valley Village shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements, except where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.

For all other cases, no employee, agent, consultant, officer, or elected or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving federal or state grant funds (including ARPA - CLFRF), that has any grant-related function/responsibility, or is in a position to participate in a decision-making process or gain inside information, may obtain a financial interest or benefit from the federal or state grant activity.

The conflict of interest restrictions and procurement requirements identified herein shall apply to a benefitting business, utility provider, or other third-party entity that is receiving assistance, directly or indirectly, under a federal or state grant contract or award, or that is required to complete some or all work under the federal or state grant contract in order to meet any National Program Objectives.

Any person or entity including any benefitting business, utility provider, or other third party entity that is receiving assistance, directly or indirectly, under a federal or state grant contract or award (including ARPA - CLFRF), or that is required to complete some or all work under the federal or state grant contract in order to meet a National Program Objective, that might potentially receive benefits from the federal or state grant award may not participate in the selection, award, or administration of a contract supported by federal or state grant funding.

Any alleged violations of these standards of conduct shall be referred to the City of Spring Valley Village's Attorney. Where violations appear to have occurred, the offending employee, officer or agent shall be subject to disciplinary action, including but not limited to dismissal or transfer; where violations or infractions appear to be substantial in nature, the matter may be referred to the appropriate officials for criminal investigation and possible prosecution.

______________________________ ____________________

Marcus Vajdos, Mayor | Date

CÓDIGO DE CONDUCTA
POLÍTICA DE CONFLICTO DE INTERÉS RELATIVO A LOS PROCEDIMIENTOS DE ADQUISICIÓN

Como beneficiario de una subvención de un contrato de subvención federal o estatal (incluido ARP - CLFRF), la Ciudad de Spring Valley Village deberá evitar, neutralizar o mitigar los conflictos de intereses reales o potenciales a fin de evitar una ventaja competitiva injusta o la existencia de roles en conflicto que puedan afectar el desempeño del contrato de subvención federal o estatal o afectar la integridad del proceso de adquisición.

Para la adquisición de bienes y servicios, ningún empleado, funcionario o agente de la Ciudad de Spring Valley Village participará en la selección, adjudicación o administración de un contrato respaldado por fondos de subvención federales o estatales (incluido ARP - CLFRF) si él o ella tiene un conflicto de intereses real o aparente. Tal conflicto podría surgir si el empleado, funcionario o agente; cualquier miembro de su familia inmediata; su pareja; o una organización que emplea o está a punto de emplear a cualquiera de las partes indicadas en este documento, tiene un interés financiero o de otro tipo o un beneficio personal tangible de una empresa considerada para un contrato.

Ningún funcionario, empleado o agente de la Ciudad de Spring Valley Village solicitará o aceptará gratificaciones, favores o cualquier cosa de valor monetario de contratistas o firmas, contratistas potenciales o firmas, o partes de subacuerdos, excepto cuando el interés financiero no sea sustancial o el obsequio es un artículo no solicitado de valor intrínseco nominal.

Los contratistas que desarrollen o redacten especificaciones, requisitos, declaraciones de trabajo o invitaciones a licitaciones o solicitudes de propuestas deben ser excluidos de competir por tales adquisiciones.

Para todos los demás casos, ningún empleado, agente, consultor, funcionario o funcionario electo o designado del estado, o de una unidad del gobierno local general, o de cualquier agencia pública designada, o sub-beneficiarios que estén recibiendo fondos de subvenciones federales o estatales (incluyendo ARP - CLFRF), que tiene alguna función / responsabilidad relacionada con la subvención, o que está en posición de participar en un proceso de toma de decisiones u obtener información privilegiada, puede obtener un interés financiero o beneficiarse de la actividad de subvención federal o estatal.

Las restricciones de conflicto de intereses y los requisitos de adquisición identificados en este documento se aplicarán a una empresa que se beneficie, un proveedor de servicios públicos u otra entidad de terceros que esté recibiendo asistencia, directa o indirectamente, en virtud de un contrato o adjudicación de subvención federal o estatal, o que deba completar algunos o todos trabajan bajo el contrato de subvención federal o estatal para cumplir con los Objetivos del Programa Nacional.

Cualquier persona o entidad, incluida cualquier empresa que se beneficie, proveedor de servicios públicos u otra entidad de terceros que esté recibiendo asistencia, directa o indirectamente, en virtud de un contrato o adjudicación de subvención federal o estatal (incluido ARP - CLFRF), o que deba completar algunos o Todo el trabajo bajo el contrato de subvención federal o estatal para cumplir con un Objetivo del Programa Nacional, que potencialmente podría recibir beneficios de la subvención federal o estatal, no puede participar en la selección, adjudicación o administración de un contrato respaldado por una subvención federal o estatal. fondos.

Cualquier presunta violación de estos estándares de conducta será referida a la Ciudad de Spring Valley Village. Abogado de. Cuando parezca que se han producido infracciones, el empleado, funcionario o agente infractor estará sujeto a medidas disciplinarias, que incluyen, entre otras, el despido o la transferencia; cuando las violaciones o infracciones parezcan ser de naturaleza sustancial, el asunto puede remitirse a los funcionarios correspondientes para una investigación penal y un posible enjuiciamiento.

Marcus Vajdos, Alcalde | Fecha

Limited English Proficiency Plan

Grantee:	City of Spring Valley Village
Community Population:	4204
LEP Population:	4.8%
Languages Spoken:	

1. By more than 5% of the eligible population or beneficiaries and has more than 50 in number; or — Spanish
2. By more than 5% of the eligible population or beneficiaries but has less than 50 or less in number; or
3. By more than 1,000 individuals in the eligible population in the market area or among current beneficiaries.

Program activities to be accessible to LEP persons:

☐ Public notices and hearings regarding applications for grant funding, amendments to project activities, and completion of grant-funded projects.

☐ Publications regarding ARPA - CLFRF applications, grievance procedure, complaint procedures, answers to complaints, notices, notices of rights and disciplinary action, and other vital hearings, documents, and program requirements.

N/A Other program documents:

Resources available to Grant Recipient:

☐ Translation services: City will retain translation services upon request.

☐ Interpreter services: City will retain translation services upon request.

N/A Other resources:

Language assistance to be provided:

☐ Translation (oral and/or written) of advertised notices and vital documents for: City will provide translated documents upon request and retain services to accommodate populations with limited English proficiency.

☐ Referrals to community liaisons proficient in the language of LEP person: City will identify community liaisons that will assist to provide accommodations to LEP person and provide these services upon request.

☐ Public meetings conducted in multiple languages: City will conduct public meetings in multiple languages upon request.

☐ Notices to recipients of the availability of LEP services: City will reference the availability of accommodations in public notices and post documents to accommodate LEP persons in public buildings.

N/A Other Services:

____ ____________________

Signature - Chief Elected Official or Civil Rights Officer Date

Plan de Dominio Limitado del Inglés

Beneficiario del:	Ciudad de Spring Valley Village
Población Comunitaria:	4204
Población LEP:	4.8%
Idiomas Hablados:	

1. Por más del 5% de la población elegible o beneficiarios y tiene más de 50 en número; o — Española
2. Por más del 5% de la población elegible o beneficiarios pero tiene menos de 50 o menos en número; o
3. Por más de 1,000 personas en la elegible población en el área del mercado o entre los beneficiarios actuales.

Las actividades del programa deben ser accesibles para las personas LEP:

- Avisos públicos y audiencias con respecto a las solicitudes de financiamiento de subvenciones, enmiendas a las actividades del proyecto y finalización de proyectos financiados por subvenciones.

- Publicaciones sobre solicitudes ARPA - CLFRF, procedimiento de quejas, procedimientos de quejas, respuestas a quejas, avisos, avisos de derechos y acción disciplinaria, y otras audiencias, documentos y requisitos del programa vitales.

N / A Otros documentos del programa:

Recursos disponibles para el beneficiario de la subvención:

- Servicios de traducción: La ciudad retendrá los servicios de traducción a pedido.

- Servicios de intérprete: la ciudad contratará los servicios de traducción a pedido.

N / A Otros recursos:

Se proporcionará asistencia con el idioma:

- Traducción (oral y / o escrita) de avisos publicitarios y documentos vitales para: La ciudad proporcionará documentos traducidos a pedido y retendrá los servicios para adaptarse a las poblaciones con dominio limitado del inglés.

- Referencias a enlaces comunitarios que dominen el idioma de la persona LEP: la ciudad identificará a los enlaces comunitarios que ayudarán a proporcionar adaptaciones a la persona LEP y proporcionarán estos servicios a pedido.

- Reuniones públicas realizadas en varios idiomas: la ciudad llevará a cabo reuniones públicas en varios idiomas a pedido.

- Avisos a los destinatarios de la disponibilidad de servicios LEP: la ciudad hará referencia a la disponibilidad de adaptaciones en avisos públicos y publicará documentos para alojar a personas LEP en edificios públicos.

N / A Otros servicios:

____ ____________________
Firma - Funcionario principal electo o Funcionario de derechos civiles — Fecha

Spring Valley Village City Council
Agenda Item Data Sheet

MEETING DATE:	March 28, 2023
TOPIC:	**RESOLUTION NUMBER 23-XX** **A RESOLUTION OF THE CITY COUNCIL OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE CLASSIFICATION OF THE SPRING VALLEY VILLAGE AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUND (CLFRF) ALLOCATION AS REVENUE LOSS UNDER THE U.S. DEPARTMENT OF THE TREASURY'S FINAL RULE'S STANDARD ALLOWANCE FOR THE PROVISION OF GOVERNMENT SERVICES.**
BACKGROUND:	The following Resolution authorizes the classification of the American Rescue Plan Act (ARPA) – Coronavirus Local Fiscal Recovery Funds (CLFRF) allocation to be considered as revenue loss.
RECOMMENDATION:	Staff recommends approval of the Resolution.
ATTACHMENTS:	• Resolution Number 23-XX
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: B.A. Wah	
SUBMITTING STAFF MEMBER: Zachary Meadows, Acting City Administrator/ Director of Community Development	**CITY ADMINISTRATOR APPROVAL:** Zachary M

RESOLUTION NUMBER 23-XX

A RESOLUTION OF THE CITY COUNCIL OF SPRING VALLEY VILLAGE, TEXAS, AUTHORIZING THE CLASSIFICATION OF THE SPRING VALLEY VILLAGE AMERICAN RESCUE PLAN ACT (ARPA) – CORONAVIRUS LOCAL FISCAL RECOVERY FUND (CLFRF) ALLOCATION AS REVENUE LOSS UNDER THE U.S. DEPARTMENT OF THE TREASURY'S FINAL RULE'S STANDARD ALLOWANCE FOR THE PROVISION OF GOVERNMENT SERVICES.

WHEREAS, the City Council of Spring Valley Village desires to develop a transparent and viable program to ensure funding and program identification are clearly discussed and presented that will allow the County to recovery and respond to the COVID-19 Pandemic; and

WHEREAS, the U.S. Department of the Treasury issued new guidance through the Final Rule which allows communities to adopt a "standard allowance" of revenue loss for their ARPA-CLFRF allocation;

WHEREAS, the Final Rule allows communities to use funds declared as revenue loss on the provision of government services;

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Approves the classification of the Spring Valley Village American Rescue Plan Act – Coronavirus Local Fiscal Recovery Fund allocation as revenue loss under the U.S. Department of the Treasury's Final Rule's standard allowance for the provision of government services.

DULY PASSED AND APPROVED this the 28th day of March, 2023.

____
Marcus Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

____
Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

MEETING DATE:	March 28, 2023
TOPIC:	**Approval of Pay Estimate No. 9 for Cedarspur, Burkhart, and Wnningham (East of Voss) Pavement & Utility Improvements Project to MetroCity LLC In The Amount of $ 156,720.95**
BACKGROUND:	This is the 9th pay estimate to be submitted by MetroCity, LLC. for the Cedarspur, Burkhart, and Winningham (East of Voss) Pavement & Utility Improvements Project (2022-01-101) for work completed on the Project from February 1 – February 28, 2023.
RECOMMENDATION:	Binkley & Barfield Engineer Sr. Project Manager Tommy Cromer, P.E., ENV SP, and City staff have reviewed Pay Estimate No. 9 and recommend approval.
ATTACHMENTS:	• Pay Estimate No. **9** Submitted By MetroCity, LLC.
FUNDING ISSUES:	☐ Not applicable – no dollars are being spent or received. ☒ Full amount already budgeted in Acct/Project #25-50-7520 ☐ 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:	**CITY ADMINISTRATOR APPROVAL:**
Kristina Watson, Public Works Director	Zachary Meyers

APPLICATION FOR PAYMENT

METROCITY LLC

Owner:	City of Spring Valley Village	**Contract Date**	6/6/22	**Estimate #**	9
		Contract Time	300	**Beg Period**	2/1/23
Project:	Cedarspur, Burkhart & Winningham Paving and Utility Improvements	**Org. Completion Date**	4/2/23	**End Period**	2/28/23
		Additional Days	30	**%Time Completed**	89%
Project #	**315**	**Completion Date**	5/2/23	**%Work Completed**	81%

ANALYSIS OF CONTRACT AMOUNT

1. Original Contract Amount.	$	1,365,593.00
2. Net change by Change Order.	$	(23,097.48)
3. Revised Contract Amount.	$	1,342,495.52
4. Total Completed and Stored Today.	$	1,088,561.14
5. Retainage:		
a: 10% of Completed Work	$	108,856.11
6. Net Amount Earned to Date: (Line 4 less 5 total).	$	979,705.02
7. Less Previous Payments.	$	822,984.07
8. Amount Due this Estimate.	**$**	**156,720.95**
9. Balance to Finish (Line 3 less Line 4).	**$**	**253,934.39**

MetroCity, LLC certifies that to the best of its knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Application for Payment were issued and payments received from the Owner, and that the current payment shown herein is now due.

BY: Anthony Ray Rodriguez DATE: 3/6/23

Anthony Ray Rodriguez, President

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Owner/Owner's representative agrees to the best of his knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance witht the Contract Documents, and the Contractor is entitled to payment of the this pay application.

CHANGE ORDER SUMMARY

1 Additional Items Over/Underuns	**(23,097.48)**
2	
3	
4	
5	
Total Amount of Change Orders	**(23,097.48)**

BY: Tommy V. Cromer DATE 3/6/2023

Brinkley & Barfield

BY: DATE 3-6-2023

City of Spring Valley

PROJECT # 315 | **PERIOD** 2/1 - 2/28
PROJECT NAME: Cedarspur, Burkhart, and Winningham | **ESTIMATE** 9

Item	Description	QTY	UNIT	UNIT Price	Contract Price	WORK COMPLETED				Materials Presently Stored	Total to Date	% Finish	Balance to Finish
						PREVIOUS QTY	PREV AMT	QTY	THIS PERIOD				
1	Mobilization	1	LS	$39,000.00	$ 39,000.00	1.00	$ 39,000.00		$ -		$ 39,000.00	100%	$ -
2	Performance and Payment Bonds	1	LS	$19,384.00	$ 19,384.00	1.00	$ 19,384.00		$ -		$ 19,384.00	100%	$ -
3	Traffic Control	10	MTH	$1,250.60	$ 12,506.00	8.00	$ 10,004.80	1.00	$ 1,250.60		$ 11,255.40	90%	$ 1,250.60
4	Sodding	6,000	SY	$5.00	$ 30,000.00	2,400.00	$ 12,000.00		$ -		$ 12,000.00	40%	$ 18,000.00
5	Project Signs	3	EA	$1,188.00	$ 3,564.00	3.00	$ 3,564.00		$ -		$ 3,564.00	100%	$ -
6	Landscaping, Street Signs, Irrigation Systems	1	LS	$25,012.00	$ 25,012.00	0.50	$ 12,506.00		$ -		$ 12,506.00	50%	$ 12,506.00
7	Tree Protection	10	MTH	$1,875.90	$ 18,759.00	8.00	$ 15,007.20	1.00	$ 1,875.90		$ 16,883.10	90%	$ 1,875.90
8	Furnish Material Testing	10	MTH	$2,500.00	$ 25,000.00	8.00	$ 20,000.00	1.00	$ 2,500.00		$ 22,500.00	90%	$ 2,500.00
9	Remove & Dispose Existing - Pavement	5,300	SY	$6.00	$ 31,800.00	4,033.41	$ 24,200.46		$ -		$ 24,200.46	76%	$ 7,599.54
10	Remove & Dispose Exsting Driveway	550	SY	$9.00	$ 4,950.00	442.95	$ 3,986.55	107.05	$ 963.45		$ 4,950.00	100%	$ -
11	Remove & Dispose Existing - Curb	3,600	LF	$3.00	$ 10,800.00	2,700.00	$ 8,100.00		$ -		$ 8,100.00	75%	$ 2,700.00
12	Saw Cut Existing Pavement	1,770	LF	$4.00	$ 7,080.00	221.00	$ 884.00		$ -		$ 884.00	12%	$ 6,196.00
13	6" Reinforced Concrete Paving	5,300	SY	$65.00	$ 344,500.00	2,650.09	$ 172,255.85	1538.19	$ 99,982.35		$ 272,238.20	79%	$ 72,261.80
14	6" Lime/Flyash Stabilized Sub grate	6,400	SY	$4.00	$ 25,600.00	3,458.75	$ 13,835.00	1203.32	$ 4,813.28		$ 18,648.28	73%	$ 6,951.72
15	Lime	60	TN	$212.00	$ 12,720.00	76.76	$ 16,273.12	-16.76	$ (3,553.12)		$ 12,720.00	100%	$ -
16	Fly Ash **		TN	$248.00	$ -	-	$ -		$ -		$ -		$ -
17	7" Concrete Driveways	870	SY	$78.00	$ 67,860.00	406.04	$ 31,671.12	200.00	$ 15,600.00		$ 47,271.12	70%	$ 20,588.88
18	Furnish & Install Temporary Driveway	350	SY	$15.00	$ 5,250.00	426.50	$ 6,397.50	-76.50	$ (1,147.50)		$ 5,250.00	100%	$ -
19	Transition Reinf Concret Curb incl Mitering Yard Drai	3,600	LF	$8.00	$ 28,800.00	1,797.00	$ 14,376.00		$ -		$ 14,376.00	50%	$ 14,424.00
20	Tranisition Reinf Curb Drain	71	EA	$1,058.00	$ 75,118.00	36.00	$ 38,088.00	10.00	$ 10,580.00	$ 8,006.25	$ 56,674.25	75%	$ 18,443.75
21	Storm Sewer Rings	6	EA	$1,204.00	$ 7,224.00	-	$ -		$ -		$ -		$ 7,224.00
22	SWPPP	10	MTH	$1,250.60	$ 12,506.00	7.00	$ 8,754.20	2.00	$ 2,501.20		$ 11,255.40	90%	$ 1,250.60
23	Inlet Protection Barrier - Stage 2	6	EA	$112.00	$ 672.00	6.00	$ 672.00		$ -		$ 672.00	100%	$ -
24	Stablized Construction Exit/Entrance	3	EA	$3,323.00	$ 9,969.00	1.00	$ 3,323.00		$ -		$ 3,323.00	33%	$ 6,646.00
25	Spot Repair 6" W/L Trenchless. **		EA	$712.00	$ -	-	$ -		$ -		$ -		$ -
26	Remove and Dispose Existing W/L	630	LF	$8.00	$ 5,040.00	632.00	$ 5,056.00		$ -		$ 5,056.00	100%	$ (16.00)
27	6" PVC Waterline	630	LF	$145.00	$ 91,350.00	630.00	$ 91,350.00		$ -		$ 91,350.00	100%	$ -
28	Trench Safety	630	LF	$5.00	$ 3,150.00	60.00	$ 300.00		$ -		$ 300.00	10%	$ 2,850.00
29	8 x 6 Wet Connection	1	EA	$2,074.00	$ 2,074.00	1.00	$ 2,074.00		$ -		$ 2,074.00	100%	$ -
30	Cut and Plug 6" Waterline	1	EA	$1,920.00	$ 1,920.00	1.00	$ 1,920.00		$ -		$ 1,920.00	100%	$ -
31	6" Gate Valve & Box	4	EA	$2,123.00	$ 8,492.00	2.00	$ 4,246.00		$ -		$ 4,246.00	50%	$ 4,246.00
32	1" Single Short Side Service	24	EA	$1,331.00	$ 31,944.00	25.00	$ 33,275.00		$ -		$ 33,275.00	104%	$ (1,331.00)
33	2" Single Long Side Service	25	EA	$1,887.00	$ 47,175.00	26.00	$ 49,062.00		$ -		$ 49,062.00	104%	$ (1,887.00)
34	"Y" Reducer	49	EA	$482.00	$ 23,618.00	50.00	$ 24,100.00		$ -		$ 24,100.00	102%	$ (482.00)
35	New Water Meter Box	44	EA	$352.00	$ 15,488.00	44.00	$ 15,488.00		$ -		$ 15,488.00	100%	$ -
36	Fire Hydrant	4	EA	$7,827.00	$ 31,308.00	4.00	$ 31,308.00		$ -		$ 31,308.00	100%	$ -
37	Fire Hydrant - Parallel	2	EA	$8,352.00	$ 16,704.00	2.00	$ 16,704.00		$ -		$ 16,704.00	100%	$ -
38	4 1/2" Pumper Nozzle For Fire Hydrant	3	EA	$1,520.00	$ 4,560.00	3.00	$ 4,560.00		$ -		$ 4,560.00	100%	$ -
39	Uniformed Officer	120	HR	$35.00	$ 4,200.00	-	$ -		$ -		$ -		$ 4,200.00
40	Pot Hole Utility Investigation	6	EA	$2,000.00	$ 12,000.00	2.00	$ 4,000.00		$ -		$ 4,000.00	33%	$ 8,000.00
41	Temporary Construction Safety Fence	200	LF	$5.00	$ 1,000.00	180.00	$ 900.00		$ -		$ 900.00	90%	$ 100.00
42	Extra Ductile Iron Fittings	1	TN	$1,500.00	$ 1,500.00	-	$ -		$ -		$ -		$ 1,500.00
43	Extra Machine Excavation	150	CY	$20.00	$ 3,000.00	-	$ -		$ -		$ -		$ 3,000.00
44	Extra Hand Excavation	150	CY	$30.00	$ 4,500.00	3.69	$ 110.70		$ -		$ 110.70	2%	$ 4,389.30
45	Point Repair 8" Exising Sanitary Sewer	9	EA	$712.00	$ 6,408.00	7.00	$ 4,984.00		$ -		$ 4,984.00	78%	$ 1,424.00
46	Remove Sanitary Sewer Cleanout	2	EA	$880.00	$ 1,760.00	2.00	$ 1,760.00		$ -		$ 1,760.00	100%	$ -
47	8" Sanitary Sewer by CIPP	610	LF	$179.00	$ 109,190.00	610.00	$ 109,190.00		$ -		$ 109,190.00	100%	$ -

Item	Description	QTY	UNIT	UNIT Price	Contract Price	WORK COMPLETED				Materials Presently Stored	Total to Date	% Finish	Balance to Finish
						PREVIOUS QTY	PREV AMT	QTY	THIS PERIOD				
48	Sanitary Service Replacement **	13	EA	$750.00	$ 9,750.00	17.00	$ 12,750.00		$ -		$ 12,750.00	131%	$ (3,000.00)
49	Sanitary Manhole Lid and Rigs	7	EA	$628.00	$ 4,396.00	-	$ -		$ -		$ -		$ 4,396.00
50	Sanitary Sewer Manhole	2	EA	$9,500.00	$ 19,000.00	2.00	$ 19,000.00		$ -		$ 19,000.00	100%	$ -
51	Sanitary Sewer Cleanout **		EA	$500.00	$ -	-	$ -		$ -		$ -		$ -
52	CO-1 Additional Footage of 8" Sanitary line	51	LS	65.57	$ 3,344.00	-	$ -	51.00	$ 3,344.00		$ 3,344.00	100%	$ -
53	CO-1 Tree Removal	1	EA	$ 3,225.00	$ 3,225.00	-	$ -	1.00	$ 3,225.00		$ 3,225.00	100%	$ -
54	CO-1 Fire Hydrant Removal	3	EA	518.33	$ 1,555.00	-	$ -	3.00	$ 1,555.00		$ 1,555.00	100%	$ -
55	CO-1 Additional Cost to Connect 2" Service Line	1	EA	$ 3,467.00	$ 3,467.00	-	$ -	1.00	$ 3,467.00		$ 3,467.00	100%	$ -
56	CO-1 Additional Yard Drain Fittings	8	EA	226.88	$ 1,815.00	-	$ -	8.00	$ 1,815.00		$ 1,815.00	100%	$ -
57	CO-1 Furnish and Install Concrete Walkways	625	SF	$ 12.19	$ 7,618.75	-	$ -	312.00	$ 3,803.28		$ 3,803.28	50%	$ 3,815.47
58	CO-1 Furnish and Install 6" Concrete Driveway	221	SY	$ 103.36	$ 22,835.27	-	$ -	125.00	$ 12,919.97		$ 12,919.97	57%	$ 9,915.30
59	CO-1 Additional Lab Testing	5	EA	$ 647.64	$ 3,238.18	-	$ -	3.00	$ 1,942.91		$ 1,942.91	60%	$ 1,295.27
60	CO-1 Remove Dispose of Existing Driveways	203	SY	$ 9.00	$ 1,826.37	43.00	$ -	43.00	$ 387.00		$ 387.00	21%	$ 1,439.37
61	CO-1 Furnish Lime	52	TN	$ 212.00	$ 11,000.00	16.76	$ -	16.76	$ 3,553.12		$ 3,553.12	32%	$ 7,446.88
62	CO-1 Furnish and Install Temporary Driveways	331	SY	$ 15.00	$ 4,969.95	183.73	$ -	183.73	$ 2,755.95		$ 2,755.95	55%	$ 2,214.00
63													
64													
65													
66													
TOTAL CONTRACT AMOUNT					**$ 1,342,495.52**		**$ 906,420.50**		**$ 174,134.39**	**$ 8,006.25**	**$ 1,088,561.14**		**$ 253,934.38**

** Quantity Reduced Change Order 1

Installed This Period	**$ 174,134.39**
Retainage this Period	**$ 17,413.44**
Total Amt of Contract with Add'l Items	$ 1,342,495.52
Total Installed & Stored to Date	$ 1,088,561.14
Less Retainage 10%	$ 108,856.11
Total Amount Less Retainage	$ 979,705.02
Invoiced to Date	$ 822,984.07
Total Payment Due this Estimate	**$ 156,720.95**

AFFIDAVIT OF BILLS PAID

THE STATE OF TEXAS
COUNTY OF Brazoria

BEFORE ME, the undersigned authority, on this day personally appeared **Anthony Rodriguez.** Party to that certain Contract entered on the **12th** day **of May 2022**, between **City of Spring Valley Village** (Owner) and **MetroCity, LLC** (Contractor) for the erection, construction, and completion of certain improvements and/or additions upon the following described premises, to wit:

CEDARSPUR, BURKHART, AND WINNINGHAM (EAST OF VOSS ROAD) PAVING AND UTILITY IMPROVEMENTS PROJECT

Said party being by me duly sworn states upon oath that the said improvements have been erected and completed in full compliance with the above referred to Contract and the agreed plans and specifications, therefore.

Deponent further states he has paid all bills and claims for materials furnished and labor performed on said Contract and that there are no outstanding unpaid bills or legal claims for labor performed or materials furnished upon said job.

This affidavit is being made by the undersigned realizing that it is in reliance upon the truthfulness of the statements contained therein that final and full settlement of the balance due on said Contract is being made, and in consideration of the disbursement of funds by Owner, deponent expressly waives and releases all liens, claims and rights to assert a lien on said premises and agrees to indemnify, defend, and hold Owner safe and harmless from and against all losses, damages, costs and expenses of any character whatsoever specifically including court costs, bonding fees and attorney fees, arising out of or in any way relating to claims for unpaid labor or material used or associated with construction of improvements on the above-described premises.

(Contractor)

By: **Anthony Ray Rodriguez – President**

BEFORE ME, the undersigned authority, on this day personally appeared **Anthony Ray Rodriguez** known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the executed the same as the act and deed of such corporation, for the purpose of consideration therein expressed and, in the capacity, therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS THE **3th** day of **March 2023**

MY COMMISSION EXPIRES:

ANA CAHTE RODRIGUEZ
Notary Public, State of Texas
Comm. Expires 04-01-2026
Notary ID 133650574

Ana Rodriguez

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Police Department
Staff Report

SPRING VALLEY POLICE DEPARTMENT

Calls - By Type

02\01\2023
thru 02\28\2023
Zone is: SPRING VALLEY

Type	Description	# Of Calls
21	911 HANG UP	2
6	ACCIDENT	21
145	ACCIDENT - FSGI	2
22	ALARM	31
23	AMBULANCE CALL	18
24	ANIMAL CALL	8
144	ARREST	3
150	ASSAULT	1
43	ASSIST OUTSIDE AGENCY	5
149	BURGLARY - MOTOR VEHICLE	2
135	BUSINESS CHECK	1,618
47	CHILD LOCKED IN VEHICLE	1
48	CITY CREW REPAIRS	1
53	DEBRIS IN ROADWAY	8
60	FIRE CALL	7
160	FRAUD	1
68	HOUSE CHECK	59
161	IDENTITY THEFT	1
70	INFORMATION	26
71	INVESTIGATION	1
76	LOUD NOISE	5
159	MOTORIST ASSIST	6
81	OPEN DOOR	24
162	PARKING VIOLATION	7
86	PUBLIC RELATIONS	255
88	RECOVERY STOLEN VEHICLE	1
96	SOLICITOR	6
99	STALLED VEHICLE	32
103	SUSPICIOUS ACTIVITY	9
104	SUSPICIOUS PERSON	14
105	SUSPICIOUS VEHICLE	14
154	THEFT	1
156	THEFT - MOTOR VEHICLE	2
11	TRAFFIC STOP	338
111	VEHICLE BLOCKING ROADWAY	2
112	VEHICLE CHECK	3
163	VIOLATION OF CITY ORDINANCE	1
116	WATER LEAK	1
117	WELFARE CONCERN	2
	Total	2,539

Spring Valley Village, TX PD **Feb 1, 2023 - Feb 28, 2023**

Citation Offense Count By Violation

Total Charges: **805**

Description	Count
CHANGE NAME/MAILING ADDRESS LATER THAN 30 DAYS (CDL)	1
CHANGED LANE WHEN UNSAFE	1
CITY ORDINANCE - SOLICITING WITHOUT A PERMIT - PEDDLER	2
DEFECTIVE EQUIPMENT / NO LICENSE PLATE LIGHT	27
DEFECTIVE HEAD LAMPS	84
DEFECTIVE HEAD LIGHTS	6
DEFECTIVE STOP LAMP(S)	49
DEFECTIVE STOP LIGHTS-TRAILER	1
DEFECTIVE TAIL LAMP(S)	18
DISPLAY FICTITIOUS/WRONG/UNCLEAN LICENSE PLATES	7
DISPLAY SUSPENDED DRIVER LICENSE	2
DISPLAY/ EXPIRED REGISTRATION	163
DISREGARD LANE CONTROL SIGNAL/DEVICE	4
DRIVING WHILE LICENSE INVALID UNDER PROVISIONS OF DL LAWS	4
DROVE WITHOUT LIGHTS (WHEN REQUIRED)	31
EXPIRED BUYER TAG	8
EXPIRED DEALER TAG	5
EXPIRED DRIVERS LICENSE	3
FAIL TO DISPLAY DRIVERS LICENSE	4
FAIL TO MAINTAIN FINANCIAL RESPONSIBILITY	80
FAIL TO REPORT CHANGE OF ADDRESS	8
FAILED TO DIM HEADLIGHTS - FOLLOWING	5
FAILED TO DIM HEADLIGHTS - MEETING	8
FAILED TO DRIVE IN A SINGLE LANE	1
FAILED TO STOP AT DESIGNATED POINT (STOP SIGN)	9
FAILED TO STOP FOR SCHOOL BUS (OR REMAIN STOPPED)	1
ILLEGAL BUYERS TAGS	3
ILLEGAL PARKING - NO PARKING ANY TIME	5

Spring Valley Village, TX PD **Feb 1, 2023 - Feb 28, 2023**

Citation Offense Count By Violation

Total Charges: **805**

Description	Count
ILLEGAL PASSING - DROVE OVER MEDIAN	1
ILLEGAL PASSING - LEFT TURN ONLY LANE	1
ILLEGAL WINDOW TINT	1
NO DRIVERS LICENSE	70
NO FRONT LICENSE PLATE	14
NO LICENSE NUMBER PLATES-TRAILER	3
NO SEAT BELT - DRIVER	1
OPERATE MOTOR VEHICLE WITHOUT LICENSE PLATES OR WITH ONE LICENSE PLATE	3
OPERATE UNREGISTERED MOTOR VEHICLE	4
PUBLIC INTOXICATION	1
RAN RED LIGHT	8
RAN STOP SIGN	27
SPEEDING (NU)	7
SPEEDING >10% ABOVE POSTED LIMIT	102
SPEEDING IN SCHOOL ZONE	11
TRAFFIC - OTHER	1
TURNED LEFT FROM WRONG LANE	1
UNAUTHORIZED USE OF DEALER TEMP TAG (NOT DEALER OR EMPLOYEE)	3
UNAUTHORIZED USE OF DEALER TEMP TAG - (DEALER OR EMPLOYEE)	1
UNRESTRAINED CHILD YOUNGER THAN 5 OR UNDER 36 INCHES	2
VIOLATE DL RESTRICTION B	1
WALKED ON ROADWAY WHERE SIDEWALKS PROVIDED	1
WRONG/ALTERED/OBSCURED LICENSE PLATE	1

MEETING DATE: March 28, 2023

TOPIC: **DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Review and Possible Changes to Interlocal Agreement by and between City of Spring Valley Village and City of Hilshire Village for the Provision of Police and Municipal Court Services.

BACKGROUND: Following the direction given by City Council during the February 28, 2023 City Council Meeting, staff has put together the following breakdown of maintenance costs over the last five years in regards to police department vehicles.

Police Vehicle Maintenance	
2017-2018	$38,481.77
2018-2019	$40,552.96
2019-2020	$49,046.68
2020-2021	$64,446.58
2021-2022	$59,340.99
Annual Average	**$50,377.00**

In addition to the maintenance costs above, from January 2018 to February 2023, the police department has averaged 9.73% of their calls for service within the Hilshire Village.

The current Interlocal Agreement is based on 16.1% of the police department budget not including Capital Improvements. The 16.1% is derived from City of Hilshire Village's percent of total land area. Current Police Department budget excluding Capital improvements for the City of Spring Valley Village is $3,781,624; and the Police Department's Capital Improvement budget consists of three line items totaling $331,291.

Upon review of the budget it appears that vehicle maintenance is being factored into the City of Hilshire Village contribution, the amount being excluded is the capital improvement line items. The City Council could request that the full police department budget including capital expenses (totaling $4,112,915 for current budget) be factored into the 16.1% contribution, which under current budget numbers would be an additional $53,338.

Staff requests direction on how to proceed with any changes Council would be looking to implement to the Interlocal Agreement with City of Hilshire Village.

RECOMMENDATION: Staff requests direction from the Council concerning possible changes to the Interlocal Agreement by and between City of Spring Valley Village and City of Hilshire for Police and Municipal Court services.

ATTACHMENTS:	• Copy of Original Interlocal Agreement.
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: B.A. Wal	

SUBMITTING STAFF MEMBER:	**CITY ADMINISTRATOR APPROVAL:**
Zachary Meadows, Acting City Administrator/Director of Community Development	Zachary M

CITY OF SPRING VALLEY VILLAGE

October 27, 2010

Mayor Robin Border
Cit of Hilshire Village
8301 Westview
Houston, Texas 77055

Dear Mayor Border:

Enclosed are two signed original documents approved by City Council at the regular Council meeting held on Tuesday, October 26, 2010 regarding the Interlocal Cooperation Agreement for police and municipal court services.

Please return one original to my attention when executed.

If you have any questions or concerns, please contact us.

Sincerely,

Betty Lusk

Betty Lusk
City Secretary

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

Whereas, the City of Spring Valley Village, Texas ("SVV"), and the City of Hilshire Village, Texas ("Hilshire") entered into an Interlocal Cooperation Agreement for the provision by SVV of police and municipal court services to Hilshire on December 31, 1987; and

Whereas, the parties have periodically amended that agreement and are desirous of amending the agreement as set forth below; and

Whereas, the parties enter into this Agreement for the purpose of the providing law enforcement and municipal court services for the benefit of their communities;

Now, therefore, the City Councils of SVV and Hilshire mutually agree as follows:

I.

SVV and Hilshire enter into this Agreement by and through their duly elected officials, and it is the intention of both parties to conform this Agreement in all respects with Chapter 791 of the Texas Government Code, more commonly known as "The Interlocal Cooperation Act."

II.

SVV shall:

(a) Provide police services, as those services are provided within SVV, including, but not limited to, general police patrol, neighborhood patrol, crime investigations, House Watch and National Night Out Programs, home security evaluations, animal control, emergency and SRT (Special Response Team) support, alarm response, and general enforcement of the laws of the State of Texas and the ordinances of Hilshire;

(b) Provide, maintain, and service, at no additional expense to Hilshire, all police cars necessary for and used in providing the services described in (a) above;

(c) Publish and permit to be published, to all interested parties and the residents of Hilshire, the telephone number of SVV's police dispatcher;

(d) Maintain and keep in force a policy, or policies, of automobile insurance on all vehicles used in fulfilling this agreement, such policies complying in all respects with the Texas Tort Claims Act, as amended;

(e) Provide municipal court services, including clerical, judicial and warrant officer support. Such services shall include the adjudication of Class C misdemeanor crimes, issuing arrest warrants, collecting and receipting fines and court costs, filing Office of Court Administration Reports, filing State Comptroller's Office reports, remitting payments to the

State Comptroller, preparing reports of moving traffic convictions to the Department of Public Safety and all other reasonable and necessary functions of a municipal court;

(f) Pay all wages, salaries, and other compensation of police officers, municipal court judge, prosecuting attorney, and court clerk including payroll taxes, retirement, social security taxes, if any, and any other payroll expenses for the services provided by SVV;

(g) Provide upon request an officer to attend Hilshire City Council meetings and report on police activities for the previous month; and

(h) Periodically pay to Hilshire fines collected by SVV for the municipal court (less court costs and fees).

III.

Hilshire shall:

(a) Pay to SVV for the police and municipal court services described above the sum of _\$319,821.55_ for the 2010/2011 fiscal year. For each subsequent year of the Agreement, if any, Hilshire shall pay to SVV an amount equal to 16.1% (the area of Hilshire as a percentage of the combined area of SVV and HV) of SVV's total Police Department Budget not including budgeted expenses for warrant officer and capital improvements. Such amount shall be prorated on a monthly basis, with payments being due on or before the first day of the month to which such payment applies. For the purposes hereof, "fiscal year" shall mean the period that begins October 1st and ends the immediately the following September 30th;

(b) Provide whatever Ordinances may be necessary to give SVV the full authority, power, rights, and privileges to act for Hilshire in accordance with this agreement; and

(c) Appoint the Municipal Court Judge, Associate or Alternate Court Judge, Prosecuting Attorney, Assistant Prosecuting Attorneys and Clerk of the Court, all of whom shall be the same as appointed by the SVV for its Municipal Court.

IV.

This Agreement shall be for a term of one year, commencing on October 1, 2010, and extending through September 30, 2011; provided, however, that this Agreement shall automatically extend for successive one year terms unless notice of termination is given by June 1 prior to the end of any term. Provided further, that either party may terminate this Agreement by giving notice to the other party at least 180 days prior to the date of termination. All written notice shall be sent to the address of the parties shown herein.

V.

In order to have a more effective relationship between the parties, and to provide the best possible police protection and municipal court, it is mutually agreed that all questions arising under this Agreement shall be handled and resolved between the governing bodies of the parties, and by no other means or person.

VI.

(a) At all times this agreement is in force, all police officers of SVV shall be under the supervision of the Chief of Police of SVV, or the Chief's duly authorized representative, and no other person.

(b) Each party shall pay for services provided under this Agreement out of current revenue funds.

(c) Each party agrees that this Agreement fairly compensates each party for the services and functions performed under this Agreement.

VII.

Independent Contractor. Both parties mutually agree that SVV is an independent contractor, and shall have exclusive control of performance hereunder, and is in no way to be considered an employee of the Hilshire. Nothing herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint-venturers, or any similar relationship.

VIII.

Risks. Each party agrees to carry such policies of insurance as each deems appropriate to cover any risks arising out of this Agreement; provided further that SVV agrees to carry, as a minimum, insurance with liability limits of One Million Dollars "aggregate." Policies are available for inspection by Hilshire upon request.

IX.

No third party beneficiaries. This Agreement inures to the benefit of and obligates only the parties executing it. No term or provision of this Agreement shall benefit or obligate any person or entity not a party to it.

X.

No waiver of immunity. Nothing in this Agreement shall be construed to waive any immunities from suit or liability enjoyed by the parties, their past or present officers, employees, or agents.

XI.

Venue. Venue for any dispute arising under this Agreement shall lie exclusively in the state and federal courts of Harris County, Texas.

XII.

Amendments. This agreement may be modified, changed, or altered at any time, upon mutual agreement of parties, provided that any such modification, change, or alteration be reduced to writing.

XIII.

Severability. If any clause, paragraph, section or portion of this Agreement shall be found to be illegal, unlawful, unconstitutional or void for any reason, the balance of the Agreement shall remain in full force and effect, and the parities shall be deemed to have contracted as if said clause, section, paragraph or portion had not been in the Agreement initially.

IN WITNESS WHEREOF, we have hereunto set our hands effective the 26th day of October, 2010, in duplicate originals in Harris County, Texas.

CITY OF SPRING VALLEY VILLAGE
("SVV")

By: [signature]
Michael Andrews, Mayor

ATTEST:

[signature]
Betty Lusk, City Secretary
City of Spring Valley Village

CITY OF HILSHIRE VILLAGE
("Hilshire")

By: [signature]
Robin Border, Mayor

ATTEST:

[signature]
Susan Blevins, City Secretary
City of Hilshire Village

XII.

Amendments. This agreement may be modified, changed, or altered at any time, upon mutual agreement of parties, provided that any such modification, change, or alteration be reduced to writing.

XIII.

Severability. If any clause, paragraph, section or portion of this Agreement shall be found to be illegal, unlawful, unconstitutional or void for any reason, the balance of the Agreement shall remain in full force and effect, and the parities shall be deemed to have contracted as if said clause, section, paragraph or portion had not been in the Agreement initially.

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CITY OF SPRING VALLEY VILLAGE
("SVV")

By: Michael Andrews

Michael Andrews, Mayor

ATTEST:

Betty Lusk

Betty Lusk, City Secretary
City of Spring Valley Village

CITY OF HILSHIRE VILLAGE
("Hilshire")

By:

Robin Border, Mayor

ATTEST:

Susan Blevins

Susan Blevins, City Secretary
City of Hilshire Village

Shannon Whiting, Mayor Pro Tem
May 15, 2012

Spring Valley Village City Council
Agenda Item Data Sheet

MEETING DATE:	March 28, 2023
TOPIC:	Presentation and Acceptance of Fiscal Year 2021-2022 Audited Annual Comprehensive 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 Annual Comprehensive Financial Report for 3 fiscal years, and the Council extended the contract for two additional fiscal years in March of 2021 which includes Fiscal Year 2021-2022. Senior Manager Ben Cohen with Belt, Harris Pechacek will present the Report.
RECOMMENDATION:	Staff recommends acceptance of the Report.
ATTACHMENTS:	• Annual Comprehensive Financial Report for FY 2021-2022 • Required Auditor Disclosure Letter • Management Letter
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:

B.A. Walker

SUBMITTING STAFF MEMBER:	**CITY ADMINISTRATOR APPROVAL:**
Brent Walker, City Treasurer	Zachary Moore

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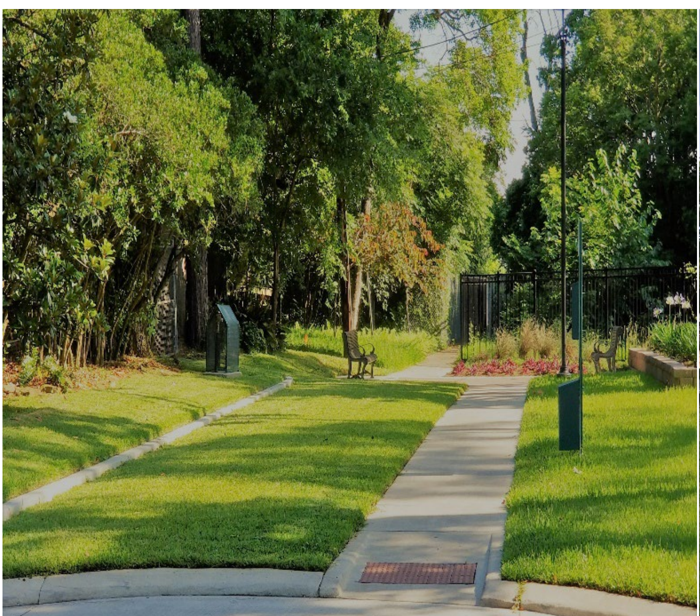
SPRING VALLEY VILLAGE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING

SEPTEMBER 30, 2022



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ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

of the

CITY OF SPRING VALLEY VILLAGE, TEXAS

For the Year Ended
September 30, 2022

Prepared by:

Zachery Meadows
Acting City Administrator

Brent Walker
City Treasurer

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City of Spring Valley Village, Texas

TABLE OF CONTENTS

September 30, 2022

INTRODUCTORY SECTION	**Page**
Letter of Transmittal	3
List of Elected Officials and Key Staff	7
Certificate of Achievement for Excellence in Financial Reporting	8
Organizational Chart	9
FINANCIAL SECTION	
Independent Auditors' Report	13
Management's Discussion and Analysis (Required Supplementary Information)	19
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	28
Statement of Activities	30
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet – Governmental Funds	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	39
Proprietary Funds Financial Statements	
Statement of Net Position – Proprietary Funds	41
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	43
Statement of Cash Flows – Proprietary Funds	45
Notes to Financial Statements	47
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	75
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System	76
Schedule of Contributions – Texas Municipal Retirement System	78
Schedule of Changes in Total OPEB Liability and Related Ratios – Texas Municipal Retirement System	80

CITY OF SPRING VALLEY VILLAGE, TEXAS

TABLE OF CONTENTS

September 30, 2022

SUPPLEMENTARY INFORMATION

	Page
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	85

STATISTICAL SECTION

Net Position by Component	88
Changes in Net Position	90
Fund Balances, Governmental Funds	94
Changes in Fund Balances, Governmental Funds	96
Assessed Value and Estimated Actual Value of Taxable Property	98
Property Tax Rates – Direct and Overlapping Governments	100
Principal Property Taxpayers	103
Property Tax Levies and Collections	105
Ratios of Outstanding Debt by Type	106
Ratios of General Bonded Debt Outstanding	108
Direct and Overlapping Governmental Activities Debt	111
Legal Debt Margin Information	112
Pledged-Revenue Coverage	114
Demographic and Economic Statistics	117
Principal Employers	119
Full-Time Equivalent Employees by Function	121
Operating Indicators by Function	122
Capital Asset Statistics by Function	124

INTRODUCTORY SECTION

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SPRING VALLEY

VILLAGE

March 17, 2023

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

The Finance Department is pleased to submit the Annual Comprehensive Financial Report for the City of Spring Valley Village, Texas (the "City") for the fiscal year (FY) ended September 30, 2022. 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, 2022. 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 was incorporated under the laws of State of Texas (the "State") 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 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 is located ten miles west of downtown Houston. As of September 30, 2022, the City has a land area of 1.6 square miles and an estimated population of approximately 4,204. 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.

City Ordinance establishes the fiscal year as October 1 through September 30. City Ordinance also 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 which 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 4,204 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 a stable outlook with property taxable value and its property taxable value reached over $1 billion in the FY 2017 and doubled from ten years ago. Among reasons for this strength is the City’s convenient proximity to the Galleria, Energy Corridor, downtown Houston, the Texas Medical Center, 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 residential property values and a new medical building completed in 2022.

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 2023. 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.

The City approved a one cent lower property tax rate for tax year 2022, fiscal year 2023.

LONG-TERM FINANCIAL PLANNING

Capital improvement projects are funded with general governmental revenues and proceeds of general obligation and certificates of obligation debt issues. The City annually updates a five-year Capital Improvement Plan (the “Plan”) and regularly prepares short-term improvement plans for water, wastewater, drainage, municipal facilities, and parks. The Plan is prepared by staff and presented to the City Council for review and acceptance. The Plan requires funding sources to be identified for each project.

In FY2019, the Council’s policy on capital projects funding changed from pay-as-you-go with cash to the use of certificate of obligation bonds in order to undertake a greater number of capital projects. A portion of general fund revenues is allocated to the Debt Service Fund each year to cover bond payments, and a portion is allocated to the Capital Improvements Fund each year to fund those capital projects that will be funded by cash.

Major Initiatives

FY 2022 was a year of accomplishments for the City of Spring Valley Village. The list below highlights some of the significant City activities:

- Water Well #2 was completed and online as of May 2022.
- The Loeser, Traweek, Lone Star paving and utility improvement project was completed in June 2022.
- Ground Storage Tank #2 was replaced and put back online in August 2022.
- The Winningham, Cedarspur, and Burkhart (All East of Voss) paving and utility improvement project started in June 2022 and will be completed in the 2nd quarter of 2023.
- The Cedarspur (West of Bingle), Burkhart (East of Bingle), and Burkhart Road paving and utility improvement project will go out for bid in the first half of 2023. Construction will begin in 2023 and be completed in 2024.
- The Brighton Place paving and utility improvement project will complete the design phase in 2023 and will go out for bid in late 2023, early 2024.

Annual Budget

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General Fund, Capital Replacement Fund, Utility Fund, and Debt Service Fund are included in the annual operating budget. The Capital Improvement Plan is approved each year by the City Council and funded through a separate Capital Projects Fund, and is included in the annual budget. 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 statements.

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 annual comprehensive financial report for the fiscal year ending September 30, 2021. This was the eighth 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 annual comprehensive 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. We believe our current Annual Comprehensive 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 Annual Comprehensive Financial Report 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,

Brent Walker
City Treasurer

CITY OF SPRING VALLEY VILLAGE, TEXAS

LIST OF ELECTED OFFICIALS AND KEY STAFF

September 30, 2022

Elected Officials	**Position**
Marcus Vajdos	Mayor
Steve Bass	Council Member
Bo Bothe	Council Member
Allen Carpenter	Council Member
David Dominy	Council Member
Joy McCormack	Council Member

Key Staff	**Position**
Zachary Meadows	Acting City Administrator Community Development Director
Jasmin Torres	City Secretary
Brent Walker	City Treasurer
Mark Schulze	Interim Chief of Police

Government Finance Officers Association

Certificate of Achievement for Excellencein Financial Reporting

Presented to

City of Spring Valley Village
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

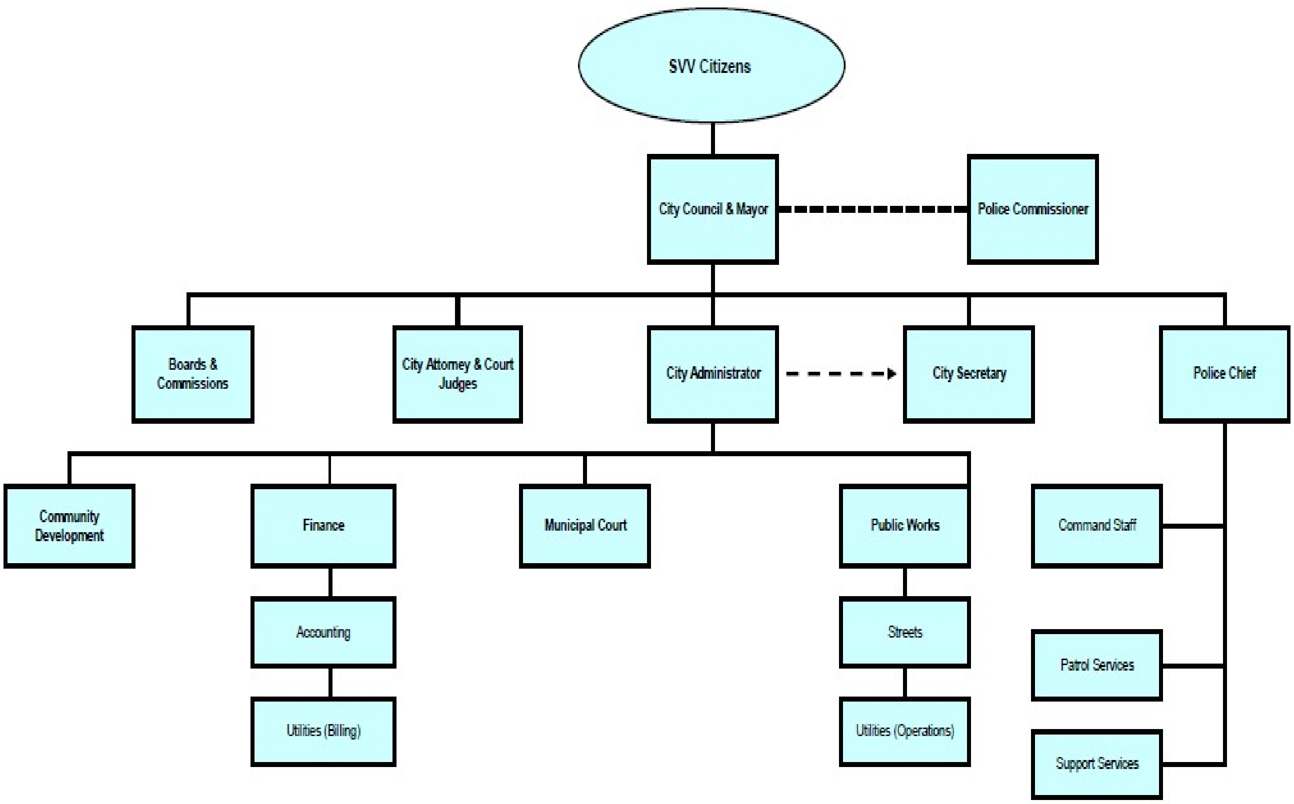
Christopher P. Morrill

Executive Director/CEO

City of Spring Valley Village, Texas

ORGANIZATIONAL CHART

September 30, 2022



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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:

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Houston · Austin · Bellville · Woodville
3210 Bingle Rd., Ste. 300, Houston, TX 77055 // P: 713.263.1123 // info@txauditors.com // www.texasauditors.com

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made be a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule listed as supplementary information on the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Belt Harris Pechacek, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 17, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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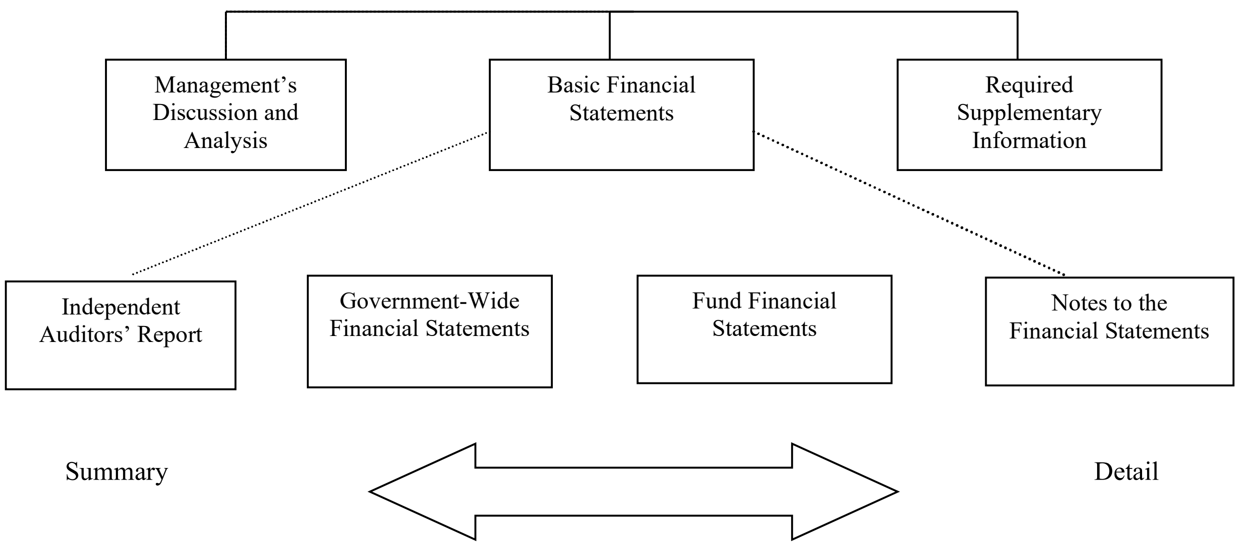
The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Spring Valley Village, Texas (the "City") for the year ended September 30, 2022. The analysis is based on currently known facts, decisions, 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 and wastewater.

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 funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the capital improvements fund, and the debt service fund which are considered to be major funds for reporting purposes. The 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 and wastewater 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. The capital replacement 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 other postemployment benefits 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 $48,359,847 as of September 30, 2022. The largest portion of the City's net position (72%) 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:

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 25,134,357	$ 1,762,192	$ 26,896,549	$ 26,093,077	$ 1,647,003	$ 27,740,080
Capital assets, net	42,050,985	10,399,411	52,450,396	41,591,395	10,406,137	51,997,532
Total Assets	67,185,342	12,161,603	79,346,945	67,684,472	12,053,140	79,737,612
Deferred outflows - pensions	174,173	28,759	202,932	215,326	36,321	251,647
Deferred outflows - OPEB	32,916	5,196	38,112	36,895	5,774	42,669
Total Deferred Outflows of Resources	207,089	33,955	241,044	252,221	42,095	294,316
Long-term liabilities	24,521,947	3,649,561	28,171,508	25,816,220	3,953,023	29,769,243
Other liabilities	1,887,976	320,249	2,208,225	1,970,851	661,032	2,631,883
Total Liabilities	26,409,923	3,969,810	30,379,733	27,787,071	4,614,055	32,401,126
Deferred inflows - pensions	741,968	99,800	841,768	317,192	39,430	356,622
Deferred inflows - OPEB	5,649	992	6,641	9,087	1,491	10,578
Total Deferred Inflows of of Resources	747,617	100,792	848,409	326,279	40,921	367,200
Net Position:						
Net investment in capital assets	28,167,543	6,789,411	34,956,954	27,370,964	6,643,637	34,014,601
Restricted	4,034,410	358,408	4,392,818	4,881,810	358,408	5,240,218
Unrestricted	8,032,938	977,137	9,010,075	7,570,569	438,214	8,008,783
Total Net Position	$ 40,234,891	$ 8,124,956	$ 48,359,847	$ 39,823,343	$ 7,440,259	$ 47,263,602

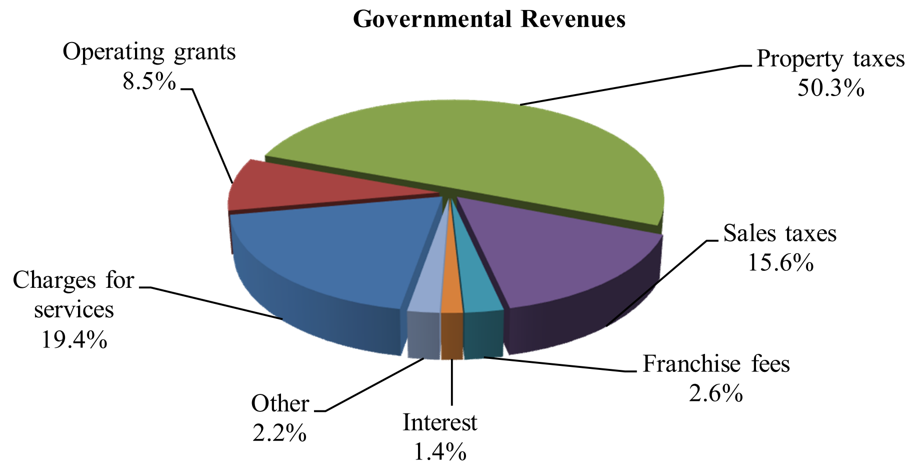
A portion of the City's net position, $4,392,818, represents resources restricted to a specific purpose. The balance of unrestricted net position, $9,010,075, may be used to meet the City's ongoing obligation to citizens and creditors. The City's total net position increased by $1,096,245. Total assets decreased $390,667 with an increase of net capital assets of $452,864 and a decrease in current and other assets of $843,531 which was primarily due to funds spent on capital asset additions. Total liabilities decreased $2,021,393 with a decrease in long-term liabilities of $1,597,735 and a decrease in other liabilities of $423,658. There was a decrease in long-term liabilities due mainly to principal debt payments. The decrease in other liabilities was primarily due to a decrease in payables related to capital improvements. Deferred outflows decreased $53,272 primarily due to a decrease in deferred outflows from the differences between expected and actual economic experience related to the pension liability. Deferred inflows increased $481,209 from prior year due mainly to the increase in the differences between projected and actual investment earnings related to the pension liability.

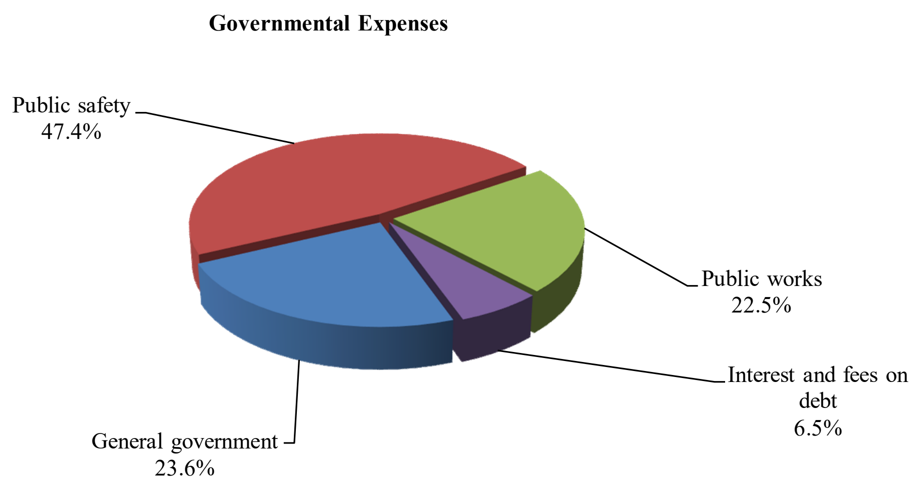
Statement of Activities

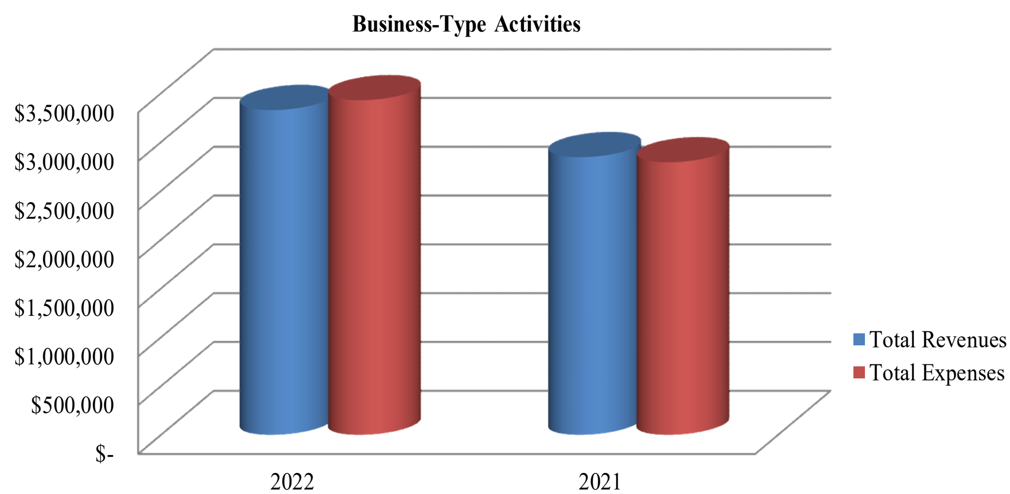
The following table provides a summary of the City's changes in net position.

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 2,169,412	$ 3,330,052	$ 5,499,464	$ 2,153,616	$ 2,847,372	$ 5,000,988
Operating grants	945,930	-	945,930	787,015	-	787,015
General revenues:						
Property taxes	5,625,596	-	5,625,596	5,519,222	-	5,519,222
Sales taxes	1,748,586	-	1,748,586	1,598,465	-	1,598,465
Franchise fees	296,152	-	296,152	309,282	-	309,282
Interest	164,499	10,723	175,222	22,291	937	23,228
Other	243,591	67,236	310,827	176,230	33,180	209,410
Total Revenues	11,193,766	3,408,011	14,601,777	10,566,121	2,881,489	13,447,610
Expenses						
General government	2,373,042	-	2,373,042	2,444,681	-	2,444,681
Public safety	4,786,732	-	4,786,732	4,957,464	-	4,957,464
Public works	2,262,530	-	2,262,530	1,972,528	-	1,972,528
Interest and fees on debt	652,416	109,437	761,853	688,443	118,302	806,745
Water and sewer	-	3,321,375	3,321,375	-	2,676,740	2,676,740
Total Expenses	10,074,720	3,430,812	13,505,532	10,063,116	2,795,042	12,858,158
Increase (Decrease) in Net Position Before Transfers	1,119,046	(22,801)	1,096,245	503,005	86,447	589,452
Transfers in (out)	(707,498)	707,498	-	183,600	(183,600)	-
Change in Net Position	411,548	684,697	1,096,245	686,605	(97,153)	589,452
Beginning net position	39,823,343	7,440,259	47,263,602	39,136,738	7,537,412	46,674,150
Ending Net Position	$ 40,234,891	$ 8,124,956	$ 48,359,847	$ 39,823,343	$ 7,440,259	$ 47,263,602

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







Revenues for governmental activities increased $627,645 or 6%. Sales tax revenue increased $150,121 or 9% due to an increase in taxable sales within the City. Interest revenue increased $142,208 or 638% due to increases in invested funds and interest rates. Total governmental expenditures increased $11,604 or less than 1%.

Revenues for business-type activities increased $526,522 or 18% from the prior year primarily due to the increase in water and sewer revenue due to customer consumption and an increase in rates. Business-type expenses increased by $635,770 or 23% mainly due to an increase in groundwater charges and maintenance costs.

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 $20,782,213. At the end of the current year, $6,422,522 was unassigned, $1,048,965 was assigned for capital outlay of equipment and capital improvements, and $2,607,359 was assigned for 120 days' operating reserve. Total restricted fund balance includes $10,323,220 for capital projects and $378,086 for other various purposes, and $2,061 was nonspendable for prepaid items.

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 $6,422,522, while total fund balance reached $9,668,504. 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 nine months of the general fund's expenditures. The fund balance for the general fund demonstrated an overall increase of $1,057,798. This increase includes excess revenues over expenditures of $2,404,520 and transfers out to other funds of $1,348,085.

The City's debt service fund had a fund balance of $3,242, which was a decrease of $13,834 due to debt service costs in excess of property tax collections.

Overall, there was a decrease of $2,087,251 in fund balance for the capital improvements fund primarily due to ongoing construction. The fund balance was $11,012,918 which is restricted or assigned to capital outlay and projects.

The asset forfeiture fund had a fund balance of $19,054, which was unchanged from prior year.

The legacy fund had a fund balance of $78,495, which was an increase of $24,644 primarily due to an increase in donations 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.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City had planned an increase of $640,066 in the general fund fund balance, but actually realized an increase of $1,057,798. The activity resulted in a positive budget variance of $417,732.

Actual general fund revenues exceeded budgeted revenues by $44,433 during the year. This positive revenue budget variance is mostly due to fines and forfeitures revenues that were slightly higher than originally estimated.

Actual general fund expenditures were under the final budgeted expenditures by $373,236. This positive expenditure budget variance is primarily due to positive variances of $107,823 and $105,652 for general government and the police department, respectively. These positive variances are a result of incurring less costs for general government and public safety than expected.

CAPITAL ASSETS

At the end of the year, the City's had invested $52,450,396 in capital assets and infrastructure (net of accumulated depreciation). This represents an increase of $459,590 from the prior year.

Major capital asset events during the year included the following:

- Construction of ground storage tank #2 for $707,498
- 4 vehicles for the police department for $298,236
- Continued pavement and utility improvement at Loeser, Trawek, and Lonestar for $1,800,770
- Pavement and utility improvement at Cedarspur, Burkhart, and Winningham for $447,670

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 $27,025,000. Of this amount, $9,735,000 was general obligation bonds, $13,680,000 was certificates of obligation debt, and $3,610,000 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 property tax rate for the 2022 tax year (fiscal year 2023) was $0.405 per $100 of property valuation representing a one cent reduction in the tax rate. The total budget for general fund expenditures was $9.9 million.

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 Brent Walker, City Treasurer, Spring Valley Village City Hall, 1025 Campbell Road, Houston, Texas, 77055; telephone (713) 465-8308.

BASIC FINANCIAL STATEMENTS

City of Spring Valley Village, Texas

STATEMENT OF NET POSITION

September 30, 2022

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets			
Current assets:			
Cash and cash equivalents:			
Unrestricted	$ 22,964,134	$ 1,563,465	$ 24,527,599
Restricted	108,266	358,408	466,674
Investments	217,863	-	217,863
Receivables, net	309,557	531,809	841,366
Due from other funds	805,818	(805,818)	-
Prepaid items	2,061	-	2,061
	24,407,699	1,647,864	26,055,563
Noncurrent assets:			
Net pension asset	726,658	114,328	840,986
Nondepreciable capital assets	2,877,890	5,207	2,883,097
Net depreciable capital assets	39,173,095	10,394,204	49,567,299
	42,777,643	10,513,739	53,291,382
Total Assets	67,185,342	12,161,603	79,346,945
Deferred Outflows of Resources			
Deferred outflows - pensions	174,173	28,759	202,932
Deferred outflows - OPEB	32,916	5,196	38,112
Total Deferred Outflows of Resources	207,089	33,955	241,044
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	555,011	161,929	716,940
Accrued interest	85,141	8,186	93,327
Customer deposits	160,227	150,134	310,361
Unearned revenue	1,087,597	-	1,087,597
Long-term liabilities due within one year	1,349,154	329,137	1,678,291
	3,237,130	649,386	3,886,516
Noncurrent liabilities:			
Total OPEB liability	177,336	29,409	206,745
Long-term liabilities due in more than one year	22,995,457	3,291,015	26,286,472
	23,172,793	3,320,424	26,493,217
Total Liabilities	26,409,923	3,969,810	30,379,733

City of Spring Valley Village, Texas

STATEMENT OF NET POSITION (Continued)

September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources			
Deferred inflows - pensions	$ 741,968	$ 99,800	$ 841,768
Deferred inflows - OPEB	5,649	992	6,641
Total Deferred Inflows of Resources	747,617	100,792	848,409
Net Position			
Net investment in capital assets	28,167,543	6,789,411	34,956,954
Restricted:			
Municipal court - child safety	93,095	-	93,095
Municipal court - security	115,866	-	115,866
Municipal court - technology	63,365	-	63,365
Harris County child safety	4,969	-	4,969
Debt service	3,242	358,408	361,650
Asset forfeitures	19,054	-	19,054
120 days' operating reserve	2,607,359	-	2,607,359
Capital outlay and projects	1,048,965	-	1,048,965
Legacy fund	78,495	-	78,495
Unrestricted	8,032,938	977,137	9,010,075
Total Net Position	$ 40,234,891	$ 8,124,956	$ 48,359,847

See Notes to Financial Statements.

City of Spring Valley Village, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary Government:			
Governmental Activities			
General government	$ 2,373,042	$ 840,943	$ -
Public safety	4,786,732	1,328,469	-
Public works	2,262,530	-	945,930
Interest and other charges on long-term debt	652,416	-	-
Total Governmental Activities	10,074,720	2,169,412	945,930
Business-Type Activities			
Water and sewer	3,430,812	3,330,052	-
Total Business-Type Activities	3,430,812	3,330,052	-
Total Primary Government	$ 13,505,532	$ 5,499,464	$ 945,930

General Revenues:

Taxes:

Property taxes

Sales taxes

Franchise fees

Investment income

Other

Transfers

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
$ (1,532,099)	$ -	$ (1,532,099)
(3,458,263)	-	(3,458,263)
(1,316,600)	-	(1,316,600)
(652,416)	-	(652,416)
(6,959,378)	-	(6,959,378)
-	(100,760)	(100,760)
-	(100,760)	(100,760)
(6,959,378)	(100,760)	(7,060,138)
5,625,596	-	5,625,596
1,748,586	-	1,748,586
296,152	-	296,152
164,499	10,723	175,222
243,591	67,236	310,827
(707,498)	707,498	-
7,370,926	785,457	8,156,383
411,548	684,697	1,096,245
39,823,343	7,440,259	47,263,602
$ 40,234,891	$ 8,124,956	$ 48,359,847

City of Spring Valley Village, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2022

	General	Debt Service	Capital Improvements	Asset Forfeiture
Assets				
Cash and cash equivalents	$ 10,334,295	$ 8,259	$ 11,201,611	$ 19,054
Investments	217,863	-	-	-
Receivables, net	304,948	4,609	-	-
Due from other funds	622,218	-	-	-
Prepaid items	2,061	-	-	-
Restricted cash	108,266	-	-	-
Total Assets	$ 11,589,651	$ 12,868	$ 11,201,611	$ 19,054
Liabilities				
Accounts payable and accrued liabilities	$ 354,692	$ 9,626	$ 188,693	$ -
Deposits	160,227	-	-	-
Due to other funds	300,000	-	-	-
Unearned revenue	1,087,597	-	-	-
Total Liabilities	1,902,516	9,626	188,693	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	18,631	-	-	-
Fund Balances				
Nonspendable:				
Prepaids	2,061	-	-	-
Restricted:				
Municipal court - child safety	93,095	-	-	-
Municipal court - security	115,866	-	-	-
Municipal court - technology	63,365	-	-	-
Harris County child safety	4,969	-	-	-
Debt service	-	3,242	-	-
Asset forfeitures	-	-	-	19,054
Legacy fund	-	-	-	-
Capital projects	-	-	10,323,220	-
Assigned:				
120 days' operating reserve	2,607,359	-	-	-
Capital outlay and projects	359,267	-	689,698	-
Unassigned	6,422,522	-	-	-
Total Fund Balances	9,668,504	3,242	11,012,918	19,054
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,589,651	$ 12,868	$ 11,201,611	$ 19,054

See Notes to Financial Statements.

Legacy	Total Governmental Funds
$ 78,495	$ 21,641,714
-	217,863
-	309,557
-	622,218
-	2,061
-	108,266
$ 78,495	$ 22,901,679
$ -	$ 553,011
-	160,227
-	300,000
-	1,087,597
-	2,100,835
-	18,631
-	2,061
-	93,095
-	115,866
-	63,365
-	4,969
-	3,242
-	19,054
78,495	78,495
-	10,323,220
-	2,607,359
-	1,048,965
-	6,422,522
78,495	20,782,213
$ 78,495	$ 22,901,679

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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, 2022

Total fund balances for governmental funds	$	20,782,213
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		2,877,890
Capital assets, net depreciable		39,173,095
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		18,631
The capital replacement fund is 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.		1,804,020
Deferred outflows and deferred inflows related to pension and other postemployment benefits (OPEB) activity are not reported in the governmental funds.		
Deferred outflows - pensions		174,173
Deferred outflows - OPEB		32,916
Deferred inflows - pensions		(741,968)
Deferred inflows - OPEB		(5,649)
Net pension asset		726,658
Total OPEB liability		(177,336)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(85,141)
Noncurrent liabilities due in one year		(1,349,154)
Noncurrent liabilities due in more than one year		(22,995,457)
Net Position of Governmental Activities	$	40,234,891

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, 2022

	General	Debt Service	Capital Improvements	Asset Forfeiture
Revenues				
Property taxes	$ 4,731,301	$ 894,434	$ -	$ -
Sales taxes	1,748,586	-	-	-
Franchise fees	296,152	-	-	-
Fines and forfeitures	770,327	-	-	-
Licenses and permits	501,273	-	-	-
Charges for services	339,670	-	-	-
Hilshire police contract	558,142	-	-	-
Investment income	76,715	-	87,784	-
Intergovernmental	945,930	-	-	-
Other	148,840	-	-	-
Total Revenues	10,116,936	894,434	87,784	-
Expenditures				
Current:				
General government	2,207,329	-	-	-
Public safety	4,953,973	-	-	-
Public works	504,726	-	-	-
Capital outlay	46,388	-	2,482,313	-
Debt service:				
Principal	-	1,180,000	-	-
Interest and fiscal charges	-	703,981	-	-
Total Expenditures	7,712,416	1,883,981	2,482,313	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,404,520	(989,547)	(2,394,529)	-
Other Financing Sources (Uses)				
Transfers in	-	975,713	307,278	-
Transfers (out)	(1,348,085)	-	-	-
Sale of capital assets	1,363	-	-	-
Total Other Financing Sources (Uses)	(1,346,722)	975,713	307,278	-
Net Change in Fund Balances	1,057,798	(13,834)	(2,087,251)	-
Beginning fund balances	8,610,706	17,076	13,100,169	19,054
Ending Fund Balances	$ 9,668,504	$ 3,242	$ 11,012,918	$ 19,054

See Notes to Financial Statements.

Legacy	Total Governmental Funds
$ -	$ 5,625,735
-	1,748,586
-	296,152
-	770,327
-	501,273
-	339,670
-	558,142
-	164,499
-	945,930
27,528	176,368
27,528	11,126,682
-	2,207,329
2,884	4,956,857
-	504,726
-	2,528,701
-	1,180,000
-	703,981
2,884	12,081,594
24,644	(954,912)
-	1,282,991
-	(1,348,085)
-	1,363
-	(63,731)
24,644	(1,018,643)
53,851	21,800,856
$ 78,495	$ 20,782,213

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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, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	$ (1,018,643)
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	2,821,557
Depreciation expense	(2,361,967)
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	(139)
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. These amounts are the effect of these differences in the treatment of long-term debt and related items.	
Accrued interest expense	5,150
Premium on debt	46,415
Principal payment	1,180,000
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	80,058
Net pension asset	714,331
Total OPEB liability	(12,200)
Deferred outflows - pensions	(26,002)
Deferred outflows - OPEB	(3,979)
Deferred inflows - pensions	(439,927)
Deferred inflows - OPEB	3,438
The capital replacement 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.	(576,544)
Change in Net Position of Governmental Activities	$ 411,548

See Notes to Financial Statements.

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City of Spring Valley Village, Texas

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities	Governmental Activities
	Enterprise	**Internal Service**
Assets		
Current Assets		
Cash and cash equivalents	$ 1,563,465	$ 1,322,420
Restricted cash	358,408	-
Receivables, net	531,809	-
Due from other funds	-	483,600
Total Current Assets	2,453,682	1,806,020
Noncurrent Assets		
Net pension asset	114,328	-
Capital assets:		
Nondepreciable capital assets	5,207	-
Net depreciable capital assets	10,394,204	-
Total Capital Assets Net of Depreciable Assets	10,399,411	-
Total Noncurrent Assets	10,513,739	-
Total Assets	12,967,421	1,806,020
Deferred Outflows of Resources		
Deferred outflows - pensions	28,759	-
Deferred outflows - OPEB	5,196	-
Total Deferred Outflows of Resources	33,955	-
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	161,929	2,000
Due to other funds	805,818	-
Customer deposits	150,134	-
Accrued interest payable	8,186	-
Long-term liabilities due within one year	329,137	-
Total Current Liabilities	1,455,204	2,000
Noncurrent Liabilities		
Total OPEB liability	29,409	-
Long-term liabilities due in more than one year	3,291,015	-
Total Noncurrent Liabilities	3,320,424	-
Total Liabilities	4,775,628	2,000
Deferred Inflows of Resources		
Deferred inflows - pensions	99,800	-
Deferred inflows - OPEB	992	-
Total Deferred Inflows of Resources	100,792	-
Net Position		
Net investment in capital assets	6,789,411	-
Restricted for debt service	358,408	-
Unrestricted	977,137	1,804,020
Total Net Position	$ 8,124,956	$ 1,804,020

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, 2022

	Business-Type Activities	Governmental Activities
	Enterprise	**Internal Service**
Operating Revenues		
Water charges	$ 1,853,170	$ -
Sewer charges	1,476,882	-
Charges for services	-	113,713
Other	67,236	-
Total Operating Revenues	3,397,288	113,713
Operating Expenses		
General and administrative	777,267	764,485
Water	640,003	-
Sewer	1,108,004	-
Depreciation	796,101	-
Total Operating Expenses	3,321,375	764,485
Operating Income (Loss)	75,913	(650,772)
Nonoperating Revenues (Expenses)		
Investment earnings	10,723	9,134
Interest expense	(109,437)	-
Total Nonoperating Income (Expenses)	(98,714)	9,134
Income (Loss) Before Contributions and Transfers	(22,801)	(641,638)
Transfers in/(out)	-	65,094
Capital contributions	707,498	-
Total Contributions and Transfers	707,498	65,094
Change in Net Position	684,697	(576,544)
Beginning net position	7,440,259	2,380,564
Ending Net Position	$ 8,124,956	$ 1,804,020

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, 2022

	Business-Type Activities	Governmental Activities
	Enterprise	Internal Service
Cash Flows from Operating Activities		
Receipts from customers	$ 3,307,754	$ 113,713
Payments to suppliers	(2,168,270)	(778,954)
Payments to employees	(821,046)	-
Net Cash Provided (Used) by Operating Activities	318,438	(665,241)
Cash Flows from Noncapital Financing Activities		
Transfers in	-	65,094
Net Cash Provided by Noncapital Financing Activities	-	65,094
Cash Flows from Capital and Related Financing Activities		
Capital purchases net of disposals	(81,877)	-
Interest and fiscal agent fees paid	(109,437)	-
Debt payments	(310,000)	-
Net Cash (Used) by Capital and Related Financing Activities	(501,314)	-
Cash Flows from Investing Activities		
Interest on investments	10,723	9,134
Net Cash Provided by Investing Activities	10,723	9,134
Net (Decrease) in Cash and Cash Equivalents	(172,153)	(591,013)
Beginning cash and cash equivalents	2,094,026	1,913,433
Ending Cash and Cash Equivalents	$ 1,921,873	$ 1,322,420
Ending Cash and Cash Equivalents		
Unrestricted cash and cash equivalents	$ 1,563,465	$ 1,322,420
Restricted cash and cash equivalents	358,408	-
	$ 1,921,873	$ 1,322,420
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$ 75,913	$ (650,772)
Adjustments to reconcile operating income (loss) to net cash provided (Used) by operating activities:		
Depreciation	796,101	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	(85,104)	-
Deferred outflows - pensions	7,562	-
Deferred outflows - OPEB	578	-
Net pension asset	(113,559)	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	(425,032)	(14,469)
Total OPEB liability	1,769	-
Deferred inflows - pensions	60,370	-
Deferred inflows - OPEB	(499)	-
Compensated absences	4,769	-
Customer deposits	(4,430)	-
Net Cash Provided (Used) by Operating Activities	$ 318,438	$ (665,241)
Noncash investing, capital, and financing activities:		
Contributions of capital assets	$ 707,498	$ -

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 (the "State") 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; parks and streets; sanitation, water, and sewer services; and general administration.

The City is an independent political subdivision of the State 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. 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 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 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 capital replacement fund, while business-type activities incorporate data from the City's enterprise fund. Separate financial statements are provided for governmental 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, 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 taxes, 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*s are 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 asset forfeiture fund 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 the 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, and wastewater treatment. 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 capital replacement 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 fund) 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, 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 deposit, 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. 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 or state statue. Restricted assets of the enterprise fund are restricted by bond covenants for repayment of debt.

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*, represent a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. 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*, represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.

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. Leases

The City is a lessee for noncancellable leases of equipment. The City would recognize a lease liability and an intangible, right-to-use asset (the "lease asset") in the government-wide financial statements. The City's leases are immaterial and not recognized as a lease liability or a lease asset.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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 capital replacement 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 capital replacement 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 as defined by the City in the approved budget is the department level.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2022, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
External investment pools	$ 23,385,471	0.13
Certificates of deposit	217,863	0.21
Total Investments	$ 23,603,334	
Portfolio Weighted Average Maturity		0.15

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 investments in investment pools were rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the U.S. 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, 2022, the market values of pledged securities and FDIC coverage exceeded the City's bank balances.

<u>TexPool</u>

TexPool was established as a trust company with the Treasurer of the State 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.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at www.texasclass.com.

B. Receivables

The following comprises receivable balances at year end:

	General	Debt Service	Enterprise
Property taxes	$ 24,218	$ 4,609	$ -
Other taxes	267,707	-	-
Accounts	20,495	-	559,010
Less allowance	(7,472)	-	(27,201)
Total	$ 304,948	$ 4,609	$ 531,809

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	3,302,670	2,379,453	(4,770,540)	911,583
Total Capital Assets Not Being Depreciated	5,268,977	2,379,453	(4,770,540)	2,877,890
Other capital assets:				
Infrastructure	58,267,832	4,752,340	-	63,020,172
Buildings	8,281,188	53,846	-	8,335,034
Furniture and fixtures	2,247,010	79,492	-	2,326,502
Machinery and equipment	797,318	-	-	797,318
Vehicles	1,513,842	326,966	(311,967)	1,528,841
Total Other Capital Assets	71,107,190	5,212,644	(311,967)	76,007,867
Less accumulated depreciation for:				
Infrastructure	(30,632,449)	(1,575,566)	-	(32,208,015)
Buildings	(1,042,134)	(207,936)	-	(1,250,070)
Furniture and fixtures	(1,384,494)	(306,604)	-	(1,691,098)
Machinery and equipment	(678,307)	(30,452)	-	(708,759)
Vehicles	(1,047,388)	(241,409)	311,967	(976,830)
Total Accumulated Depreciation	(34,784,772)	(2,361,967)	311,967	(36,834,772)
Other capital assets, net	36,322,418	2,850,677	-	39,173,095
Governmental Activities Capital Assets, Net	$ 41,591,395	$ 5,230,130	$ (4,770,540)	42,050,985
		Less associated debt		(24,206,662)
		Unspent bond proceeds		10,323,220
		Net Investment in Capital Assets		$ 28,167,543

Depreciation was charged to governmental functions as follows:

General government	$ 344,306
Public safety	398,517
Public works	1,619,144
Total Governmental Activities Depreciation Expense	$ 2,361,967

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	3,292,406	789,375	(4,081,781)	-
Total Capital Assets Not Being Depreciated	3,297,613	789,375	(4,081,781)	5,207
Other capital assets:				
Building	44,708	-	-	44,708
Infrastructure	26,892	-	-	26,892
Water system	10,593,149	4,081,781	-	14,674,930
Sewer system	5,753,776	-	-	5,753,776
Vehicles	45,895	-	-	45,895
Machinery and equipment	226,635	-	-	226,635
Total Other Capital Assets	16,691,055	4,081,781	-	20,772,836
Less accumulated depreciation for:				
Building	(34,747)	(639)	-	(35,386)
Infrastructure	(9,411)	(672)	-	(10,083)
Water system	(6,314,161)	(609,897)	-	(6,924,058)
Sewer system	(2,973,002)	(171,256)	-	(3,144,258)
Vehicles	(45,894)	-	-	(45,894)
Machinery and equipment	(205,316)	(13,637)	-	(218,953)
Total Accumulated Depreciation	(9,582,531)	(796,101)	-	(10,378,632)
Other capital assets, net	7,108,524	3,285,680	-	10,394,204
Business-Type Activities Capital Assets, Net	$ 10,406,137	$ 4,075,055	$ (4,081,781)	10,399,411
		Less associated debt		(3,610,000)
		Net Investment in Capital Assets		$ 6,789,411

Depreciation was charged to business-type functions as follows:

Water	$ 611,208
Sewer	184,893
Total Business-Type Activities Depreciation Expense	$ 796,101

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	$ 10,335,000	$ -	$ (600,000)	$ 9,735,000 *	$ 620,000
Certificates of obligation, series 2019	6,130,000	-	(250,000)	5,880,000 *	260,000
Certificates of obligation, series 2020	8,130,000	-	(330,000)	7,800,000 *	345,000
Premiums	838,077	-	(46,415)	791,662 *	-
Net pension (asset)	(12,327)	-	(714,331)	(726,658)	-
Total OPEB liability	165,136	12,200	-	177,336	-
Compensated absences	218,007	109,112	(189,170)	137,949	124,154
Total Governmental Activities	$ 25,803,893	$ 121,312	$ (2,129,916)	$ 23,795,289	$ 1,349,154
Long-term liabilities due in more than one year				$ 22,446,135	
*** Debt associated with governmental activities capital assets**				$ 24,206,662	

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Direct borrowings/placements:					
Revenue bonds, series 2014	$ 1,740,000	$ -	$ (200,000)	$ 1,540,000 *	$ 205,000
Revenue bonds, series 2018	2,180,000	-	(110,000)	2,070,000 *	115,000
Net pension (asset)	(769)	-	(113,559)	(114,328)	-
Total OPEB liability	27,640	1,769	-	29,409	-
Compensated absences	5,383	14,881	(10,112)	10,152	9,137
Total Business-Type Activities	$ 3,952,254	$ 16,650	$ (433,671)	$ 3,535,233	$ 329,137
Long-term liabilities due in more than one year				$ 3,206,096	
*** Debt associated with business-type activities capital assets**				$ 3,610,000	

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	$ 9,735,000	2.00% - 3.89%	Feb 15, Aug 15
Certificates of Obligation			
Series 2019	5,880,000	3.00% - 4.00%	Feb 15, Aug 15
Series 2020	7,800,000	2.00% - 4.00%	Feb 15, Aug 15
Total Bonds and Certificates of Obligation	$ 23,415,000		

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	$ 1,540,000	2.63%	Feb 15, Aug 15
Series 2018	2,070,000	1.21% - 2.61%	Feb 15, Aug 15
Total Bonds	$ 3,610,000		

Pledged Revenues

The net revenue of the enterprise fund is for the payment of interest and principal on the outstanding revenue bonds, series 2014 and series 2018 (the "Revenue Bonds"). The Revenue Bonds were issued for the purpose of improving and extending the City's water and sanitary sewer system and are payable through 2038. The table below represents the pledged amount at September 30, 2022:

Gross Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service Requirement (3)	Revenue Bond Coverage (4)
$ 3,408,011	$ 2,525,274	$ 882,737	$ 404,433	2.18

(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, depreciation, bond interest, and fiscal charges.

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

(4) The 2014 and 2018 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
2023	$ 620,000	$ 289,219	$ 909,219
2024	640,000	270,319	910,319
2025	660,000	250,819	910,819
2026	680,000	230,719	910,719
2027	700,000	210,019	910,019
2028-2032	3,835,000	716,509	4,551,509
2033-2036	2,600,000	128,013	2,728,013
Total	$ 9,735,000	$ 2,095,617	$ 11,830,617

Fiscal Year Ending Sept. 30	Governmental Activities Certificates of Obligation Principal Due	Interest Due	Total Due
2023	$ 605,000	$ 370,513	$ 975,513
2024	625,000	349,463	974,463
2025	640,000	331,313	971,313
2026	660,000	308,913	968,913
2027	685,000	282,013	967,013
2028-2032	3,785,000	1,078,815	4,863,815
2033-2037	4,295,000	573,701	4,868,701
2038-2040	2,385,000	74,456	2,459,456
Total	$ 13,680,000	$ 3,369,187	$ 17,049,187

Fiscal Year Ending Sept. 30	Business-Type Activities Revenue Bonds (Direct Borrowings/Placements) Principal Due	Interest Due	Total Due
2023	$ 320,000	$ 84,433	$ 404,433
2024	325,000	77,305	402,305
2025	330,000	69,965	399,965
2026	340,000	62,401	402,401
2027	345,000	54,539	399,539
2028-2032	1,095,000	165,404	1,260,404
2033-2037	705,000	72,900	777,900
2038-2040	150,000	3,915	153,915
Total	$ 3,610,000	$ 590,862	$ 4,200,862

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds is 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
Internal service fund	General fund	$ 65,094
Capital improvements fund	General fund	307,278
Debt service fund	General fund	975,713
	Total	$ 1,348,085

The transfers out from the general fund are made to the capital replacement fund and capital improvements fund for capital replacement purchases and improvements. Transfers into the debt service fund from the general fund is for supplemental funds to assist with debt service payments.

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
Internal service fund	General fund	$ 300,000
General fund	Utility fund	622,218
Internal service fund	Utility fund	183,600
	Total	$ 1,105,818

F. Fund Equity

Funds restricted by enabling legislation are $272,326, which are related to municipal court security, child safety fees, and technology.

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 901 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS does not receive any funding from the State. TMRS issues a publicly available annual comprehensive 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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member contributions 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:

	2022	2021
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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to, but not yet receiving, benefits	33
Active employees	41
Total	111

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching ratios are either 1:1 (1 to 1), 1.5:1 (1½ to 1), or 2:1 (2 to 1), 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.67% and 6.33% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2022 were $225,186 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, 2021 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global public equity	35.0%	7.55%
Core fixed income	6.0%	2.00%
Non-core fixed income	20.0%	5.68%
Other public and private markets	12.0%	7.22%
Real estate	12.0%	6.85%
Hedge funds	5.0%	5.35%
Private equity	10.0%	10.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the TPL was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. 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 (A)	**Plan Fiduciary Net Net Position (B)**	**Net Pension Liability/(Asset) (A) - (B)**
Changes for the year:			
Service cost	$ 461,920	$ -	$ 461,920
Interest	839,156	-	839,156
Changes in current period benefits	-	-	-
Difference between expected and actual experience	3,249	-	3,249
Changes in assumptions	-	-	-
Contributions - employer	-	244,896	(244,896)
Contributions - employee	-	257,030	(257,030)
Net investment income	-	1,637,818	(1,637,818)
Benefit payments, including refunds of employee contributions	(709,349)	(709,349)	-
Administrative expense	-	(7,581)	7,581
Other changes	-	52	(52)
Net Changes	594,976	1,422,866	(827,890)
Balance at December 31, 2020	12,555,660	12,568,756	(13,096)
Balance at December 31, 2021	$ 13,150,636	$ 13,991,622	$ (840,986)

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 one percentage point lower (5.75%) or one percentage point 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)	$ 754,132	$ (840,986)	$ (2,172,442)

Pension Plan Fiduciary Net Position

Detailed information about the TMRS 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, 2022, the City recognized pension income of $68,859.

At September 30, 2022, 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	$ 27,293	$ -
Changes in actuarial assumptions	11,982	-
Difference between projected and actual investment earnings	-	841,768
Contributions subsequent to the measurement date	163,657	-
Total	$ 202,932	$ 841,768

$163,657 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a decrease to the NPL/(A) for the fiscal year ending September 30, 2023. 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
2023	$ (113,520)
2024	(353,929)
2025	(177,161)
2026	(157,883)
Thereafter	-
Total	$ (802,493)

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 GASB 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 SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

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, 2021 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to, but not yet receiving, benefits	9
Active employees	41
Total	76

Total OPEB Liability

The City's total OPEB liability of $206,745 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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 11.50% including inflation
Discount rate*	1.84%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 rates as determined in the December 31, 2021 actuarial valuation.

Changes in the Total OPEB Liability

		Total OPEB Liability
Changes for the year:		
Service cost	$	6,977
Interest		3,889
Difference between expected and actual experience		496
Changes of assumptions		6,279
Benefit payments		(3,672)
Net Changes		13,969
Balance at December 31, 2020		192,776
Balance at December 31, 2021	$	206,745

* Benefit payments are treated as being equal to the employer's yearly contribution for retirees due to the SDBF being considered an unfunded OPEB plan under GASB 75.

The discount rate decreased from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. There were no other 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 (0.84%)	Discount Rate (1.84%)	1% Increase (2.84%)
City's Total OPEB Liability	$ 252,591	$ 206,745	$ 171,565

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

For the year ended September 30, 2022, the City recognized OPEB expense of $19,693. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 849	$ 4,285
Changes in actuarial assumptions	34,731	2,356
Contributions subsequent to the measurement date	2,532	-
Total	$ 38,112	$ 6,641

$2,532 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, 2023.

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

Fiscal Year Ended September 30	OPEB Expense
2023	$ 7,761
2024	8,765
2025	9,753
2026	2,340
2027	320
Thereafter	-
Total	$ 28,939

E. Revenue Allocation Agreement

Effective October 1, 2014, the City entered into an amended Congestion Mitigation/Traffic Management Agreement (the "Agreement") with Metropolitan Transit Authority of Harris County, Texas (METRO), which continues through December 31, 2025, unless terminated earlier per the provisions of the Agreement. In December 2019, the Agreement was extended through September 30, 2040, 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, 2021, 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	$ 9,406,192	$ 1,352,352	$ 1,528,506	$ 219,757
Total liabilities and deferred inflows	2,650,595	1,028,760	430,721	167,174
Total Participants' Equity	$ 6,755,597	$ 323,592	$ 1,097,785	$ 52,583
	Change in Net Position	**Revenues and Expenditures**	**Change in Net Position**	**Revenues and Expenditures**
Total revenues	$ 7,256,985	$ 7,254,685	$ 1,179,260	$ 1,178,886
Total expenditures/expenses	7,320,554	10,792,826	1,189,590	1,753,834
Revenues over expenditures/expenses	(63,569)	(3,538,141)	(10,330)	(574,948)
Other financing sources (uses)	-	2,300	-	374
Beginning participants' equity	6,819,166	3,859,433	1,108,115	627,157
Ending Participants' Equity	$ 6,755,597	$ 323,592	$ 1,097,785	$ 52,583

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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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 4,490,071	$ 4,725,871	$ 4,731,301	$ 5,430
Sales taxes	1,481,000	1,718,000	1,748,586	30,586
Franchise fees	321,600	310,600	296,152	(14,448)
Fines and forfeitures	514,300	663,150	770,327	107,177
Licenses and permits	320,550	500,470	501,273	803
Charges for services	310,000	339,000	339,670	670
Hilshire police contract	558,142	558,142	558,142	-
Investment income	3,600	71,600	76,715	5,115
Intergovernmental	738,500	936,641	945,930	9,289
Other	169,232	249,029	148,840	(100,189)
Total Revenues	8,906,995	10,072,503	10,116,936	44,433
Expenditures				
General government				
Mayor and council	6,900	6,900	4,394	2,506
General government	1,070,793	1,088,764	980,941	107,823
Contractual and city-wide	829,664	853,764	817,052	36,712
Municipal court	353,775	374,775	337,331	37,444
Parks and recreation	90,128	75,628	67,611	8,017
Total general government	2,351,260	2,399,831	2,207,329	192,502
Public safety				
Police	3,723,832	3,756,332	3,650,680	105,652
Fire	1,194,525	1,303,321	1,303,293	28
Total public safety	4,918,357	5,059,653	4,953,973	105,680
Public works				
Streets and drainage	549,620	579,780	504,726	75,054
Capital outlay	46,388	46,388	46,388	-
Total Expenditures	7,865,625	8,085,652	7,712,416	373,236
Excess of Revenues Over Expenditures	1,041,370	1,986,851	2,404,520	417,669
Other Financing Sources (Uses)				
Transfers (out)	(1,348,085)	(1,348,085)	(1,348,085)	-
Sale of capital assets	-	1,300	1,363	63
Total Other Financing (Uses)	(1,348,085)	(1,346,785)	(1,346,722)	63
Net Change in Fund Balance	$ (306,715)	$ 640,066	1,057,798	$ 417,732
Beginning fund balance			8,610,706	
Ending Fund Balance			$ 9,668,504	

Notes to Required Supplementary Information:

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

City of Spring Valley Village, Texas

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

For the Year Ended September 30, 2022

	Measurement Year*			
	2021	**2020**	**2019**	**2018**
Total Pension Liability				
Service cost	$ 461,920	$ 485,599	$ 400,723	$ 366,289
Interest (on the total pension liability)	839,156	800,516	758,269	730,507
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	3,249	13,241	69,979	(81,620)
Change of assumptions	-	-	44,082	-
Benefit payments, including refunds of employee contributions	(709,349)	(720,797)	(658,397)	(583,816)
Net Change in Total Pension Liability	594,976	578,559	614,656	431,360
Beginning total pension liability	12,555,660	11,977,101	11,362,445	10,931,085
Ending Total Pension Liability	$ 13,150,636	$ 12,555,660	$ 11,977,101	$ 11,362,445
Plan Fiduciary Net Position				
Contributions - employer	$ 244,896	$ 263,383	$ 209,961	$ 201,221
Contributions - employee	257,030	266,813	213,313	196,176
Net investment income	1,637,818	900,238	1,621,083	(329,801)
Benefit payments, including refunds of employee contributions	(709,349)	(720,797)	(658,397)	(583,816)
Administrative expense	(7,581)	(5,828)	(9,162)	(6,375)
Other	52	(229)	(276)	(333)
Net Change in Plan Fiduciary Net Position	1,422,866	703,580	1,376,522	(522,928)
Beginning plan fiduciary net position	12,568,756	11,865,176	10,488,654	11,011,582
Ending Plan Fiduciary Net Position	$ 13,991,622	$ 12,568,756	$ 11,865,176	$ 10,488,654
Net Pension Liability/(Asset)	$ (840,986)	$ (13,096)	$ 111,925	$ 873,791
Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)	106.40%	100.10%	99.07%	92.31%
Covered Payroll	$ 3,671,861	$ 3,811,611	$ 3,047,322	$ 2,802,521
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	(22.9%)	(0.34%)	3.67%	31.18%

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

Measurement Year*			
2017	2016	2015	2014
$ 355,629	$ 345,789	$ 317,389	$ 262,594
698,883	675,456	647,576	612,560
-	-	-	-
(10,553)	(69,514)	(239)	(49,336)
-	-	275,713	-
(577,758)	(641,405)	(356,533)	(349,425)
466,191	310,326	883,906	476,393
10,464,894	10,154,568	9,270,662	8,794,269
$ 10,931,085	$ 10,464,894	$ 10,154,568	$ 9,270,662
$ 201,756	$ 155,593	$ 164,572	$ 168,939
188,306	179,431	175,076	161,113
1,364,168	643,013	14,056	516,782
(577,768)	(641,405)	(356,533)	(349,425)
(7,070)	(7,261)	(8,561)	(5,396)
(358)	(391)	(423)	(444)
1,169,034	328,980	(11,813)	491,569
9,842,548	9,513,568	9,525,381	9,033,812
$ 11,011,582	$ 9,842,548	$ 9,513,568	$ 9,525,381
$ (80,497)	$ 622,346	$ 641,000	$ (254,719)
100.74%	94.05%	93.69%	102.75%
$ 2,690,083	$ 2,563,301	$ 2,501,093	$ 2,301,618
(2.99%)	24.28%	25.63%	(11.07%)

City of Spring Valley Village, Texas

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2022

	Fiscal Year*			
	2022	**2021**	**2020**	**2019**
Actuarially determined contribution	$ 225,186	$ 246,762	$ 248,998	$ 209,511
Contributions in relation to the actuarially determined contribution	225,186	246,762	248,998	209,511
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 3,454,916	$ 3,666,577	$ 3,605,526	$ 3,012,340
Contributions as a percentage of covered payroll	6.52%	6.73%	6.91%	6.96%

*Only nine years of information is currently available. The City will build this schedule over the next one-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	24 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.
Mortality	Post-retirement 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

There were no benefit changes during the year.

Fiscal Year*									
2018		2017		2016		2015		2014	
$	195,848	$	194,112	$	167,012	$	164,572	$	168,939
	195,848		194,112		167,012		164,572		168,939
$	-	$	-	$	-	$	-	$	-
$	2,711,205	$	2,691,643	$	2,690,588	$	2,501,093	$	2,301,618
	7.22%		7.21%		6.21%		6.58%		7.34%

City of Spring Valley Village, Texas

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2022

	Measurement Year*			
	2021	**2020**	**2019**	**2018**
Total OPEB Liability				
Service cost	$ 6,977	$ 6,861	$ 5,180	$ 5,325
Interest (on the total OPEB liability)	3,889	4,474	4,678	4,506
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	496	(2,720)	913	(9,783)
Change of assumptions	6,279	25,654	26,362	(8,848)
Benefit payments**	(3,672)	(1,525)	(1,219)	(1,121)
Net Change in Total OPEB Liability	13,969	32,744	35,914	(9,921)
Beginning total OPEB liability	192,776	160,032	124,118	134,039
Ending Total OPEB Liability	$ 206,745	$ 192,776	$ 160,032	$ 124,118
Covered-Employee Payroll	$ 3,671,861	$ 3,811,611	$ 3,047,322	$ 2,802,521
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.63%	5.06%	5.25%	4.43%

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

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
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 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, 2021.

There were no benefit changes during the year.

Measurement Year*
2017
$ 4,573
4,429
-
-
10,568
(807)
18,763
115,276
$ 134,039
$ 2,690,083
4.98%

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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, 2022

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 911,069	$ 893,769	$ 894,434	$ 665
Total Revenues	911,069	893,769	894,434	665
Expenditures				
Principal	1,180,000	1,180,000	1,180,000	-
Interest and fiscal charges	706,731	713,781	703,981	9,800
Total Expenditures	1,886,731	1,893,781	1,883,981	9,800
(Deficiency) of Revenues (Under) Expenditures	(975,662)	(1,000,012)	(989,547)	(10,465)
Other Financing Sources (Uses)				
Transfers in	975,713	975,713	975,713	-
Total Other Financing Sources	975,713	975,713	975,713	-
Net Change in Fund Balance	$ 51	$ (24,299)	(13,834)	$ (10,465)
Beginning fund balance			17,076	
Ending Fund Balance			$ 3,242	

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STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

Contents **Page**

Financial Trends 88

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 98

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

Debt Capacity 106

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 117

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 121

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Spring Valley Village, Texas

NET POSITION BY COMPONENT

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Governmental Activities				
Net investment in capital assets	$ 25,437,372	$ 24,859,774	$ 25,354,855	$ 26,621,889
Restricted	121,848	150,437	154,588	160,271
Unrestricted	5,065,577	7,973,362	9,970,921	9,662,867
Total Governmental Activities Net Position	$ 30,624,797	$ 32,983,573	$ 35,480,364	$ 36,445,027
Business-Type Activities				
Net investment in capital assets	$ 7,201,090	$ 7,484,141	$ 6,429,975	$ 6,446,443
Restricted	-	1,612,394	1,004,614	965,480
Unrestricted	(259,161)	(2,241,483)	(963,461)	(1,042,151)
Total Business-Type Activities Net Position	$ 6,941,929	$ 6,855,052	$ 6,471,128	$ 6,369,772
Primary Government				
Net investment in capital assets	$ 32,638,462	$ 32,343,915	$ 31,784,830	$ 33,068,332
Restricted	121,848	150,437	1,159,202	1,125,751
Unrestricted	4,806,416	5,731,879	9,007,460	8,620,716
Total Primary Government Net Position	$ 37,566,726	$ 38,226,231	$ 41,951,492	$ 42,814,799

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 28,189,939	$ 28,879,559	$ 28,275,487	$ 27,155,714	$ 27,370,964	$ 28,167,543
4,924,112	4,371,682	4,468,641	5,317,098	4,881,810	4,034,410
4,707,722	5,985,685	6,357,435	6,663,926	7,570,569	8,032,938
$ 37,821,773	$ 39,236,926	$ 39,101,563	$ 39,136,738	$ 39,823,343	$ 40,234,891
$ 5,764,333	$ 5,057,352	$ 8,641,742	$ 7,974,574	$ 6,643,637	$ 6,789,411
871,778	331,411	443,928	358,408	358,408	358,408
(328,932)	1,213,688	(1,599,244)	(795,570)	438,214	977,137
$ 6,307,179	$ 6,602,451	$ 7,486,426	$ 7,537,412	$ 7,440,259	$ 8,124,956
$ 33,954,272	$ 33,936,911	$ 36,917,229	$ 35,130,288	$ 34,014,601	$ 34,956,954
5,795,890	4,703,093	4,912,569	5,675,506	5,240,218	4,392,818
4,378,790	6,157,050	4,758,191	5,868,356	8,008,783	9,010,075
$ 44,128,952	$ 45,839,377	$ 46,587,989	$ 46,674,150	$ 47,263,602	$ 48,359,847

City of Spring Valley Village, Texas

CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	$ 1,590,735	$ 1,320,245	$ 1,247,843	$ 800,723
Public safety	2,648,646	2,738,631	3,036,137	3,880,246
Public works	1,153,278	1,278,240	1,354,685	1,906,985
Interest and fiscal agent fees	-	-	337,430	432,200
Total Governmental Activities Expenses	5,392,659	5,337,116	5,976,095	7,020,154
Business-Type activities				
Water and sewer	2,675,934	2,658,992	2,614,157	2,848,278
Total Business-Type Activities Expenses	2,675,934	2,658,992	2,614,157	2,848,278
Total Expenses	$ 8,068,593	$ 7,996,108	$ 8,590,252	$ 9,868,432
Program Revenues				
Governmental activities				
Charges for services				
General government	$ 236,953	$ 214,713	$ 397,023	$ 265,706
Public safety	800,772	1,127,801	1,133,967	938,409
Operating grants and contributions	154,000	154,000	438,493	661,046
Total Governmental Activities Program Revenues	1,191,725	1,496,514	1,969,483	1,865,161
Business-Type activities				
Charges for services				
Water and sewer	2,859,499	2,730,542	2,708,075	2,720,856
Total Business-Type Activities Program Revenues	2,859,499	2,730,542	2,708,075	2,720,856
Total Program Revenues	$ 4,051,224	$ 4,227,056	$ 4,677,558	$ 4,586,017
Net (Expense)/Revenue				
Governmental activities	$ (4,200,934)	$ (3,840,602)	$ (4,006,612)	$ (5,154,993)
Business-type activities	183,565	71,550	93,918	(127,422)
Total Net Expense	$ (4,017,369)	$ (3,769,052)	$ (3,912,694)	$ (5,282,415)

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 903,011	$ 1,726,894	$ 2,144,920	$ 2,449,914	$ 2,449,914	$ 2,373,042
3,922,109	3,992,287	4,880,263	5,159,269	5,159,269	4,786,732
1,818,890	1,730,944	1,846,313	1,912,521	1,912,521	2,262,530
307,683	350,842	590,374	656,102	656,102	652,416
6,951,693	7,800,967	9,461,870	10,177,806	10,177,806	10,074,720
3,058,370	2,795,072	2,982,655	3,121,559	3,121,559	3,430,812
3,058,370	2,795,072	2,982,655	3,121,559	3,121,559	3,430,812
$ 10,010,063	$ 10,596,039	$ 12,444,525	$ 13,299,365	$ 13,299,365	$ 13,505,532
$ 260,442	$ 196,591	$ 680,365	$ 613,189	$ 613,189	$ 840,943
880,102	1,193,648	1,086,534	830,901	830,901	1,328,469
620,005	702,846	746,199	754,729	754,729	945,930
1,760,549	2,093,085	2,513,098	2,198,819	2,198,819	3,115,342
2,940,857	3,069,771	2,676,454	2,966,158	2,966,158	3,330,052
2,940,857	3,069,771	2,676,454	2,966,158	2,966,158	3,330,052
$ 4,701,406	$ 5,162,856	$ 5,189,552	$ 5,164,977	$ 5,164,977	$ 6,445,394
$ (5,191,144)	$ (5,707,882)	$ (6,948,772)	$ (7,978,987)	$ (7,978,987)	$ (6,959,378)
(117,512)	274,699	(306,201)	(155,401)	(155,401)	(100,760)
$ (5,308,657)	$ (5,433,183)	$ (7,254,973)	$ (8,134,388)	$ (8,134,388)	$ (7,060,138)

City of Spring Valley Village, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes	$ 3,812,544	$ 3,904,606	$ 4,245,518	$ 4,402,210
Sales taxes	1,082,352	1,106,384	1,191,356	1,197,292
Franchise fees	357,602	331,764	339,321	353,381
Investment income	19,163	19,659	21,502	30,566
Other	111,057	132,760	136,451	136,207
Transfers	315,000	676,025	75,000	-
Total Governmental Activities	5,697,718	6,171,198	6,009,148	6,119,656
Business-type activities				
Other	21,285	23,343	89	26,066
Transfers	(315,000)	(676,025)	(75,000)	-
Total Business-Type Activities	(293,715)	(652,682)	(74,911)	26,066
Total Primary Government	$ 5,404,003	$ 5,518,516	$ 5,934,237	$ 6,145,722
Change in Net Position				
Governmental activities	$ 1,496,784	$ 2,330,596	$ 2,002,536	$ 964,663
Business-type activities	(110,150)	(581,132)	19,007	(101,356)
Total Change in Net Position	$ 1,386,634	$ 1,749,464	$ 2,021,543	$ 863,307

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 4,693,922	$ 5,142,514	$ 5,171,426	$ 5,569,072	$ 5,519,222	$ 5,625,596
1,262,647	1,430,561	1,535,394	1,482,145	1,598,465	1,748,586
339,607	326,582	370,171	323,537	309,282	296,152
57,565	124,225	320,856	147,746	22,291	164,499
214,149	196,729	272,109	641,662	176,230	243,591
-	-	(1,095,543)	(150,000)	183,600	(707,498)
6,567,890	7,220,611	6,574,413	8,014,162	7,809,090	7,370,926
54,920	32,694	55,498	56,387	34,117	77,959
-	-	1,095,543	150,000	(183,600)	707,498
54,920	32,694	1,151,041	206,387	(149,483)	785,457
$ 6,622,810	$ 7,253,305	$ 7,725,454	$ 8,220,549	$ 7,659,607	$ 8,156,383
$ 1,376,746	$ 1,512,729	$ (374,359)	$ 35,175	$ 686,605	$ 411,548
(62,593)	307,393	844,840	50,986	(97,153)	684,697
$ 1,314,153	$ 1,820,122	$ 470,481	$ 86,161	$ 589,452	$ 1,096,245

City of Spring Valley Village, Texas

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
General Fund				
Nonspendable	$ 385	$ 870	$ 870	$ 870
Restricted	121,848	122,257	121,659	124,264
Assigned	359,267	359,267	359,267	359,267
Unassigned	3,550,699	4,004,162	4,926,770	5,619,702
Total General Fund	$ 4,032,199	$ 4,486,556	$ 5,408,566	$ 6,104,103
All Other Governmental Funds				
Restricted	$ -	$ -	$ 13,135,970	$ 9,132,618
Assigned	1,321,366	-	3,112,942	2,093,010
Unassigned	-	-	-	(882)
Total All Other Governmental Funds	$ 1,321,366	$ -	$ 16,248,912	$ 11,224,746

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 1,203	$ 11,938	$ 13,570	$ 14,928	$ 13,991	$ 2,061
128,097	137,075	148,524	156,369	272,811	277,295
359,267	359,267	359,267	359,267	359,267	2,966,626
6,524,412	6,957,672	7,585,594	7,334,255	7,964,637	6,422,522
$ 7,012,979	$ 7,465,952	$ 8,106,955	$ 7,864,819	$ 8,610,706	$ 9,668,504
$ 16,105	$ 22,733	$ 5,798,882	$ 13,086,398	$ 11,302,627	$ 10,424,011
527,158	1,580,379	1,647,478	2,458,467	1,887,523	689,698
177,707	4,792	(25,842)	-	-	-
$ 720,970	$ 1,607,904	$ 7,420,518	$ 15,544,865	$ 13,190,150	$ 11,113,709

City of Spring Valley Village, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Revenues				
Property taxes	$ 3,792,043	$ 3,936,160	$ 4,159,264	$ 4,508,707
Sales taxes	1,082,352	1,106,384	1,191,356	1,197,292
Franchise fees	357,602	331,764	339,321	353,381
Fines and forfeitures	470,225	772,834	752,084	540,494
Licenses and permits	236,953	214,713	397,023	265,706
Charges for services	-	-	-	-
Hilshire police contract	330,547	354,967	381,883	397,915
Investment income	19,163	19,659	21,502	30,566
Intergovernmental	154,000	154,000	438,493	661,046
Other	111,057	132,760	132,090	136,439
Total Revenues	6,553,942	7,023,241	7,813,016	8,091,546
Expenditures				
General government	1,262,101	1,355,108	1,337,875	1,287,658
Public safety	2,886,525	3,002,128	3,201,065	3,397,221
Public works	181,440	262,499	286,142	393,737
Capital outlay	3,269,594	439,623	2,114,494	6,288,546
Debt service:				
Bond issuance costs	-	-	104,614	-
Principal	-	-	-	400,000
Interest	-	-	-	524,336
Total Expenditures	7,599,660	5,059,358	7,044,190	12,291,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,045,718)	1,963,883	768,826	(4,199,952)
Other Financing Sources (Uses)				
Issuance of debt	-	-	13,475,000	-
Premium on debt	-	-	134,363	-
Sale of capital assets	-	84,352	5,310	4,320
Transfers in	2,065,000	1,930,766	2,217,000	1,250,000
Transfers out	(1,750,000)	(2,161,767)	(2,142,000)	(1,382,997)
Total Other Financing Sources (Uses)	315,000	(146,649)	13,689,673	(128,677)
Net Change in Fund Balances	$ (730,718)	$ 1,817,234	$ 14,458,499	$ (4,328,629)
Debt service as a percentage of noncapital expenditures	-	-	-	15.01%

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 4,690,696	$ 5,128,547	$ 5,152,045	$ 5,583,501	$ 5,539,717	$ 5,625,735
1,262,647	1,430,561	1,535,394	1,482,145	1,598,465	1,748,586
339,607	326,582	370,171	323,537	309,282	296,152
460,809	745,884	615,636	329,056	724,302	770,327
260,442	196,591	355,933	291,765	583,611	501,273
-	-	324,432	321,424	323,673	339,670
419,293	447,764	470,898	501,845	522,030	558,142
57,565	124,225	320,856	147,746	22,291	164,499
620,005	702,846	746,199	754,729	787,015	945,930
231,811	108,408	136,900	525,754	204,326	176,368
8,342,875	9,211,408	10,028,464	10,261,502	10,614,712	11,126,682
1,427,121	1,509,517	1,849,486	2,076,786	2,082,839	2,207,329
3,405,232	3,653,799	4,199,438	4,773,027	4,881,359	4,956,857
305,642	314,546	426,402	427,879	482,352	504,726
11,414,618	2,060,288	2,117,640	1,673,865	3,142,816	2,528,701
-	-	-	-	-	-
510,000	530,000	550,000	795,000	825,000	1,180,000
399,819	379,019	581,801	675,582	744,246	703,981
17,462,432	8,447,169	9,724,767	10,422,139	12,158,612	12,081,594
(9,119,557)	764,239	303,697	(160,637)	(1,543,900)	(954,912)
-	-	6,600,000	8,130,000	-	-
-	-	248,176	592,176	-	-
751	35,093	7,200	-	-	1,363
2,335,849	1,524,042	988,432	1,565,022	1,245,622	1,282,991
(2,192,011)	(1,603,399)	(1,932,884)	(2,244,350)	(1,310,550)	(1,348,085)
144,589	(44,264)	5,910,924	8,042,848	(64,928)	(63,731)
$ (8,974,968)	$ 719,975	$ 6,214,621	$ 7,882,211	$ (1,608,828)	$ (1,018,643)
16.96%	13.06%	14.65%	16.83%	17.82%	20.35%

City of Spring Valley Village, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Residential	$ 749,621,556	$ 816,582,662	$ 938,839,232	$ 1,057,666,553
Vacant	16,340,891	16,982,310	23,119,734	22,897,005
Commercial and industrial	50,298,328	54,623,908	71,949,422	69,321,629
Utilities	10,776,364	10,542,288	4,250,555	10,289,952
Real properties	23,043,294	23,360,586	8,625	25,945,101
Governmental and charities	114,503,217	117,469,367	138,803,675	147,694,988
Total assessed value (1)	964,583,650	1,039,561,121	1,176,971,243	1,333,815,228
Less: Tax exempt property	(261,606,047)	(280,032,062)	(312,592,100)	(355,139,172)
Total Taxable Assessed Valuation	$ 702,977,603	$ 759,529,059	$ 864,379,143	$ 978,676,056
Taxable value as a percentage of assessed value	73%	73%	73%	73%
Total tax rate	$ 0.512843	$ 0.487843	$ 0.450000	$ 0.433500

Source: Tax department of the Spring Branch ISD.

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 1,147,232,344	$ 1,234,212,313	$ 1,286,137,521	$ 1,350,215,949	$ 1,358,399,591	$ 1,413,884,368
20,219,114	26,911,668	20,302,787	18,605,776	17,435,331	22,323,694
104,087,202	127,616,169	120,709,222	149,066,674	144,410,918	143,156,737
11,484,003	11,433,668	11,602,774	12,076,421	11,973,084	8,864,324
23,553,054	22,199,610	25,674,830	38,620,266	32,374,130	40,480,943
151,935,233	155,927,423	159,391,800	165,193,713	164,423,885	164,062,405
1,458,510,950	1,578,300,851	1,623,818,934	1,733,778,799	1,729,016,939	1,792,772,471
(373,888,856)	(392,449,852)	(404,345,840)	(420,239,552)	(424,272,036)	(437,601,841)
$ 1,084,622,094	$ 1,185,850,999	$ 1,219,473,094	$ 1,313,539,247	$ 1,304,744,903	$ 1,355,170,630
74%	75%	75%	76%	75%	76%
$ 0.433500	$ 0.430000	$ 0.430000	$ 0.425000	$ 0.425000	$ 0.415000

City of Spring Valley Village, Texas
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
City of Spring Valley Village:				
Operating tax rate	$ 0.539760	$ 0.512843	$ 0.487843	$ 0.356160
Debt service tax rate	-	-	-	0.093840
Total Direct Rates	$ 0.539760	$ 0.512843	$ 0.487843	$ 0.450000
Spring Branch Independent School District	$ 1.394500	$ 1.394500	$ 1.394500	$ 1.394500
Harris County	0.414550	0.414550	0.417310	0.419230
Harris County Flood Control	0.028270	0.028270	0.027360	0.027330
Port of Houston Authority	0.017160	0.017160	0.015310	0.013420
Harris County Hospital District	0.170000	0.170000	0.170000	0.170000
Harris County Education Department	0.006360	0.006358	0.005999	0.005422
Total Overlapping Rates	$ 2.030840	$ 2.030838	$ 2.030479	$ 2.029902
Total Direct and Overlapping Rates	$ 2.570600	$ 2.543681	$ 2.518322	$ 2.479902

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

Source: Tax department records of the various governments.

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 0.350711	$ 0.354641	$ 0.356274	$ 0.3558890	$ 0.3557150	$ 0.3490080
0.082789	0.078859	0.073726	0.0691110	0.0692850	0.0659920
$ 0.433500	$ 0.433500	$ 0.430000	$ 0.4250000	$ 0.4250000	$ 0.4150000
$ 1.394500	$ 1.394500	$ 1.394500	$ 1.307300	$ 1.307300	$ 1.268800
0.416560	0.418010	0.418580	0.391160	0.391160	0.343730
0.028290	0.028290	0.028770	0.031420	0.314200	0.030550
0.013340	0.013340	0.011550	0.009910	0.009100	0.007990
0.171790	0.171900	0.171080	0.166710	0.166710	0.148310
0.005200	0.005200	0.005190	0.004199	0.004993	0.004900
$ 2.029680	$ 2.031240	$ 2.029670	$ 1.910699	$ 2.193463	$ 1.804280
$ 2.463180	$ 2.464740	$ 2.459670	$ 2.335699	$ 2.618463	$ 2.219280

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City of Spring Valley Village, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2022			2013		
Property Taxpayer	**Taxable Assessed Valuation**	**Rank**	**% of Total Assessed Valuation**	**Taxable Assessed Valuation**	**Rank**	**% of Total Assessed Valuation**
SV Physician Properties I LP	$ 33,728,660	1	2.49%	$ -	-	-
Campbell Project Partners LLC	27,786,066	2	2.05%	-	-	-
HD Development Properties	23,209,803	3	1.71%	13,358,139	2	16.89%
Ten Voss Ltd	18,557,495	4	1.37%	29,854,588	1	37.75%
Spring Valley One Center Ltd	16,257,162	5	1.20%	-	-	-
Memorial Design Center Ltd	13,299,375	6	0.98%	-	-	-
Managed Rehabilitation Inc	8,283,433	7	0.61%	6,294,392	5	7.96%
Stream Wellington MOB LLC	6,667,560	8	0.49%	4,410,450	6	5.58%
Home Depot	5,812,669	9	0.43%	-	-	-
Southwestern Bell	5,392,102	10	0.40%	8,280,703	3	10.47%
Audrey Baker Friedman Trust	-	-	-	8,003,194	4	10.12%
Campbell I10 Ltd	-	-	-	3,125,008	7	3.95%
Spring Valley Memorial Realty	-	-	-	2,100,000	8	2.66%
Katy Freeway 9234 Ltd	-	-	-	2,015,310	9	2.55%
Baker O N	-	-	-	1,634,730	10	2.07%
Subtotal	158,994,325		11.73%	79,076,514		11.25%
Other Taxpayers	1,196,176,305		88.27%	623,901,089		88.75%
Total (1)	$ 1,355,170,630		100.00%	$ 702,977,603		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

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collected	Total Collections to Date	
				Amount Collected	Percentage of Levy	Amount Collected	Amount Collected	Percentage of Levy
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%
2019	2018	$ 0.430000	$ 5,243,735	$ 5,215,475	99.46%	$ (85,502)	$ 5,129,973	97.83%
2020	2019	$ 0.425000	$ 5,562,742	$ 5,533,075	99.47%	$ 16,257	$ 5,549,332	99.76%
2021	2020	$ 0.425000	$ 5,531,366	$ 5,517,117	99.74%	$ (6,482)	$ 5,510,635	99.63%
2022	2021	$ 0.415000	$ 5,658,344	$ 5,646,933	99.80%	$ (40,931)	$ 5,606,002	99.07%

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			
	2013	**2014**	**2015**	**2016**
Governmental Activities:				
General obligation bonds	$ -	$ -	$ 13,602,965	$ 13,196,567
Certificates of obligation	-	-	-	-
Issuance discounts/premiums	-	-	376,141	369,743
Subtotal	-	-	13,979,106	13,566,310
Business-Type Activities:				
Revenue bonds	-	3,000,000	2,835,000	2,665,000
Subtotal	-	3,000,000	2,835,000	2,665,000
Government-Wide:				
Revenue bonds	-	3,000,000	2,835,000	2,665,000
General obligation bonds	-	-	13,602,965	13,196,567
Certificates of obligation	-	-	-	-
Total Government-Wide	$ -	$ 3,000,000	$ 16,437,965	$ 15,861,567
Estimated Full Property Value	$ 964,583,650	$ 1,039,561,121	$ 1,176,971,243	$ 1,333,815,228
Percentage of Full Property Value:				
Government-wide	-	-	-	1.19%
Population	3,852	4,013	4,142	4,191
Debt Per Capita:				
Governmental activities	$ -	$ -	$ 3,290	$ 3,149
Government-wide	$ -	$ 748	$ 3,975	$ 3,785

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

Fiscal Year					
2017	**2018**	**2019**	**2020**	**2021**	**2022**
$ 12,680,169	$ 12,143,771	$ 11,485,000	$ 10,920,000	$ 10,335,000	$ 9,735,000
-	-	6,600,000	14,500,000	14,260,000	13,680,000
363,345	356,947	338,731	884,492	838,077	791,662
13,043,514	12,500,718	18,423,731	26,304,492	25,433,077	24,206,662
2,490,000	2,310,000	4,525,000	4,225,000	3,920,000	3,610,000
2,490,000	2,310,000	4,525,000	4,225,000	3,920,000	3,610,000
2,490,000	2,310,000	4,525,000	4,225,000	3,920,000	3,610,000
12,680,169	12,143,771	11,485,000	10,920,000	10,335,000	9,735,000
-	-	6,600,000	14,500,000	14,260,000	13,680,000
$ 15,170,169	$ 14,453,771	$ 22,610,000	$ 29,645,000	$ 28,515,000	$ 27,025,000
$ 1,458,510,950	$ 1,578,300,851	$ 1,623,818,934	$ 1,733,778,799	$ 1,729,016,939	$ 1,792,772,471
1.04%	0.92%	1.39%	1.71%	1.65%	1.51%
4,328	4,336	4,333	4,239	4,282	4,204
$ 2,930	$ 2,801	$ 4,174	$ 6,205	$ 6,015	$ 5,758
$ 3,505	$ 3,333	$ 5,218	$ 6,993	$ 6,744	$ 6,428

City of Spring Valley Village, Texas

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Estimated Actual Taxable Value of Property	$ 702,977,603	$ 759,529,059	$ 864,379,143	$ 978,676,056
Net Bonded Debt				
Gross bonded debt	$ -	$ -	$ 13,602,965	$ 13,196,567
Total	$ -	$ -	$ 13,602,965	$ 13,196,567
Percentage of Estimated Actual Taxable Value of Property	-	-	-	1.35%
Population	3,852	4,013	4,142	4,191
Per Capita	$ -	$ -	$ -	$ 3,149

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 1,084,622,094	$ 1,185,850,999	$ 1,219,473,094	$ 1,313,539,247	$ 1,304,744,903	$ 1,355,170,630
$ 12,680,169	$ 12,143,771	$ 18,085,000	$ 25,420,000	$ 24,595,000	$ 23,415,000
$ 12,680,169	$ 12,143,771	$ 18,085,000	$ 25,420,000	$ 24,595,000	$ 23,415,000
1.17%	1.02%	1.48%	1.94%	1.89%	1.73%
4,328	4,336	4,333	4,239	4,282	4,204
$ 2,930	$ 2,801	$ 4,174	$ 5,997	$ 5,744	$ 5,570

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City of Spring Valley Village, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2022

Government Unit	**Net Debt Outstanding**	**Estimated Percentage Applicable***	**Estimated Share of Overlapping Debt**
Spring Branch Independent School District	$ 795,815,000	3.92%	$ 32,628,415
Harris County	$ 1,863,542,125	0.27%	5,590,626
Harris County Flood Control District	$ 807,875,000	0.27%	2,423,625
Harris County Hospital District	$ 76,385,000	0.27%	229,155
Harris County Department of Education	$ 20,185,000	0.27%	60,555
Port of Houston Authority	$ 469,434,397	0.27%	1,408,303
Subtotal, overlapping debt			42,340,679
City Direct Debt	$ 23,415,000	100.00%	23,415,000
Total Direct and Overlapping Debt			$ 65,755,679

Source: Municipal Advisory Council of Texas

* The "Estimated Percentage Overlapping" is determined by dividing the City's certifed taxable value by the County and related other County entities certified taxable values.

City of Spring Valley Village, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Debt limit [1]	$ 70,297,760	$ 75,952,906	$ 86,437,914	$ 97,867,606
Total net debt applicable to limit	-	-	13,598,216	13,196,567
Legal debt margin	$ 70,297,760	$ 75,952,906	$ 72,839,698	$ 84,671,039
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	13.48%
Legal Debt Margin Calculation				
Assessed value	$ 702,977,603	$ 759,529,059	$ 864,379,143	$ 978,676,056
Debt limit (10% of assessed value)	70,297,760	75,952,906	86,437,914	97,867,606
Debt applicable to limit:				
Gross bonded debt	-	-	13,602,965	13,196,567
General obligation debt	-	-	-	-
Total net debt applicable to limit	-	-	13,602,965	13,196,567
Legal debt margin	$ 70,297,760	$ 75,952,906	$ 72,834,949	$ 84,671,039

(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					
2017	2018	2019	2020	2021	2022
$ 108,462,209	$ 118,585,101	$ 121,947,309	$ 131,353,925	$ 130,474,490	$ 135,517,063
12,680,169	12,138,979	18,085,000	25,420,000	24,595,000	23,415,000
$ 95,782,040	$ 106,446,121	$ 103,862,309	$ 105,933,925	$ 105,879,490	$ 112,102,063
11.69%	10.24%	14.83%	19.35%	18.85%	17.28%
$ 1,084,622,094	$ 1,185,850,999	$ 1,219,473,094	$ 1,313,539,247	$ 1,304,744,903	$ 1,355,170,630
108,462,209	118,585,100	121,947,309	131,353,925	130,474,490	135,517,063
12,680,169	12,143,771	18,085,000	25,420,000	24,595,000	23,415,000
-	4,792	-	-		
12,680,169	12,138,979	18,085,000	25,420,000	24,595,000	23,415,000
$ 95,782,040	$ 106,446,121	$ 103,862,309	$ 105,933,925	$ 105,879,490	$ 112,102,063

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.

Fiscal Year				
2018	2019	2020	2021	2022
$ 3,102,465	$ 2,731,952	$ 3,022,545	$ 2,881,489	$ 3,408,011
2,173,587	2,263,747	2,383,381	2,052,556	2,525,274
$ 928,878	$ 468,205	$ 639,164	$ 828,933	$ 882,737
$ 185,000	$ 300,000	$ 305,000	$ 310,000	$ 320,000
60,753	104,339	97,912	91,277	84,433
$ 245,753	$ 404,339	$ 402,912	$ 401,277	$ 404,433
3.78	1.16	1.59	2.07	2.18

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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)]
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%	78.0%
2015	4,142	$ 266,584	$ 68,839	43.0	910	4.7%	79.0%
2016	4,191	$ 201,496	$ 75,372	42.0	280	1.2%	78.0%
2017	4,328	$ 242,866	$ 88,899	42.0	905	1.2%	77.9%
2018	4,336	$ 241,139	$ 88,258	43.0	908	1.2%	78.0%
2019	4,333	$ 239,996	$ 99,286	40.6	915	1.2%	82.0%
2020	4,239	$ 205,100	$ 91,202	40.0	691	3.3%	84.0%
2021	4,282	$ 206,654	$ 84,654	41.0	842	0.1%	84.0%
2022	4,204	$ 224,722	$ 78,201	40.0	808	1.5%	89.0%

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

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CITY OF SPRING VALLEY VILLAGE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago

	2022			2014		
		Percentage of Total			Percentage of Total	
Employer	**Employees**	**Employment**	**Rank**	**Employees**	**Employment**	**Rank**
Spring Branch Independent School District	223	28.77%	1	185	30.08%	1
Home Depot	120	15.48%	2	140	22.76%	2
Kelsey Seybold	117	15.10%	3	n/a	n/a	n/a
Stoller Group	69	8.90%	4	n/a	n/a	n/a
East West Bank	60	7.74%	5	n/a	n/a	n/a
Spring Branch Presbyterian Church	45	5.81%	6	40	6.50%	4
AOK Emergency Clinic	45	5.81%	7	35	5.69%	7
Jonathan's the Rub	40	5.16%	8	n/a	n/a	n/a
Starbucks Corporation	34	4.39%	9	35	5.69%	6
Specs	22	2.84%	10	29	4.72%	8
DTK	n/a	n/a	n/a	75	12.20%	3
Pueblo Viejo	n/a	n/a	n/a	36	5.85%	5
SSI	n/a	n/a	n/a	25	4.07%	9
Premier Technology Group	22	2.84%	n/a	15	2.44%	10
	797	100.00%		615	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 eight 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									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Governmental Activities:										
General government	8	8	8	8	8	8	8	9	10	10
Public safety	23	23	24	24	24	24	24	24	25	25
Public works	3	3	3	3	3	3	3	3	3	3
Business-Type Activities:										
Water and sewer	4	4	4	4	4	4	4	4	5	5
Total City Positions	38	38	39	39	39	39	39	40	43	43

Source: City Finance Department

City of Spring Valley Village, Texas

OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
City of Spring Valley Village				
Budgeted full-time employees	38	39	39	39
Function				
Police				
Arrests	508	719	697	460
Accident reports	155	160	165	157
Citations	5,190	8,043	8,061	4,417
Offense reports	1,183	1,530	1,094	962
Calls for service	19,560	36,254	36,638	33,351
Municipal court				
Traffic violations	9,585	12,352	8,519	5,147
Non-traffic violations	302	1,472	1,442	528
Community Development				
Residential building permits issued	38	19	29	37
Commercial building permits issued	15	9	12	30
Water				
Average daily gallons pumped-combined water (millions of gallons)	0.79	0.71	0.68	0.72
Average daily gallons pumped-surface water (millions of gallons)	0.05	-	0.05	0.40
Average daily gallons pumped-well water (millions of gallons)	0.75	0.71	0.68	0.32
Number of connections	2,130	2,135	2,137	2,204

Source: Various City departments

Fiscal Year					
2017	2018	2019	2020	2021	2022
39	40	40	40	42	42
300	205	130	47	72	85
208	192	108	112	122	139
5,487	5,689	7,437	6,332	8,887	6,362
913	1,070	717	487	492	481
29,068	23,307	21,150	19,629	32,262	41,410
6,442	4,884	5,226	2,986	16,156	8,993
963	373	456	319	1410	4002
37	44	17	47	88	55
2	5	12	7	13	8
0.72	0.75	0.74	0.76	0.71	0.75
0.44	0.34	0.33	0.36	0.36	0.37
0.60	0.57	0.59	0.59	0.60	0.62
2,138	2,138	2,139	2,139	2,441	2,441

City of Spring Valley Village, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Function				
General government				
Municipal buildings	1	1	1	1
Public safety				
Police protection				
Stations	1	1	1	1
Public works				
Streets (lane miles)	-	20.01	20.01	20.01
Community services				
Parks	-	1	1	1
Pavilions	-	1	1	1
Park acreage developed	-	2.62	2.62	2.62
Water				
Water wells	1	1	1	1
Ground/elevated storage tanks	-	3	3	3
Water mains (miles)	-	25.67	25.67	25.67
Fire hydrants	157	157	157	206
Wastewater				
Sanitary sewers (miles)	-	16.36	16.36	16.36
Sewer manholes	-	389	389	389

Source: Various City departments

Fiscal Year					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
1	1	1	1	1	1
20.01	20.01	20.01	20.01	20.01	20.01
1	1	1	1	1	1
1	1	1	1	1	1
2.62	2.62	2.62	2.62	2.62	2.62
1	1	1	1	1	1
3	3	3	3	3	3
25.67	25.67	25.67	25.67	25.67	25.67
206	206	206	206	206	206
16.36	16.36	16.36	16.36	16.36	16.36
389	389	389	389	389	389

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DIVIDER PAGE

BELT HARRIS PECHACEK
CERTIFIED PUBLIC ACCOUNTANTS
www.texasauditors.com

AUDITING TEXAS GOVERNMENTS WITH EXCELLENCE

Required Auditor Disclosure Letter
Conclusion of Audit

March 17, 2023

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, Texas (the "City") for the year ended September 30, 2022. 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. We have communicated such information in our letter previously sent at the start of the annual audit. Professional standards also require that we communicate to the governing body the following information related to our audit.

I. 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. No new accounting policies were adopted and the application of existing policies was not changed during the year. 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 is 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. The City hires a licensed actuary to perform the calculation. We evaluated the key factors and assumptions used to develop the liability in relation to the financial statements taken as a whole.

C. The financial statement disclosures 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 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 clearly 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. Management has corrected all misstatements.

4. Disagreements with Management

For purposes of this letter, a disagreement with management is 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 March 17, 2023.

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.

8. Changes in Risk Assessment

No changes in risk assessment were noted in the completion of the audit as previously communicated in our planning letter.

II. Other Matters

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.

III. Restrictions on Use

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 9/30/22***
Period Ending:	***9/30/2022***
Trial Balance:	***2.2.01 - TB***
Workpaper:	***2.5.06 - Adjusting Journal Entries Report***

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To adjust for GASB 68.			
20-00-3403	NET PENSION OBLIGATION	113,559.42	
20-00-3500	DEFERRED INFLOW		60,369.79
20-00-3501	DEFERRED OUTFLOW		2,827.57
20-00-3502	DEF. OUTFLOWS-DIFF. IN PROJ		3,378.77
20-00-3503	DEFERRED OUTLOWS - CHANGE IN		1,354.91
20-10-4115	PENSION EXPENSES - GASB68		45,628.38
Total		**113,559.42**	**113,559.42**
Adjusting Journal Entries JE # 2			
To adjust for GASB 75.			
20-00-3504	DEF. OUTFLOWS-CONTRI AFT.MEASU	179.40	
20-00-3506	DEFERRED INFLOWS - DIFF. EXPEC	292.95	
20-00-3507	DEFERRED INVLOWS - CHANGE IN A	205.47	
20-00-3508	DEFERRED OUTFLOWS-DIFF.IN EXP	31.14	
20-10-4116	OPEB EXPENSE	1,848.87	
20-00-3405	NET OPEB OBLIGATION		1,768.48
20-00-3505	DEF. OUTFLOWS-CHANGE IN ASSUMP		789.35
Total		**2,557.83**	**2,557.83**
Adjusting Journal Entries JE # 3			
To correct transfers.			
15-00-1001	CASH	166.00	
15-01-5750	STREET DEPARTMENT USER FEES		166.00
Total		**166.00**	**166.00**
Adjusting Journal Entries JE # 4			
To adjust unearned revenue for CLFRF funds.			
26-01-5902	GRANT	1,057.52	
26-00-3222	UNERNED REVENUE		1,057.52
Total		**1,057.52**	**1,057.52**
Adjusting Journal Entries JE # 5			
To adjust vacation and payroll accrual.			
10-00-3400	ACCRUED VAC LIAB (YR END ONLY)	82,539.33	
20-10-4010	SALARIES EXEMPT REGULAR	4,768.32	
10-00-3401	ACCRUED VACATIONS		80,058.45
10-00-3402	ACCRUED PAYROLL		2,480.88
20-00-3400	ACCRUED VAC LIAB-(YR.END ONLY)		3,942.78
20-00-3402	ACCRUE PAYROLL		825.54
Total		**87,307.65**	**87,307.65**

Client: ***City of Spring Valley Village, Texas***
Engagement: ***4.1 - Spring Valley 9/30/22***
Period Ending: ***9/30/2022***
Trial Balance: ***2.2.01 - TB***
Workpaper: ***2.5.06 - Adjusting Journal Entries Report***

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
To adjust property taxes to match collector's report.			
10-00-1220	AD VALOREM TAXES-PRIOR YEAR	1,062.61	
10-00-3109	REFUND TO TAXPAYER	780.73	
10-01-5100	AD VALOREM-CURRENT YEAR	29,155.36	
30-00-1220	DEFERRED TAX RECEIVABLE	2,555.24	
30-00-3109	REFUND TO TAXPAYER	292.98	
30-01-5100	AD VALOREM - CURRENT YEAR	5,512.74	
10-00-3500	DEFERRED INCOME - TAX REVENUE		1,062.61
10-01-5102	AD VALOREM-PRIOR YEARS		29,936.09
30-00-3500	DEFERRED TAX REVENUE		2,555.24
30-01-5102	AD VALOREM - PRIOR YEARS		5,805.72
Total		**39,359.66**	**39,359.66**
Adjusting Journal Entries JE # 7			
To adjust capital assets and depreciation in the enterprise fund.			
20-00-2015	CONSTRUCTION IN PROGRESS	81,877.73	
20-00-2015	CONSTRUCTION IN PROGRESS	707,497.66	
20-00-2050	WATER DISTRIBUTION SYSTEM	4,081,782.33	
20-10-7700	UTILITY - DEPRECIATION EXPENSE	796,100.79	
20-00-2015	CONSTRUCTION IN PROGRESS		4,081,782.33
20-00-2999	ACCM. DEPREC.-UTILITY FUND		796,100.79
20-01-5500	CAPITAL CONTRIBUTIONS		707,497.66
20-60-5536	PROFESSIONAL FEES - ENGINEERIN		15,387.73
20-60-7401	CAPITAL-GROUND WTR WELL 2		66,490.00
Total		**5,667,258.51**	**5,667,258.51**
Adjusting Journal Entries JE # 8			
To recognize revenue and expense related to ambulance services.			
10-20-5628	FIRE DEPARTMENT CONTRIBUTION	39,796.03	
10-01-5409	MISCELLANEOUS - AMBULANCE FEE		39,796.03
Total		**39,796.03**	**39,796.03**

DIVIDER PAGE

Management Letter

March 17, 2023

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

The American Institute of Certified Public Accountants Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit* (SAS 115), provides guidance to auditors on communicating internal control matters to management and the governing body, board of directors, or equivalent body.

It is important to note when reviewing findings reported within this letter that classification of the findings is based on the definitions required by SAS 115 as further discussed below. Please note that these classifications are based on the potential impact to the financial statements, not necessarily the likelihood of actual loss to the City. Accordingly, the City's assessment of the "significance" or ranking of severity will likely be substantially different based on a number of factors including, but not limited to, its assessment of risk and the cost benefit of making the change.

Our report is as follows:

In planning and performing our audit of the 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, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency. There is also a new pronouncement we want to bring to your attention.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our findings and additional comments are as follows:

CURRENT YEAR MATTERS

Significant Deficiency:

2022.001 OVERTIME

Background

In response to the Covid-19 pandemic, most organizations around the world made changes to their operations, which often impacted the normal internal control processes. To address the additional demands related to changes in operations during Covid-19, City Council approved a new policy to allow certain exempt (salaried) employees to receive overtime pay, which included the Police Chief.

In April 2022, concerns were expressed about the Police Chief's overtime compensation received based on the new policy. The Police Chief's overtime compensation for the fiscal years 2019, 2020, 2021, and 2022 were $0, $128,223, $152,903, and $3,952, respectively. At the department level, the overall budgets for overtime within the Police Department were within amounts established by City Council for each fiscal year. However, the Police Chief's hours were sufficiently high in 2020 and 2021 to question if the hours were plausible. Concerns were also expressed about the City's oversight of the approval and monitoring processes related to the Police Chief's overtime, as disparities in the understanding of the amounts came to light.

Several years prior to the new overtime policy, the City implemented a new organizational structure whereas the new position of Police Commissioner was established to oversee the Police Chief and Police Department and those duties were shifted from the City Administrator.

The City subsequently engaged a firm to conduct an independent review of the Police Chief's overtime and related issues. The results of that review have not been made available which will likely result in additional information and more specific findings and recommendations.

Finding

Within the scope of our audit, we considered the concerns in conjunction with our risk assessment process and planning of our audit of the financial statements for the fiscal year ended September 30, 2022. We performed inquiries to obtain further understanding of events and reviewed limited information for the purposes noted above. For the 2022 fiscal year, overtime compensation was $3,952 for the Police Chief. We noted there was no evidence of approval of the Police Chief's overtime hours for 2022. Based on concerns subsequently noted on the disparity in knowledge about the information, it did not appear that the City was performing procedures related to oversight of the Police Chief's overtime hours.

The combination of the new overtime policy combined with the change in organizational structure with the Police Commissioner appeared to result in a void in internal control related to the approval of the Police Chief's overtime. Additionally, there appeared to be a void in the process of monitoring overtime compensation.

Recommendations

Upon post examination of these events, it appears, in connection with the new policy allowing the Police Chief to receive overtime, the City should have specifically addressed procedures for the Police

Commissioner or other official to approve overtime hours and provide oversight in how extended work hours were being expended. At quarter end and year end, the City's Finance Director, City Administrator, and Police Commissioner should review the summary reports for reasonableness and consistency.

Future Matter That May Subsequently Warrant Attention:

2022.002 IMPLEMENTATION OF GASB STANDARD NO. 96 – SBITAs

Background

Governmental Accounting Standards Board (GASB) Statement 96, *Subscription-Based Information Technology Arrangement* (SBITAs), is effective for the year ending September 30, 2023 and, accordingly, the City has less than one year to implement GASB 96. GASB 96 defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB 96 essentially requires that all SBITAs should be reported on the balance sheet as a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, much like GASB 87, *Leases*, accounting for lease transactions. Unlike many new accounting standards, GASB 96 may require preplanning and changes in the way the City does business. Implementation of GASB 96 will generally require centralized document management; in-depth review of SBITA documents; recording and tracking of multiple data points per agreement, which may necessitate new software based on the volume of arrangements; and development of new controls, reconciliations, and policies and procedures.

Recommendation

The City needs to begin making initial assessments immediately to determine the lead time and resources needed. The City needs to identify all SBITAs in which the term initially exceeded 12 months. Based on the aggregate value of SBITAs and materiality, the City should determine a cutoff for exclusion of insignificant arrangements. If the City's number of SBITAs approaches 10, it may be beneficial for the City to procure and implement software to aid in the task. The City should establish the goal of being fully implemented 60 days prior to year end to provide for a sufficient buffer to safeguard against delay in issuing the City's September 30, 2023 financial statements.

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

We would like to thank the City Council and the City's management for their cooperation during the course of our audit. Please feel free to contact us at your convenience to discuss this report or any other concerns that you may have.

Belt Harris Pechacek, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

MEETING DATE:	March 28, 2023
TOPIC:	**Resolution Number 23-XX** **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A CONTRACT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND IDS ENGINEERING GROUP FOR ENGINEERING/ARCHITECTURAL/SURVEYING SERVICES FOR CORONAVIRUS LOCAL FISCAL RECOVERY FUND PROGRAMS AND/OR PROJECTS (RFQ #2022-06-901); 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:	On September 27, 2022, the City Council awarded Request for Qualifications Number #2022-06-901 for Engineering/Architectural/Surveying Services for Coronavirus Local Fiscal Recovery Fund Programs and/or Projects to IDS Engineering Group. This Resolution approves a contract with IDS Engineering Group for the services to be provided pursuant to the RFQ.
RECOMMENDATION:	Staff recommends approval of the Resolution.
ATTACHMENTS:	• Resolution Number 23-XX
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:	B.A. Walu

SUBMITTING STAFF MEMBER:	**CITY ADMINISTRATOR APPROVAL:**
Zachary Meadows, Acting City Administrator/Director of Community Development	Zachary Mea

RESOLUTION NUMBER 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A CONTRACT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND IDS ENGINEERING GROUP FOR ENGINEERING/ARCHITECTURAL/SURVEYING SERVICES FOR CORONAVIRUS LOCAL FISCAL RECOVERY FUND PROGRAMS AND/OR PROJECTS (RFQ #2022-06-901); 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 IDS Engineering Group for Engineering/Architectural/Surveying Services for Coronavirus Local Fiscal Recovery Fund Programs And/Or Projects (RFQ Number #2022-06-901) (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 ___________, 2023.

____
Marcus Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

____
Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

EXHIBIT “A”

TO

RESOLUTION NUMBER 23-XX

AMERICAN RESCUE PLAN ACT (ARPA)
CONTRACT FOR ENGINEERING AND/OR ARCHITECTURAL SERVICES

PART I - AGREEMENT

THIS AGREEMENT, entered into the 28th day of March, 2023 by and between the City of Spring Valley Village, Texas (hereinafter called "City"), acting herein by Mayor Marcus Vajdos hereunto duly authorized, and IDS Engineering Group (hereinafter called "Firm"), acting herein by Travis S. Sellers, P.E..

WITNESSETH THAT:

WHEREAS, the City of Spring Valley Village desires to retain engineering/architectural/surveying services for potential projects financed by and under the general direction of the American Rescue Plan Act (hereinafter called "ARPA") administered by the United States Department of the Treasury (USDT); and

WHEREAS, the City desires to engage IDS Engineering Group to render certain services in connection with ARPA Projects.

NOW THEREFORE, the parties do mutually agree as follows:

1. <u>Scope of Services</u>

   The Firm will perform the services set out in Part II, Scope of Services

2. <u>ARPA Compliance</u>

   The Firm agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing.

3. <u>Time of Performance</u>

   The services of the Firm shall commence on March 28, 2023. In any event, all of the services required and performed hereunder shall be completed no later than December 31, 2025 or the project(s) administrative closure date of December 31, 2026, as defined by the USDT, whichever is later. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, City may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.

4. <u>Local Program Liaison</u>

   For purposes of this Agreement, Kristina Watson, Director of Public Works for the City or equivalent authorized person will serve as the Local Program Liaison and primary point of contact for the Firm. All required progress reports and communication regarding the project shall be directed to this liaison and other local personnel as appropriate.

5. <u>Maintenance of and Access to Records</u>

The Firm shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.

The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of the Firm in order to conduct audits or other investigations.

Records shall be maintained by the Firm for a period of five (5) years after all funds have been expended or returned to USDT, whichever is later.

6. Compensation and Method of Payment

The Firm shall be compensated with a negotiated fixed fee of $ 153,950. Payment to the Firm shall be based on satisfactory completion of identified milestones in Part III, Payment Schedule, of This Agreement.

7. Indemnification

The Firm shall comply with the requirements of all applicable laws, rules, and regulations, and shall exonerate, indemnify, and hold harmless the City and its agency members from an against any and all claims, costs, suits, and damages, including attorney's fees arising out of the Firm's performance or nonperformance of the activities, services or subject matter called for in this Agreement, and shall assume full responsibility for payments of Federal, State, and local taxes on contributions imposed or required under the Social Security, worker's compensation, and income tax laws.

8. Miscellaneous Provisions

- This Agreement shall be construed under and according to the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Harris County, Texas.
- This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.
- If one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

- If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.
- This Agreement may be amended by mutual agreement of the parties hereto and a writing to be attached to be incorporated into this Agreement.

9. Extent of Agreement

This Agreement which includes Parts I-V, and if applicable, the following exhibits/attachments: City of Spring Valley Village proposals for the Proposed Water Plant and Electrical Improvements represents the entire and integrated agreement between the City and the Firm and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by authorized representatives of both City and the Firm.

IN WITNESSETH WHEREOF, the parties have executed this Agreement by causing the same to be signed on the day and year first above written.

BY: ______________________________

____
Marcus Vajdos,

____
Mayor

BY: ______________________________
(Firm/Contractor's Authorized Representative)

Travis S. Sellers, P.E.
(Printed Name)

Senior Vice President
(Title)

PART II - SCOPE OF SERVICES

The Firm shall render the following professional services necessary for the development of the project.

Engineering/architectural/surveying services for potential projects financed by the Coronavirus Local Fiscal Recovery Fund of the American Rescue Plan Act of 2021.

SCOPE OF SERVICES

1. Attend preliminary conferences with the City regarding the requirements of the project.
2. Complete acquisition of any additional real property/easements/right-of-ways determined necessary in a manner that complies with the Uniform Relocation Assistance and Real Property Acquisition Act (URA).
    a. (ROWs) for the ARPA project and, if applicable, furnish to the City:
    b. Name and address of property owners;
    c. Legal description of parcels to be acquired; and
    d. Map showing entire track with designation of part to be acquired.
3. Make any necessary surveys or existing rights-of-way, topography, utilities, or other field data required for proper design of the project. Provide consultation and advice as to the necessity of the City providing or obtaining other services such as auger borings, core borings, soil tests, or other subsurface explorations; laboratory testing and inspecting of samples or materials; other special consultations. The Firm will review any tests required and act as the City's representative in connection with any such services.
4. Prepare railroad/highway permits
5. Prepare all environmental permits and clearances required for the project
6. Prepare a preliminary engineering/architectural study and report on the project in sufficient detail to indicate clearly the problems involved and the alternate solutions available to the City, to include preliminary layouts, sketches and Engineer's Estimate of Probable Cost for the project, and to set forth clearly the Firm’s recommendations; to be completed within 180 days of execution of this Agreement.
7. Furnish the City copies of the preliminary report, if applicable (additional copies will be furnished to the City at direct cost of reproduction).
8. Furnish the City a written monthly status report at least seven (7) days prior to the regularly scheduled Council Meetings until the project is closed. The format for this report is attached to this Agreement as Exhibit 1.
    a. Submit detailed drawings and plans/specifications to appropriate regulatory agencies and obtain clearance.

b. Prepare bid packet/contract documents/advertisement for bids. At the time, the bid packet is completed, the Firm shall also furnish to the City an updated written Estimate of Probable Costs for the Project.
c. Participate in Pre-Bid Conferences as requested, and provide technical advice to assist in answering bidders' questions.
d. Make a 10-day call to confirm prevailing wage decisions if the value of the construction contract exceeds ten million dollars.
e. Incorporate any and all wage rate modifications or supersedes via bid addendum (if applicable).
f. Conduct bid opening and prepare minutes.
g. Tabulate, analyze, and review bids for completeness and accuracy.
h. Accomplish construction contractor's eligibility verification through www.SAM.gov. This verification shall be completed at time of solicitation and repeated immediately prior to award
i. Conduct a pre-construction conference and prepare a copy of the report/minutes.
j. Coordinate with the City to issue a Notice to Proceed to construction contractor.
k. Provide all proposed construction contracts deductive alternatives where feasible, so that should the best value base bid for construction exceed the funds available, deductive alternatives can be taken to reduce the bid price.
l. Design for access by persons with disabilities for those facilities to be used by the public in accordance with Public Law 504.
m. Use locally approved forms for instructions to bidders, general conditions, contract, bid bond, performance bond, and payment bond if applicable.

9. Make periodic visits, no less than every 30 days during the construction period, to the site to observe the progress and quality of the work, and to determine, in general, if the work is proceeding in accordance with the Agreement.
10. Consult with and advise the City during construction; issue to contractors all instructions requested by the City; and prepare routine change orders if required, at no charge for engineering services to the City when the change order is required to correct errors or omissions by the Firm; provide price analysis for change orders; process change orders approved by City and the Firm and submit to Public Management, Inc. for approval prior to execution with the construction contractor.
11. Review shop and working drawings furnished by contractors for compliance with design concept and with information given in contract documents (contractors will be responsible for dimensions to be confirmed and correlated at the job site).
12. Validate all contractors' payment requests and submit to the City within 14 days of receipt.
13. Validation of payment requests shall include documentation of the Firm's on-site observations and review of the contractor's applications for payment, determine the amount owed to the contractor

in such amounts; such approvals of payment to constitute a representation to the City, based on such observations and review, that the work has progressed to the point indicated and that the quality of work is in accordance with the plans, specifications and contract documents.

14. Ensure that any retainage provision specified in the Construction contract is reflected in payment requests.
15. The City may require the Firm to assist in collection of Final Bills Paid Affidavits from Contractors and/or subcontractors.
16. Conduct interim/final inspections.
17. Prepare Certificate of Construction Completion
18. Revise contract drawings to show the work as actually constructed, and furnish the City with a set of "record drawings" plans.
19. The Firm will provide a copy of the final project record drawing(s) engineering schematic(s), as constructed using funds under this contract. These maps shall be provided in digital format containing the source map data (original vector data) and the graphic data in files on machine readable media, such as compact disc (CD), which are compatible with computer systems owned or readily available to the owner. The digital copy provided shall <u>not</u> include a digital representation of the engineer's seal but the accompanying documentation from the Firm shall include a signed statement of when the map was authorized, that the digital map is a true representation of the original sealed document, and that a printed version with the seal has been provided to the City. In addition, complete documentation as to the content and layout of the data files and the name of the software package(s) used to generate the data and maps shall be provided to the owner in written form.

SUBCONTRACTS

1. No work under this Agreement shall be subcontracted by the Firm without prior approval, in writing from the City.
2. The Firm shall, prior to proceeding with the work, notify the City in writing of the name of any subcontractors proposed for the work, including the extent and character of the work to be done by each.
3. If at any time during the progress of the work, the City determines that any subcontractor is incompetent or undesirable, the City will notify the Firm who shall take reasonable and immediate steps to satisfactorily cure the problem, substitute performance, or cancel such subcontract. Subletting by subcontractors shall be subject to the same regulations. Nothing contained in this Agreement shall create any contractual relation between any subcontractor and the City.
4. The Firm will include in all contracts and subcontracts in excess of $150,000 a provision which requires compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C 7401-7671q) and the Federal Water Pollution Control Act, as amended (33

U.S.C. 1251-1387). The provisions shall require reporting of violations to the US Department of Treasury, TECQ, and the Regional Office of the Environmental Protection Agency (EPA).

5. The Firm will include in all contracts and subcontracts in excess of $250,000 provisions or conditions which will allow for administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
6. The Firm will include in all contracts and subcontracts in excess of $10,000 provisions addressing termination for cause and for convenience by the City including the manner by which it will be effected and the basis for settlement.
7. The Firm will include in all contracts and subcontracts provisions requiring compliance with the following, if applicable:
   a. Prime construction contracts in excess of $10,000,000, as stated in the Coronavirus State and Local Fiscal Recovery Funds Compliance and Reporting Guidance Section B Project and Expenditure Report, number 3(k)(1)(a) on page 27 must be in compliance with the Davis-Bacon Act, as amended (40 U.S.C.3141-3144, 3146-3148) as supplemented by Department of Labor regulations (29 CFR part 5);
   b. Prime construction contracts in excess of $2,000, compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR part 3)
   c. Contracts greater than $10,000, the inclusion of the Equal Opportunity clause provided under 41 CFR 60-1.4(b) (Executive Order 11246);
   d. Contracts exceeding $100,000, compliance with the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352);
   e. For contracts in excess of $10,000,000 that involve the employment of mechanics or laborers, compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3703), including work week requirements and safety conditions for workers, as supplemented by Department of Labor regulations (29 CFR Part 5); and
   f. For procurement of recovered materials where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000, compliance with 2 CFR 200.322 and section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, which requires procuring only items designated in guidelines of the EPA at 40 CFR part 247 that contain the highest percentage of recovered materials practicable.
   g. Recipients and contractors will comply with CFR 200.216 which prohibits obligating or expending loan or grant funds to procure, obtain, extend or contract with services or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As

described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

h. Recipients and contractors will comply with CFR 200.322 which requires as appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all sub-awards including all contracts and purchase orders for work or products under this award.

8. The Firm will include in all negotiated contracts and subcontracts a provision which indicates that funds will not be awarded under this contract to any party listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

9. The Firm will include in all negotiated contracts and subcontracts a provision to the effect that the City, the Texas Comptroller of Public Accounts, the Comptroller General of the United States, the U.S. Department of Treasury, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpts, and transcriptions.

10. The Firm will include in all contracts and subcontracts a requirement that the contractor maintain all relevant project records for five (5) years after the City has made final payment to the contractor and all other pending matters are closed.

STANDARD OF PERFORMANCE AND DEFICIENCIES

1. All services of the Firm and its independent professional associates, Firms and subcontractors will be performed in a professional, reasonable and prudent manner in accordance with generally accepted professional practice. The Firm represents that it has the required skills and capacity to perform work and services to be provided under this Agreement.
2. The Firm represents those services provided under this Agreement shall be performed within the limits prescribed by the City in a manner consistent with that level of care and skill ordinarily exercised by other professional Firms under similar circumstances.
3. Any deficiency in Firm's work and services performed under this contract shall be subject to the provisions of applicable state and federal law. Any deficiency discovered shall be corrected upon notice from City and at the Firm's expense if the deficiency is due to Firm's negligence. The City shall notify the Firm in writing of any such deficiency and provide an opportunity for mutual investigation and resolution of the problem prior to pursuit of any judicial remedy. In any case, this provision shall in no way limit the judicial remedies available to the City under applicable state or federal law.
4. **The Firm agrees to and shall hold harmless the City, its officers, employees, and agents from all claims and liability of whatsoever kind or character due to or arising solely out of the negligent acts or omissions of the Firm, its officers, agents, employees, subcontractors, and others acting for or under the direction of the Firm doing the work herein contracted for or by or in consequence of any negligence in the performance of this Agreement, or by or on account of any omission in the performance of this Agreement.**

PART III - PAYMENT SCHEDULE

City shall reimburse the Firm for professional services provided upon completion of the following project milestones per the following percentages of the maximum contract amount:

MILESTONES	PERCENTAGE OF CONTRACT FEES
Completion and Acceptance of Preliminary Engineering Plans & Specifications by City	15%
Approval of Final Plans & Specifications	30%
Completion of Bid Advertisement & Contract Award	40%
Completion of Final Closeout Assessment & Submittal of “As Builts” to City	10%
Completion of Final Inspection & Acceptance by City	5%
TOTAL	100%

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PART IV - TERMS AND CONDITIONS

1. USE OF FUNDS
    a. Recipient, Sub-recipients, and Contractors understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the "Act"), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
    b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.
2. PERIOD OF PERFORMANCE

    The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Recipients may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021 and ends on December 31, 2024.
3. REPORTING

    Firm agrees to provide timely information aiding the City with any reporting obligations established by the Treasury as they relate to this award.
4. ACCESS TO RECORDS

    In accordance with 2 CFR 200.337, during the Agreement's time of performance the grantee, the sub-grantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives will have access to any books, documents, papers, and records maintained by the Firm which are directly pertinent to the Contract for the purpose of making audit, examination, excerpts, and transcriptions.
5. PRE-AWARD COSTS

    Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.
6. ADMINISTRATIVE COSTS

    Recipients may use funds provided under this award to cover both direct and indirect costs.
7. COST SHARING

    Cost sharing or matching funds are not required to be provided by the Recipient.
8. CONFLICTS OF INTEREST

    Recipient, Sub-Recipients, and Contractors understands and agrees it must maintain a conflict-of-interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict-of-interest policy is applicable to each activity funded under this award. Recipients and sub-recipients must disclose in writing to the Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. COMPLIANCE WITH APPLICABLE RULES AND REGULATIONS.

a. Recipient agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.

b. Federal regulations applicable to this award include, without limitation, the following: i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine, are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award. ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference. iii. Reporting Sub-award and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference. iv. OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19. v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference. vi. Government-wide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20. vii. New Restrictions on Lobbying, 31 C.F.R. Part 21. viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations. ix. Generally applicable federal environmental laws and regulations.

Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following: i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance; ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability; iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance; iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto; and vi. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

10. REMEDIAL ACTIONS

In the event of Recipient's noncompliance with section 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.

11. HATCH ACT

Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

12. FALSE STATEMENTS

Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

13. PUBLICATIONS

Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to the City of Spring Valley Village by the U.S. Department of the Treasury."

14. DEBTS OWED THE FEDERAL GOVERNMENT

a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.

b. Any debts determined to be owed to the federal government must be paid promptly by Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or Agreement for ARPA Administration Services. The Treasury will take any actions available to it to collect such a debt.

15. DISCLAIMER

a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.

b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

16. PROTECTIONS FOR WHISTLEBLOWERS

a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

b. The list of persons and entities referenced in the paragraph above includes the following:

   i. A member of Congress or a representative of a committee of Congress;
   ii. An Inspector General;
   iii. The Government Accountability Office;
   iv. A Treasury employee responsible for contract or grant oversight or management;
   v. An authorized official of the Department of Justice or other law enforcement agency;
   vi. A court or grand jury; or
   vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.

c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. INCREASING SEAT BELT USE IN THE UNITED STATES

Pursuant to Executive Order 13043, 62 FR19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. REDUCING TEXT MESSAGING WHILE DRIVING

Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, sub-recipients, and contractors to adopt and enforce policies that ban text messaging while driving.

19. TERMINATION OF AGREEMENT FOR CAUSE

In accordance with 2 CFR 200 APPENDIX II (B), if the Firm shall fail to fulfill in a timely and proper manner his/her obligations under this Agreement, or if the Firm shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall provide written notice to Firm reasonably specifying the failure or violation. If the Firm fails to cure such failure or violation within five (5) business days of receiving such notice or, if the failure or violation is incapable of cure within such time frame, to begin to take actions to cure such failure or violation and to diligently pursue them to completion, City thereupon shall have the right to terminate this Agreement immediately by giving written notice to the Firm. The Firm shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. In such an event, all finished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Firm under this Agreement shall, at the option of the City, become its property.

20. TERMINATION OF AGREEMENT FOR CONVENIENCE

Either the City or the Firm may terminate this Agreement at any time by providing at least ten (10) days' notice in writing to the other party to this Agreement. If the Agreement is terminated as provided herein, the Firm will be paid for the time provided and expenses incurred up to the termination date. In such an event, all finished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the Firm under this Agreement shall, at the option of the City, become its property.

21. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689, 2 CFR part 180)

The Firm certifies, by entering into this Agreement, that neither it nor its principals are presently debarred, suspended, or otherwise excluded from or ineligible for participation in federally assisted programs under Executive Orders 12549 1986) and 12689 (1989). The term "principal" for purposes of this Agreement is defined as an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Firm. The Firm understands that it must not make any award or permit any award (or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

22. FEDERAL COMPLIANCE

During the term of this Agreement, the parties shall comply with all Federal laws, regulations, and rules including the following:

a. CIVIL RIGHTS ACT OF 1964. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

b. Section 504 Rehabilitation Act of 1973, as amended. The Firm agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including discrimination in employment, under any program or activity receiving federal financial assistance.

c. AGE DISCRIMINATION ACT OF 1975. The Firm shall comply with the Age Discrimination Act of 1975 which provides that no person in the United States shall on the basis of age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

d. SECTIONS 106(b), 102(a)(4) and A109 OF THE HOUSING & COMMUNITY DEVELOPMENT ACT OF 1974. i. Under Title VI of the Civil Rights Act of 1964, no person shall on the ground of race, color, religion, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Title.

e. EQUAL OPPORTUNITY CLAUSE. During the performance of this Agreement, the Firm agrees as follows:

   i. The Firm will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Firm will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Firm agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

   ii. The Firm will, in all solicitations or advertisements for employees placed by or on behalf of the Firm, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

iii. The Firm will not discourage or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Firm's legal duty to furnish information.

iv. The Firm will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Firm's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

v. The Firm will comply with all provisions of Executive Order 11246 of September 24, 1965, "Equal Employment Opportunity," and of the rules, regulations, and relevant orders of the Secretary of Labor.

vi. The Firm will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

vii. In the event of the Firm's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Firm may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

viii. The Firm will include the portion of the sentence immediately preceding paragraph (i) and the provisions of paragraphs (i) through (vii) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of

September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Firm will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a Firm becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Firm may request the United States to enter into such litigation to protect the interests of the United States.

23. CONTRACTING WITH SMALL AND MINORITY BUSINESS, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS.
    a. The Firm must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
    b. Affirmative steps must include:
        i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
        ii. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
        iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
        iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
        v. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
        vi. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (i) through (v) of this section.
24. PATENT RIGHTS AND INVENTIONS

    The Firm shall comply with the requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract. (2 CFR 200 Appendix II (f) and Rights to Inventions in 37 CFR Part 401).
25. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

    If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or sub-recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or sub-recipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit

Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. (2 CFR 200 Appendix II (B))

26. ENERGY EFFICIENCY

The Firm shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871). (2 CFR 200 APPENDIX II (H) and 42 U.S.C. 6201).

27. VERIFICATION NO BOYCOTT ISRAEL

As required by Chapter 2271.002, Texas Government Code, the Firm hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel", as defined by §808.001(1) of the Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

28. NO FOREIGN TERRORIST ORGANIZATIONS

Pursuant to Chapter 2252.152, Texas Government Code, the Firm represents and certifies that, at the time of execution of this Agreement neither the Firm, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same

i. engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or
ii. is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code

29. COMBATING TRAFFICKING IN PERSONS

Pursuant to Chapter 52.222-50 of the F.A.R. the Firm agrees to comply with all provisions of the Combating Trafficking in Persons Act.

30. TEXAS ETHICS COMMISSION (10 TAC 2252)

A governmental entity or state agency may not enter into a contract described by Subsection (b) with a business entity unless the business entity, in accordance with this section and rules adopted under this section, submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The disclosure of interested parties must be submitted on a form prescribed by the Texas Ethics Commission that includes:

(1) a list of each interested party for the contract of which the contracting business entity is aware; and
(2) the signature of the authorized agent of the contracting business entity, acknowledging that the disclosure is made under oath and under penalty of perjury.

PART V - APPENDICES

CONFLICT OF INTEREST

DISCLOSURE OF LOBBYING ACTIVITIES

CERTIFICATION REGARDING LOBBYING

CERTIFICATE OF INTERESTED PARTIES FORM 1295

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

OFFICE USE ONLY

Date Received

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

IDS Engineering Group

2 [X] **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

N/A

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

N/A

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

[ ] Yes [ ] No N/A

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

[ ] Yes [ ] No N/A

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

N/A

6 [ ] Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1). N/A

7 [signature]

Signature of vendor doing business with the governmental entity

6.30.2022

Date

Form provided by Texas Ethics Commission www.ethics.state.tx.us Revised 1/1/2021

Certification Regarding Lobbying

(To be submitted with each bid or offer exceeding $100,000)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The undersigned shall require that the language paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995).

The Contractor, IDS Engineering Group, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

____
Signature of Contractor's Authorized Official

Travis S. Sellers - Senior Vice President
Printed Name and Title of Contractor's Authorized Official

6.30.2022
Date

suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503

Approved by OMB
0348-0046

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

Type of Federal Action:	**Status of Federal Action:**	**Report Type:**
____ a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance N/A	_____ a. bid/offer/application b. initial award c. post-award N/A	_____ a. initial filing b. material change N/A

Name and Address of Reporting Entity: ____ Prime _____ Subawardee Tier______, if Known: N/A **Congressional District, if known:**	**If Reporting Entity in No. 4 is Subawardee,** Enter Name and Address of Prime: N/A **Congressional District, if known:**
Federal Department/Agency: N/A	**7. Federal Program Name/Description:** N/A CFDA Number, *if applicable*: _________________
Federal Action Number, *if known:* N/A	**9. Award Amount**, *if known:* **$** N/A
10. a. Name and Address of Lobbying Registrant *(if individual, last name, first name, MI):* N/A	**b. Individuals Performing Services** *(including address if different from No. 10a) (last name, first name, MI):* N/A
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	**Signature:** ____________________ **Print Name:** Travis S. Sellers, P.E. **Title:** Senior Vice President **Telephone No.:** 713.462.3178 **Date:** 6.30.2022
Federal Use Only	**Authorized for Local Reproduction** **Standard Form - LLL (Rev. 7-97)**

CERTIFICATE OF INTERESTED PARTIES

FORM **1295**

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2022-904918

Date Filed:
06/29/2022

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

IDS Engineering Group
HOUSTON, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Spring Valley Village

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

RFQ No. 2022-06-901
Engineering/Architectural/Surveying Services Coronavirus Local Fiscal Recovery Fund Programs and/or Projects

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Buscha, Tim	Houston, TX United States	X	
Abram, Chad	Houston, TX United States	X	
Carpenter, Matt	Houston, TX United States	X	
Hajduk, Jason	Houston, TX United States	X	
Johnson, Eric	Houston, TX United States	X	
Harris, Teague	Houston, TX United States	X	
Sellers, Travis	Houston, TX United States	X	

5 Check only if there is NO Interested Party. ☐

6 UNSWORN DECLARATION

My name is Travis S. Sellers, P.E., and my date of birth is N/A.

My address is 13430 Northwest Freeway, Suite 700 (street), Houston (city), TX (state), 77040 (zip code), USA (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Harris County, State of Texas, on the 30 day of June (month), 20 22 (year).

Signature of authorized agent of contracting business entity
(Declarant)

Forms provided by Texas Ethics Commission www.ethics.state.tx.us Version V1.1.191b5cdc

Spring Valley Village City Council
Agenda Item Data Sheet

MEETING DATE: March 28, 2023

TOPIC: **DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** CenterPoint Energy 2023 Annual GRIP Adjustment and Compliance Filing for Rate Schedule No. TCJA-HOU/TXC.

BACKGROUND: The City received two letters at the beginning of March from CenterPoint Energy regarding various rate changes.

Annual Gas Reliability Infrastructure Program ("GRIP") Interim Rate Adjustment ("IRA")

The letter received was regarding CenterPoint Energy's Annual GRIP adjustment for the Houston Division. The annual Grip adjustment will provide for the following breakdown in rates:

Rate Schedule	Current Customer Charge	Proposed 2023 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
Residential	$19.74 per customer per month	**$2.47** per customer per month	$22.21 per customer per month	$2.47 per customer per month
General Service Small	$24.50 per customer per month	**$3.73** per customer per month	$28.23 per customer per month	$3.73 per customer per month
General Service Large Volume	$290.11 per customer per month	**$70.73** per customer per month	$360.84 per customer per month	$70.73 per customer per month

The proposed rate adjustment will become effective on May 1, 2023, unless the City suspends that date for a period of no longer than forty-five (45) days. Staff would like direction from Council if they would like to adopt a resolution extending the time an additional forty-five (45) days, or allow CenterPoint to proceed with the change on May 1, 2023.

Compliance Filing, Rate Schedule No. TCJA-HOU/TXC

The second letter was for informational purposes regarding CenterPoint Energy over refunding based on excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017. The total refund CenterPoint Energy issued was $17,974,061 to customers in the Houston and Texas Coast Divisions; however, the amount that it should have refunded was $17,763,968, a difference of $210,093. CenterPoint will be addressing this difference in their next rate case. Again, this letter is provided to City Council for informational purposes and no action is needed on this item.

	Staff requests direction on how to proceed with the GRIP Adjustment proposed by CenterPoint Energy.
RECOMMENDATION:	Staff requests direction from the Council concerning a resolution being drafted to temporarily delay the annual GRIP adjustment by CenterPoint Energy.
ATTACHMENTS:	• Copy of Letter Received by CenterPoint Energy regarding 2023 Annual GRIP Adjustment for the Houston Division • Copy of Letter Received by CenterPoint Energy regarding Compliance Filing, Rate Schedule No. TCJA-HOU/TXC
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:

B.A. Wal

SUBMITTING STAFF MEMBER:	**CITY ADMINISTRATOR APPROVAL:**
Zachary Meadows, Acting City Administrator/ Director of Community Development	Zachary M

CenterPoint Energy
1111 Louisiana Street
Houston, TX 77002-5231
P.O. Box 2628
Houston, TX 77252-2628

March 2, 2023

Mayor and City Council
City of Spring Valley Village
Spring Valley Village, Texas

Hand-Delivered

Re: CenterPoint Energy 2023 Annual GRIP Adjustment for the Houston Division

Dear Madam or Sir:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company"), files the tariffs and supporting documents, in electronic form, with the City of Spring Valley Village ("City") consistent with Section 7.7101 of the Railroad Commission of Texas ("Commission") Gas Services Division Rules and Section 104.301 of the Texas Utilities Code to establish the annual gas reliability infrastructure program ("GRIP") interim rate adjustment ("IRA") for the Company's Houston Division, which includes the City. The proposed IRA will affect rates for natural gas service customers located in the City. Simultaneously with this filing, CenterPoint makes the same GRIP filing with the Commission for customers located in the City's environs and cities of the Houston Division that have ceded original jurisdiction to the Commission.

CenterPoint consistently supplies its customers in the Houston Division with safe and dependable natural gas service by prudently investing in additions and upgrades to its delivery system. The Company will continue to prudently invest in its infrastructure in order to improve its natural gas service to its customers and to anticipate and meet their needs under all operating conditions. The GRIP program enables a gas utility such as CenterPoint to begin recovery of its incremental capital investment in the system, subject to a prudence review in its next rate case. This reduces regulatory lag and incentivizes needed investment. Consistent with Section 104.301 of the Texas Utilities Code and Commission precedent, the City's review of this GRIP filing is limited to a ministerial review to ensure compliance with the GRIP statute.

Pursuant to applicable law, the proposed IRA will become effective on May 1, 2023, unless the City suspends that date for a period of no longer than forty-five (45) days. The approved IRA will be applied to the monthly customer charge and will remain in effect until superseded by the earlier of (1) the effective date of the Company's next annual GRIP adjustment for the Houston Division; or (2) the issuance of a final order in a rate setting proceeding for the Houston Division.

As detailed in the attached schedules and supporting material, the Company invested $315,511,195 in its Houston Division in calendar year 2022 and the applicable IRA is:

Rate Schedule	Current Customer Charge	Proposed 2023 Interim Rate Adjustment[1]	Adjusted Charge	Increase Per Bill
R-2095-I-GRIP 2023; R-2095-U-GRIP 2023 Residential	$19.74 per customer per month	$2.47 per customer per month	$22.21 per customer per month	$2.47 per customer per month
GSS-2095-I-GRIP 2023; GSS-2095-U-GRIP 2023 General Service Small	$24.50 per customer per month	$3.73 per customer per month	$28.23 per customer per month	$3.73 per customer per month
GSLV-626-I-GRIP 2023; GSLV-626-U-GRIP 2023 General Service Large Volume	$290.11 per customer per month	$70.73 per customer per month	$360.84 per customer per month	$70.73 per customer per month

Along with and in support of the proposed IRA, CenterPoint includes the following:

(a) An earnings monitoring report showing the Company's earnings for the Houston Division during the 2022 calendar year (under the "Earnings Monitoring Report" section of the enclosed filing).

(b) An Interim Rate Adjustment Application containing accounting schedules and project reports for the GRIP Adjustment Period including a description of (i) the projects undertaken during the GRIP Adjustment Period (ii) the investment to provide utility service in the Houston Division, which were both completed and placed in service during the GRIP Adjustment Period, (iii) the Company's prior utility investments in the Houston Division that were either retired or abandoned during the GRIP Adjustment Period, and (iv) the cost, need and customers benefited by those investments and retirements located in IRAs 12, 13, 14 and 15 which are voluminous and are being provided in electronic form only.

(c) The Company's calculations of the GRIP Adjustment amount to go into effect on the later of the Planned Effective Date or the end of any suspension

---

1 On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "TCJA") was signed into law. The TCJA reduced the federal corporate income tax rate from 35% to 21%. The Company has calculated the GRIP Adjustment using the 35% federal corporate income tax rate approved in GUD No. 10567. The Company has also calculated and is seeking approval of the GRIP Adjustment using the 21% federal corporate income tax rate under the Tax Cuts and Jobs Act of 2017. The Proposed 2023 Interim Rate Adjustment in the table above has been calculated using the reduced corporate income tax rate of 21%.

period imposed (under the "Interim Rate Adjustment Application" section of the enclosed filing). The Company has calculated the GRIP Adjustment using the 35% federal corporate income tax rate approved in GUD No. 10567. The Company has also calculated and is seeking approval of the GRIP Adjustment using the 21% federal corporate income tax rate under the Tax Cuts and Jobs Act of 2017.

(d) Affidavits by Kara Gostenhofer Ryan, Kimberly Middleton and Tal R. Centers, Jr. (under the "Affidavits" section of the enclosed filing).

- Ms. Ryan's affidavit verifies (i) that the Houston Division's books and records are kept in accordance with the rules of the Commission and (ii) that the reports enclosed accurately reflect the Houston Division's books and records related to the information in those reports.
- Ms. Middleton's affidavit verifies the notice of the GRIP filing through customer bill inserts.
- Mr. Centers' affidavit concerns the reimbursement of relocation expenses.

In addition, the source documentation and workpapers supporting the data and calculations contained in the foregoing reports is maintained in CenterPoint's electronic databases which are available for review. To schedule an opportunity to review the electronic databases or any hard copy project files related to the new investment or retirements, please contact me at (713) 207-5946.

Notice of this proceeding will be provided to affected customers in the Houston Division by bill insert or by separate mailing within 45 days after the date of this filing in accordance with the applicable law.

Please accept for filing the above-mentioned tariffs, filing package and enclosures and return the enclosed copy of this letter with your file mark thereon to acknowledge such filings for our records. Instead of a binder with a hard copy of the filing, the Company has provided the equivalent in electronic form in the folder called Electronic Copy of Filing.

Although only the incorporated tariffs are applicable to the City, the Company has also included in its filing package both incorporated and unincorporated tariffs.

If the City takes any action regarding this filing, please send signed documents, such as, ordinances, resolutions and minutes to the following address:

Keith L. Wall
1111 Louisiana Street
CNP Tower 19th Floor
Houston, Texas 77002

Please do not hesitate to contact me with any questions you may have regarding this filing.

Sincerely,

Keith L. Wall

Keith L. Wall
Director of Regulatory Affairs

Attachments

cc: Mr. Tal Centers
Mr. Mickey Moon
Ms. Gracy Rodriguez

DELIVERED TO:

_________________________, ______________________________ of
NAME OFFICE (Mayor, City Secretary, etc.)

the City of Spring Valley Village on this ____ day of March 2023.

____
SIGNATURE

DIVIDER PAGE

CenterPoint Energy
1111 Louisiana Street
Houston, TX 77002-5231
P.O. Box 2628
Houston, TX 77252-2628

February 28, 2023

Mayor and City Council
City of Spring Valley Village
Spring Valley Village, Texas

Delivered by Certified Mail

RE: Compliance Filing, Rate Schedule No. TCJA-HOU/TXC

Dear Madam or Sir:

CenterPoint Energy Entex has completed the refund of Rate Schedule No. TCJA-HOU/TXC for unprotected excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 (the "TCJA") to customers in the Houston and Texas Coast Divisions, combined, and files its final report for the amounts refunded from December 31, 2019 through February 6, 2023.

As shown in the enclosed schedules and workpapers, CenterPoint provided a total refund of $17,974,061 to customers in the Houston and Texas Coast Divisions, combined. The total amount to refund was $17,763,968. CenterPoint over refunded by $210,093 to customers in the Houston and Texas Coast Divisions, combined. Treatment of over refunded amounts along with any unprotected balance will be proposed in the next rate case.

Because this filing is a compliance filing associated with Rate Schedule No. TCJA-HOU/TXC, no action is necessary.

Please do not hesitate to contact me with any questions you may have regarding this filing.

Sincerely,

Keith L. Wall

Keith L. Wall
Director of Regulatory Affairs

Enclosures

cc: Mr. Tal Centers
Mr. Patrick Peters III
Ms. Gracy Rodriguez