



# CITY COUNCIL REGULAR MEETING CITY OF BAY CITY

Tuesday, August 13, 2024 at 6:00 PM  
COUNCIL CHAMBERS | 1901 5th Street

## COUNCIL MEMBERS

**Mayor:** Robert K Nelson

**Mayor Pro Tem:** Becca Sitz

**Council Members:** Benjamin Flores, Jim Folse, Bradley Westmoreland, Blayne Finlay

### Vision Statement

*Through a united and collaborative effort, we seek to grow the City of Bay City with a diverse culture that is proud to call Bay City home. We envision a thriving family-centered community where citizens are involved in the future development of our city. We desire our citizens to work, play, worship and shop in the community in which we live. Visitors are welcomed and encouraged to enjoy the friendly environment and amenities the citizens and business owners have created together.*

## AGENDA

**THE FOLLOWING ITEM WILL BE ADDRESSED AT THIS OR ANY OTHER MEETING OF THE CITY COUNCIL UPON THE REQUEST OF THE MAYOR, ANY MEMBER(S) OF COUNCIL AND/OR THE CITY ATTORNEY:**

*ANNOUNCEMENT BY THE MAYOR THAT COUNCIL WILL RETIRE INTO CLOSED SESSION FOR CONSULTATION WITH CITY ATTORNEY ON MATTERS IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE OPEN MEETINGS ACT (TITLE 5, CHAPTER 551, SECTION 551.071(2) OF THE TEXAS GOVERNMENT CODE).*

### CALL TO ORDER AND CERTIFICATION OF QUORUM

#### INVOCATION & PLEDGE

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

*Councilman Benjamin Flores*

#### MISSION STATEMENT

*The City of Bay City is committed to fostering future economic growth by collaborating with our citizens, employers, current and future businesses, as well as the Community and Economic Development Centers. We strive to deliver superior municipal services and to invest in quality-of-life initiatives such as housing, businesses, jobs and activities for all citizens. We make a concerted effort to respond to resident's concerns in a timely and professional manner in order to achieve customer satisfaction.*

*Councilman Benjamin Flores*

**APPROVAL OF AGENDA****PUBLIC COMMENTS**

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff places the item on an agenda for a subsequent meeting.

**PUBLIC HEARING**

- 1. Public Hearing of the City of Bay City, Texas, regarding the levy of assessments within the Russell Ranch Public Improvement District.**

**ACKNOWLEDGEMENT FROM CITY MANAGER****ITEMS / COMMENTS FROM THE MAYOR & COUNCIL MEMBERS****CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL**

- 2. Regular Council Meeting minutes of June 11, 2024.**
- 3. Regular Council Meeting minutes of June 25, 2024.**
- 4. Council Workshop Meeting minutes of July 16, 2024.**
- 5. Regular Council Meeting minutes of July 16, 2024.**
- 6. Ratify extension of the contract by and between the City of Bay City, Texas and DebrisTech, LLC for debris removal services.**
- 7. Ratify the extension of the contract with DRC Emergency Services, LLC for debris removal.**
- 8. Ratify the Interlocal Agreement between the City of Bay City and TX Health Benefits Pool.**

**DEPARTMENT REPORTS**

- 9. Police Department Reports and Updates.** Christella Rodriguez, Police Chief

**REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL**

- 10. Ordinance ~ Discuss, consider, and/or approve an ordinance of the City of Bay City, Texas approving a Service and Assessment Plan and Assessment Roll for the Russell Ranch Public Improvement District (The "District"; making a finding of special benefit to certain property in the district; levying assessments against certain property within the District and establishing a lien on such property; providing for payment of the assessment in accordance with Chapter 372, Texas Local Government Code, as amended; providing for the method of assessment and the payment of the assessments; providing penalties and interest on**

**delinquent assessments; providing for severability and providing an effective date.** Scotty Jones, Interim City Manager

- 11. Resolution ~ Discuss, consider, and/or approve a resolution of the City Council of the City of Bay City, Texas authorizing the Bay City Community Development Corporation to enter into an Interlocal Cooperation Agreement with the City of Bay City for a project to provide Public Safety Facilities (First Reading).** Jessica Russell, Executive Director BCCDC
- 12. Resolution ~ Discuss, consider, and/or approve a resolution of the City Council of the City of Bay City, Texas authorizing the Bay City Community Development Corporation to enter into a contract with Los Cucos Mexican Cafe Bay City, Inc., for a term not to exceed two years and providing incentives not to exceed a total amount of \$70,000 over the term of the agreement (First Reading).** Jessica Russell, Executive Director BCCDC
- 13. Lease ~ Discuss, consider, and/or approve a commercial lease agreement with Williams Energy for leased space at the Bay City Regional Airport.** James Mason, Airport Manager
- 14. Grant ~ Discuss, consider, and/or approve the City of Bay City's issuance of Requests for Proposals (RFPs) for disaster recovery management service providers to complete application and project implementation for the Federal Emergency Management Agency (FEMA) Public Assistance (PA) and Hazard Mitigation Assistance (HMA) programs, administered by the Texas Division of Emergency Management and/or Texas Water Development Board.** Gabriel Lopez, Engineering Technician

#### **CLOSED / EXECUTIVE SESSION**

- 15. Executive Session pursuant to Texas Government Code Section 551.072 (Deliberation regarding Real Property).**

#### **RECONVENE AND ACTION**

#### **ITEMS / COMMENTS FROM THE MAYOR, COUNCIL MEMBERS AND CITY MANAGER**

#### **ADJOURNMENT**

#### **AGENDA NOTICES:**

**Attendance By Other Elected or Appointed Officials:** It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such

in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

### **CERTIFICATION OF POSTING**

This is to certify that the above notice of a Regular Called Council Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on **Friday, August 9, 2024 before 6:00 p.m.** Any questions concerning the above items, please contact the Mayor and City Manager's office at (979) 245-2137.

**PUBLIC HEARING~ CONDUCT A PUBLIC HEARING TO RECEIVE PUBLIC COMMENT ON THE PROPOSED ASSESSMENTS TO BE LEVIED AGAINST CERTAIN PROPERTY IN THE RUSSELL RANCH PUBLIC IMPROVEMENT DISTRICT.**

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## **EXECUTIVE SUMMARY**

**PUBLIC HEARING DATE:**

TUESDAY, AUGUST 13, 2024 AT 6 PM

**PUBLIC HEARING WILL BE ON THE FOLLOWING:**

All information pertaining to this Public Improvement District can be reviewed at the following locations:

City Secretary's Office

Bay City Public Library

City of Bay City's Website- [PUBLIC NOTICES | Bay City, TX \(cityofbaycity.org\)](https://www.cityofbaycity.org)

CITY OF BAY CITY  
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of the City of Bay City, Texas for 6:00 p.m. on August 13, 2024 at the regular meeting place of the City, the City Council Chamber at Bay City City Hall, 1901 Fifth Street, Bay City, Texas 77414. The public hearing will be held to consider proposed assessments to be levied against certain assessable property in the Russell Ranch Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed public improvements (collectively, the "Authorized Improvements") may include: (i) design, construction and other allowed costs related to street and roadway improvements, including related drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) design, construction and other allowed costs related to storm drainage improvements, (iii) design, construction and other allowed costs related to water, wastewater and drainage (including detention) improvements and facilities, (iv) design, construction and other allowed costs related to parks, open space and recreational improvements including trails and landscaping related thereto; (v) design, construction and other allowed costs related to projects similar to those listed in sections (i) – (iv) above authorized by the Act, including similar of-site projects that provide a benefit to the property within the PID; (vi) payment of expenses incurred in the establishment, administration, and operation; and (vii) payment of expenses associated with financing such public improvement projects, which may include but are not limited to, costs associated with the issuance and sale of revenue bonds secured by assessments levied against the Property within the PID and (viii) maintenance and operation expenses of the Authorized Improvements. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property.

The estimated cost to design, acquire and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in the establishment, administration and operation of the District is \$9,000,000 plus the annual cost of supplemental services and operation and maintenance costs, if any. The City will pay no costs of the Authorized Improvements, supplemental services or operation and maintenance costs from funds other than assessments levied on property within the District. The remaining costs of the proposed improvements will be paid from sources other than those described above.

The proposed District is composed of approximately 50 acres located in the East part of the City of Bay City between Hubbard Road and Old Van Vleck road, North of the intersection of FM 457 and Highway 35A. A metes and bounds description is available from the City Secretary at Bay City City Hall, 1901 Fifth Street, Bay City, Texas 77414.

All written or oral objections relating to the levy of the proposed assessments will be considered at the public hearing.

A copy of the Preliminary Amended and Restated Service and Assessment Plan, including the proposed Assessment Roll, for the District, which includes the Assessments to be levied against

each parcel in the District is available for public inspection at the office of the City Secretary, Bay City, City Hall, 1901 Fifth Street, Bay City, Texas 77414.

City of Bay City, Texas  
Jeanna Thompson, City Secretary

# CITY OF BAY CITY

MINUTES • JUNE 11, 2024

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COUNCIL  
CHAMBERS | 1901  
5th Street

City Council Regular Meeting

6:00 PM

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1901 5TH STREET  
BAY CITY TX, 77414



**Mayor**

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Robert K. Nelson

**Mayor Pro Tem**

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Becca Sitz

**Councilman**

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Jim Folse

**Councilman**

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Bradley Westmoreland

**Councilman**

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Blayne Finlay

**Councilman**

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Benjamin Flores

*Through a united and collaborative effort, we seek to grow the City of Bay City with a diverse culture that is proud to call Bay City home. We envision a thriving family-centered community where citizens are involved in the future development of our city. We desire our citizens to work, play, worship and shop in the community in which we live. Visitors are welcomed and encouraged to enjoy the friendly environment and amenities the citizens and business owners have created together.*

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**CALL TO ORDER AND CERTIFICATION OF QUORUM**

The meeting was called to order by Mayor Robert K. Nelson at 6:18 p.m.

**PRESENT**

Mayor Robert K. Nelson  
 Councilman Blayne Finlay  
 Councilman Benjamin Flores  
 Councilman Jim Folse  
 Councilman Brad Westmoreland  
 Mayor Pro Tem Becca Sitz

**INVOCATION & PLEDGE**

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

*Councilman Jim Folse*

**MISSION STATEMENT**

*The City of Bay City is committed to fostering future economic growth by collaborating with our citizens, employers, current and future businesses, as well as the Community and Economic Development Centers. We strive to deliver superior municipal services and to invest in quality-of-life initiatives such as housing, businesses, jobs and activities for all citizens. We make a concerted effort to respond to resident's concerns in a timely and professional manner in order to achieve customer satisfaction.*

*Councilman Jim Folse*

**APPROVAL OF AGENDA**

Motion made by Councilman Finlay to approve the agenda, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**PUBLIC COMMENTS**

Romero Martinez, JP Davis Street, complained about noise, water leaks, flooding, and brush. Barbara Mitchell, JP Davis Street, complained about noise from vehicles up and down her street.

**ACKNOWLEDGEMENT FROM CITY MANAGER**

Scotty Jones, Interim City Manager, announced the Parks & Recreation and Gas Company's Bike Ride-On event at the new BMX Bike Park and the Library Summer Kick Off. Ms. Jones stated the new City App is available and there have been a few instances and asked to email if you are having issues.

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**ITEMS / COMMENTS FROM THE MAYOR & COUNCIL MEMBERS**

Councilman Jim Folse stated that over by Fit For Life, across from theater, that there is no handicapped parking painted and no access for wheelchair. Councilman Ben Flores stated that he attended HGAC on Rail Grants 101 and has spoken with Gabriel on possible grants to assist with our study. Mayor Pro Tem Becca Sitz recognized Public Works for their drainage work on 3rd street. Mayor Nelson reminded council of the Shop with the Cop fundraiser at Stone Market on July 11th at 6:00 p.m.

**CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL**

1. **Agreement ~ Discuss, consider, and/or approve an Interlocal Agreement between the City of Bay City and Van Vleck I.S.D. the Library Cards for Students Program.**
2. **Agreement ~ Discuss, consider, and/or approve an Interlocal Agreement between the City of Bay City and Bay City I.S.D. the Library Cards for Students Program.**
3. **Agreement ~ Discuss, consider, and/or approve an Interlocal Agreement between the City of Bay City and Palacios I.S.D. the Library Cards for Students Program.**
4. **Regular Council Meeting minutes of April 23, 2024.**

Motion made by Councilman Folse to approve the consent items, Seconded by Councilman Westmoreland. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL**

5. **Presentation ~ Introduction of FGM Architects, Inc. as the proposed design team for the City's new Public Safety Center.**

Christella Rodriguez, Chief of Police, introduced Brian Meade with FGM Architects. Mr. Meade provided background information on the company and reviewed the process options.

6. **Agreement ~ Discuss, consider and/or approve a professional services agreement between the City of Bay City and CivilCorp, LLC, for professional engineering services for the design and plan preparation for Moore Addition Subdivision street, drainage, water, and sewer improvements.**

Herb Blomquist, Public Works Director, presented and added that this is a Capital Improvement Plan carry-over from last year.

Motion made by Councilman Flores to approve a professional services agreement between the City of Bay City and CivilCorp, LLC , Seconded by Councilman Finlay. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Mayor Pro Tem Sitz. Voting Abstaining: Councilman Westmoreland. Motion carried.

- 7. Ordinance ~ Discuss, consider, and/or approve and Ordinance of the City of Bay City, Texas, amending the Fee Schedule labeled "Appendix B" in the Code of Ordinances of the City of Bay City, Texas; adopting fees for Chapter 38 Environment; providing for repeal; providing for ratification; providing a penalty; providing for severability; and providing an effective date.**

Dan Shook, Fire Marshal, presented and requested a fee set for mowing now that they have a City Mower. Councilman Flores stated that he felt that it would be challenged as prorated.

Motion made by Councilman Flores to approve the Ordinance of the City of Bay City, Texas, amending the Fee Schedule labeled "Appendix B" in the Code of Ordinances of the City of Bay City, Texas; adopting fees for Chapter 38 Environment with alteration to fee set at \$175.00 for 12" and above with caveat for structures , Seconded by Councilman Finlay. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

- 8. Ordinance ~ Discuss, consider, and/or approve an Ordinance amending the City Code of Ordinances, Chapter 42 "Fire Prevention and Protection"; Article II ("Fire Marshal"); amending section 42-35 and 42-37; providing for a cumulative and conflicts clause, providing for a severability clause; and providing for an effective date.** Dan Shook, Fire Marshal

Motion made by Councilman Folse to approve an Ordinance amending the City Code of Ordinances, Chapter 42 "Fire Prevention and Protection"; Article II ("Fire Marshal"); amending section 42-35 and 42-37, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

## **CLOSED / EXECUTIVE SESSION**

Council adjourned and went into Executive Session at 7:22 p.m.

- 9. Executive Session pursuant to Section 551.071(1) of the Texas Government Code (Consultation with Counsel on Legal Matters)**

**10. Personnel ~ Closed meeting to discuss personnel matters in accordance with Title 5, Section 551.074 of the Texas Government Code.**

**RECONVENE AND ACTION**

Council reconvened into Regular Session at 9:17 p.m.

A statement of record was read by Mayor Nelson that the City is deferring the approval on an ordinance authorizing the issuance of the City of Bay City, Texas Tax and Revenue Certificates of Obligation, Series 2024E to the City Council meeting on Tuesday, June 25, 2024.

Council took no other action.

**ITEMS / COMMENTS FROM THE MAYOR, COUNCIL MEMBERS AND CITY MANAGER**

There were no items from Council.

**ADJOURNMENT**

Motion made by Mayor Pro Tem Sitz to adjourn, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried and Council adjourned at 9:19 p.m.

**PASSED AND APPROVED**, this 13th day of August 2024.

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ROBERT K. NELSON, MAYOR  
CITY OF BAY CITY, TEXAS

\_\_\_\_\_  
JEANNA THOMPSON  
CITY SECRETARY

# CITY OF BAY CITY

MINUTES • JUNE 25, 2024

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<b>COUNCIL CHAMBERS   1901 5th Street</b>	<b>City Council Regular Meeting</b>	<b>6:00 PM</b>
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1901 5TH STREET  
BAY CITY TX, 77414



**Mayor**

Robert K. Nelson

**Mayor Pro Tem**

Becca Sitz

**Councilman**

Jim Folse

**Councilman**

Bradley Westmoreland

**Councilman**

Blayne Finlay

**Councilman**

Benjamin Flores

*Through a united and collaborative effort, we seek to grow the City of Bay City with a diverse culture that is proud to call Bay City home. We envision a thriving family-centered community where citizens are involved in the future development of our city. We desire our citizens to work, play, worship and shop in the community in which we live. Visitors are welcomed and encouraged to enjoy the friendly environment and amenities the citizens and business owners have created together.*

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**CALL TO ORDER AND CERTIFICATION OF QUORUM**

The meeting was called to order by Mayor Robert K. Nelson at 6:03 p.m.

**INVOCATION & PLEDGE**

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

*Councilman Bradley Westmoreland*

**MISSION STATEMENT**

*The City of Bay City is committed to fostering future economic growth by collaborating with our citizens, employers, current and future businesses, as well as the Community and Economic Development Centers. We strive to deliver superior municipal services and to invest in quality-of-life initiatives such as housing, businesses, jobs and activities for all citizens. We make a concerted effort to respond to resident's concerns in a timely and professional manner in order to achieve customer satisfaction.*

*Councilman Bradley Westmoreland*

**APPROVAL OF AGENDA**

Motion made by Councilman Flores to approve the agenda, Seconded by Councilman Finlay. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**PUBLIC COMMENTS**

Marty Martinez, JP Davis Street, stated that they are still having noise problems since the last Council meeting and no one doing anything.

**AWARDS AND PROCLAMATIONS**

1. **Recognition of Lt. Chris Hadash, Bay City Police Department, for successfully completing and graduating from the FBI Academy.** Christella Rodriguez, Chief of Police
2. **Proclamation ~ Proclamation recognizing July as "Parks and Recreation Month".** Mayor Robert K. Nelson

**ACKNOWLEDGEMENT FROM CITY MANAGER**

Scotty Jones, Interim City Manager, credited the Airport staff for clearing the runway when an aircraft had a rough landing. Ms. Jones stated that the BMX Bike Park opening is June 29th and the Library has kicked off their summer programs.

**ITEMS / COMMENTS FROM THE MAYOR & COUNCIL MEMBERS**

Councilman Folse gave location of two fire hydrants and asked if they have been entered to do. Councilman Westmoreland recognized Roxanne Gomez at the Building Department for being helpful and informative. Councilman Flores stated that he met with animal control staff and would like to have a conversation about pets and get a handle on. Councilman Flores also stated that he would still like to see an incident response plan. Mayor Nelson stated that we need help from citizens regarding loose animals and that they need to be secure. Councilman Finlay recognized Angela Hadash for supporting her husband, Lt. Chris Hadash, while he was away attending the FBI Academy.

### **CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL**

- 3. Approve the Master Service Agreement with Urban Engineering for ongoing and future engineering projects.**
- 4. Approve a professional services agreement between the City of Bay City and CivilCorp, LLC, for professional engineering services for the development of 30% design plans for Nile Valley Road Phase 2 project.**
- 5. Regular Council Meeting minutes of May 14, 2024.**
- 6. Regular Council Meeting minutes of May 28, 2024.**
- 7. Council Workshop Meeting minutes of June 11, 2024.**

Motion made by Councilman Westmoreland to approve the consent items, Seconded by Mayor Pro Tem Sitz. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

### **REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL**

- 8. Report ~ Discuss, consider, and/or approve the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending September 30, 2023.**

Scotty Jones, Interim City Manager, introduced Melissa Terry, Harrison, Waldrop, and Uherek, LLP, who presented a review of the annual audit. Councilman Westmoreland congratulated Scotty Jones for a clean audit again and acknowledged Jennifer Leverett for her assistance. Mayor Nelson urged citizens to review on the city web site.

Motion made by Councilman Flores to approve the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending September 30, 2023, Seconded by Councilman Folse. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

- 9. Report ~ Receive a report from GFL (WCA) on the sanitation operations in the City of Bay City and discuss, consider, and/or approve GFL's CPI rate increase request pursuant to the Solid Waste Contract with GFL.**

Krystal Mason, Assistant Public Works Director, introduced representative from GFL who discussed operations and rate increase of 3.36 cpi commercial only. Mayor Nelson stated that there have been issues with brush pickup and a lot of complaints with GFL saying that there is staff and equipment issues. GFL representative replied that they were 100% caught up. Council discussed call log and Councilman Westmoreland added that he called three times and none were logged.

**10. Bid ~ Discuss, consider, and/or approve the bid selection for the Bay City Regional Airport AWOS Replacement Project.**

James Mason, Airport Manager, presented and added that MesoTech came in under budget of \$200,000.00

Motion made by Councilman Folse to approve the bid selection for the Bay City Regional Airport AWOS Replacement Project, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**11. Agreement ~ Discuss, consider, and/or approve Work Authorization 1 with Urban Engineering for engineering design and construction management services related to the drainage project at the Del Norte subdivision, specifically along Nichols Avenue.** Herb Blomquist, Public Works Director

Motion made by Councilman Finlay to approve Work Authorization 1 with Urban Engineering for engineering design and construction management services related to the drainage project at the Del Norte subdivision, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**12. Proposal ~ Discuss and take any action to approve proposal of FGM Architects to serve as architect to public safety headquarters and authorize Interim City Manager to enter into contract in accordance with proposal upon City Attorney's approval of form of contract.** Scotty Jones, Interim City Manager

Motion made by Councilman Flores to approve proposal of FGM Architects to serve as architect to public safety headquarters with change to Phase 1 construction cost range of \$7 million - \$10 million, and authorize Interim City Manager to enter into contract in accordance with proposal upon City Attorney's approval of form of contract, Seconded by Mayor Nelson. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**13. Ordinance ~ Discuss, consider, and/or approve an ordinance by the City Council of the City of Bay City, Texas authorizing the issuance and sale of the City of Bay City, Texas Tax and Revenue Certificates of Obligation, Series 2024E; levying a tax and providing for the security and payment thereof; and enacting other provisions relating thereto.** Scotty Jones, Interim City Manager

Motion made by Councilman Flores to approve an ordinance by the City Council of the City of Bay City, Texas authorizing the issuance and sale of the City of Bay City, Texas Tax and Revenue Certificates of Obligation, Series 2024E; levying a tax and providing for the security and payment thereof; and enacting other provisions relating thereto, Seconded by Councilman Finlay. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

## **CLOSED / EXECUTIVE SESSION**

Council adjourned and went into an Executive Session 7:24 p.m.

- 14. Personnel ~ Closed meeting to discuss personnel matters in accordance with Title 5, Section 551.074 of the Texas Government Code (To discuss appointment, employment, evaluation, responsibilities and duties, reassignment, discipline or dismissal of an officer or employee, or to hear a complaint or charge against an officer or employee: Interim City Manager**

## **RECONVENE AND ACTION**

Council reconvened back into a Regular session at 9:27 p.m. and took no action on items in executive session.

## **ITEMS / COMMENTS FROM THE MAYOR, COUNCIL MEMBERS AND CITY MANAGER**

Councilman Flores stated that he will be attending a hydrogen conference tomorrow at NRG and Thursday he will be attending the Water Development Board meeting.

## **ADJOURNMENT**

Council adjourned the Regular meeting a 9:28 p.m.

**PASSED AND APPROVED**, this 13th day of August 2024.

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ROBERT K. NELSON, MAYOR

CITY OF BAY CITY, TEXAS

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JEANNA THOMPSON

CITY SECRETARY

# CITY OF BAY CITY

MINUTES • JULY 16, 2024

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COUNCIL  
CHAMBERS | 1901  
5th Street

City Council Workshop

5:00 PM

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1901 5TH STREET  
BAY CITY TX, 77414



**Mayor**

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Robert K. Nelson

**Mayor Pro Tem**

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Becca Sitz

**Councilman**

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Jim Folse

**Councilman**

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Bradley Westmoreland

**Councilman**

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Blayne Finlay

**Councilman**

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Benjamin Flores

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**CALL TO ORDER**

The meeting was called to order by Mayor Robert K. Nelson at 5:01 p.m.

**CERTIFICATION OF QUORUM****PRESENT**

Mayor Robert K. Nelson  
Mayor Pro Tem Blayne Finlay  
Councilman Benjamin Flores  
Councilman Jim Folse  
Councilwoman Becca Sitz

**ABSENT**

Councilman Brad Westmoreland

**PUBLIC COMMENTS**

There were no public comments.

**REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND / OR APPROVAL**

1. **Receive and discuss the Bay City Hotel/Motel Budget Proposal for the 2025 Fiscal Year.**

Scotty Jones, Interim City Manager, reviewed the purpose and restrictions regarding Hotel/Motel funds. Mitch Thames, Bay City Chambers of Commerce President, reviewed Civic Center proposed budget. Mr. Thames commented that the building is getting older and costing more to maintain, the generator is not working, and they need a new audio system. Darve Smith, Tourism Manager, reviewed Tourism proposed budget for auto lock services on the Tourism Kiosk, wayfinding signs, and increase expenses in special projects, advertising, contracted services and marketing.

2. **Receive and discuss the Budget Proposal from Other Organizations for the 2025 Fiscal Year.**

Kristie Pustejovsky, Economic Action Committee Director, reviewed EAC proposed budget requesting exterior building repairs.

**ADJOURNMENT**

Motion made by Councilman Flores to adjourn, Seconded by Mayor Pro Tem Finlay. Voting Yea: Mayor Nelson, Mayor Pro Tem Finlay, Councilman Flores, Councilman Folse, Councilwoman Sitz. Motion carried and Council adjourned at 5:42 p.m.

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**PASSED AND APPROVED**, this 13th day of August 2024.

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ROBERT K. NELSON, MAYOR

CITY OF BAY CITY, TEXAS

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JEANNA THOMPSON

CITY SECRETARY

# CITY OF BAY CITY

MINUTES • JULY 16, 2024

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COUNCIL  
CHAMBERS | 1901  
5th Street

City Council Regular Meeting

6:00 PM

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1901 5TH STREET  
BAY CITY TX,77414



**Mayor**

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Robert K. Nelson

**Mayor Pro Tem**

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Becca Sitz

**Councilman**

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Jim Folse

**Councilman**

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Bradley Westmoreland

**Councilman**

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Blayne Finlay

**Councilman**

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Benjamin Flores

*Through a united and collaborative effort, we seek to grow the City of Bay City with a diverse culture that is proud to call Bay City home. We envision a thriving family-centered community where citizens are involved in the future development of our city. We desire our citizens to work, play, worship and shop in the community in which we live. Visitors are welcomed and encouraged to enjoy the friendly environment and amenities the citizens and business owners have created together.*

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**CALL TO ORDER AND CERTIFICATION OF QUORUM**

The meeting was called to order by Mayor Robert K. Nelson at 6:01 p.m.

**PRESENT**

Mayor Robert K. Nelson  
Councilman Blayne Finlay  
Councilman Benjamin Flores  
Councilman Jim Folse  
Councilman Brad Westmoreland  
Mayor Pro Tem Becca Sitz

**INVOCATION & PLEDGE**

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

*Mayor Pro Tem Becca Sitz*

**MISSION STATEMENT**

*The City of Bay City is committed to fostering future economic growth by collaborating with our citizens, employers, current and future businesses, as well as the Community and Economic Development Centers. We strive to deliver superior municipal services and to invest in quality-of-life initiatives such as housing, businesses, jobs and activities for all citizens. We make a concerted effort to respond to resident's concerns in a timely and professional manner in order to achieve customer satisfaction.*

*Mayor Pro Tem Becca Sitz*

**APPROVAL OF AGENDA**

Motion made by Councilman Flores to approve the agenda, Seconded by Councilman Folse. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**PUBLIC COMMENTS**

There were no public comments.

**AWARDS & PROCLAMATIONS****1. Recognition ~ City of Bay City employee promotions.**

Rhonda Clegg, Human Resource Director, presented and recognized staff promotions.

**ACKNOWLEDGEMENT FROM CITY MANAGER**

Scotty Jones, Interim City Manager, thanked the management team for work before, during and after Hurricane Beryl. Ms. Jones added the Samantha Denbow, Library Director, was our Public Information Officer during the event and did a great job. Ms. Jones encouraged citizens to use hyper-reach and thanked the media for sharing posts.

### **ITEMS / COMMENTS FROM THE MAYOR & COUNCIL MEMBERS**

Council thanked departments for their hard work during the storm. Councilman Folsie added that public works quickly jumped in on two lift stations that went out. Mayor Nelson recognized Scotty Jones, as well as Samantha Denbow and Jessica Russell who got together and went to different restaurants for donations for meals to provide to those who needed it.

### **CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL**

2. **Accounts Payable, Direct Payable and Utility Refunds for April, May, and June 2024.**
3. **Ratify the Declaration of Local State Disaster, Order 2024-01, resulting from Hurricane Beryl.**
4. **Waiving of building permit fees for repairs related to damage caused by Hurricane Beryl.**

Motion made by Mayor Pro Tem Sitz to approve the consent items, Seconded by Councilman Folsie. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folsie, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

### **DEPARTMENT REPORTS**

5. **Library 3rd Quarter Report.**

Samantha Denbow, Library Director, presented the Library business plan and 3rd quarter report.

6. **Parks and Recreation Report and Events.**

Kelly Penewitt, Interim Parks & Recreation Director, presented the Parks and Recreation report. Ms. Penewitt commented that they send advertisements and postcards to former Riverside tenants.

Councilman Ben Flores left the meeting at 6:34 p.m.

### **REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL**

7. **Resolution ~ Discuss, consider, and/ or approve a resolution of the City Council of Bay City, Texas, accepting the Preliminary Service and Assessment Plan for the Russell Ranch Public Improvement District; setting a date for public hearing**

**on the proposed levy of assessments; authorizing the publication and mailing of notice; and enacting other provisions relating thereto.**

Scotty Jones, Interim City Manager, and Andrea Barnes with P3 presented. The Public Improvement District is a 30 year PID. A Public Hearing is scheduled for August 13th.

Motion made by Councilman Folsie to approve a resolution of the City Council of Bay City, Texas, accepting the Preliminary Service and Assessment Plan for the Russell Ranch Public Improvement District, Seconded by Councilman Westmoreland. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Folsie, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**8. Agreement ~ Discuss, consider, and/or approve the reimbursement agreement between Crescent Capital Investments, LLC and the city of Bay City, Texas.**

Scotty Jones, Interim city Manager

Motion made by Mayor Pro Tem Sitz to approve the reimbursement agreement between Crescent Capital Investments, LLC and the city of Bay City, Texas, Seconded by Councilman Westmoreland. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Folsie, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**9. Contract ~ Discuss, consider, and/or award the bid for the 2024 Brush Site Wood Chipping Services at the City's brush site to the lowest responsible bidder and authorize the City Manager to execute a contract approved to form by the City Attorney between the City of Bay City and Austin Wood Recycling in the amount of \$71,000.** Krystal Mason, Assistant Public Works Director

Motion made by Councilman Finlay to award the bid for the 2024 Brush Site Wood Chipping Services at the City's brush site to the lowest responsible bidder, Seconded by Mayor Pro Tem Sitz. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Folsie, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**10. Property ~ Discuss, consider, and/or approve a declaration of unusable equipment: 2 surplus police vehicles, and authorize staff to sell said surplus equipment through the use of an online auction or other means.** Lieutenant Chris Hadash

Motion made by Councilman Finlay to approve a declaration of unusable equipment: 2 surplus police vehicles, Seconded by Councilman Westmoreland. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Folsie, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

**11. Development ~ Discuss and review proposed Tax Increment Reinvestment Zone Number Five (TIRZ #5) redevelopment boundaries.**

Scotty Jones, Interim City Manager, presented with Jessica Russell, Bay City CDC Executive Director, and Gabriel Lopez, City Engineer Tech. Boundaries were presented and discussed.

Councilman Flores returned at 7:12 p.m.

- 12. Agreement ~ Discuss, consider, and/or approve ratification of the agreement by and between the City of Bay City, Texas and DebrisTech, LLC.** Scotty Jones, Interim City Manager

Motion made by Mayor Pro Tem Sitz to approve ratification of the agreement by and between the City of Bay City, Texas and DebrisTech, LLC, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

- 13. Contract ~ Discuss, consider, and/or approve ratifying the contract with DRC Emergency Services, LLC for debris removal and finding that competitive bidding is not feasible because an emergency or exigency exists that could affect the health and safety of the public due to Hurricane Beryl.** Scotty Jones, Interim City Manager

Motion made by Mayor Pro Tem Sitz to approve ratifying the contract with DRC Emergency Services, LLC for debris removal, Seconded by Councilman Folse. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

- 14. Resolution ~ Discuss, consider, and/or approve a Resolution to ratify and renew the Declaration of Disaster until further action by City Council.** Scotty Jones, interim City Manager

Motion made by Mayor Pro Tem Sitz to approve a Resolution to ratify and renew the Declaration of Disaster until further action by City Council, Seconded by Councilman Flores. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried.

## ITEMS / COMMENTS FROM THE MAYOR, COUNCIL MEMBERS AND CITY MANAGER

Mayor Pro Tem Sitz asked about the stripping on Nichols and Herb Blomquist confirmed it was complete.

## ADJOURNMENT

Motion made by Councilman Flores to adjourn, Seconded by Councilman Westmoreland. Voting Yea: Mayor Nelson, Councilman Finlay, Councilman Flores, Councilman Folse, Councilman Westmoreland, Mayor Pro Tem Sitz. Motion carried and Council adjourned at 7:23 p.m.

**PASSED AND APPROVED**, this 13th day of August 2024.

\_\_\_\_\_  
ROBERT K. NELSON, MAYOR

CITY OF BAY CITY, TEXAS

\_\_\_\_\_  
JEANNA THOMPSON

CITY SECRETARY

**Ratify the extension of the contract with DebrisTech, LLC for debris removal services.**



## **EXECUTIVE SUMMARY**

### **DEBRIS MONITORING (Extension of Contract)**

#### **BACKGROUND:**

The Contract attached is monitoring debris services as required by FEMA to be reimbursed. This contract commenced on July 12, 2024 and ended August 11, 2024. This was performed under Emergency Procurement Guidelines.

The amendment is to extend the term of the contract for a period of thirty (30) days to allow enough time for debris pick up monitoring services.

#### **FINANCIAL IMPLICATIONS:**

Rates will be reimbursable by FEMA if the City/County meet threshold.

#### **RECOMMENDATION:**

Approve ratifying the extension of the Debris Monitoring Service Contract

**ATTACHMENTS:** Amendment and Original contract with DebrisTech, LLC.



## INDEPENDENT CONTRACT EXTENSION AGREEMENT

This Extension Agreement, made and entered into this 5<sup>th</sup> day of August, 2024 by and between the CITY OF BAY CITY, TX, hereinafter termed the "Owner", and DEBRISTECH, LLC., a Mississippi limited liability company hereinafter termed the "Contractor".

### WITNESSETH

WHEREAS, the parties entered into a certain Contract Agreement for Disaster Debris Monitoring Services on the 12<sup>th</sup> day of July, 2024.

WHEREAS, the parties agree to extend the term of the Contract Agreement in accordance with the terms set forth below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The parties agree to extend the term of the Contract Agreement for DEBRIS MONITORING services for a period of thirty (30) days, which shall be from the extension effective date of August 12, 2024 to September 11, 2024.
2. This extension agreement shall be binding upon and inure to the benefit of the parties, their successors, and personal representatives. This document, including the original Contract Agreement, is the entire agreement between the parties.

All other terms and conditions of the original Contract Agreement remain unchanged.

CITY OF BAY CITY, TX  
 By: [Signature]  
 Title: Mayor  
 Date: 8/6/24

DEBRISTECH, LLC.  
 By: [Signature]  
 Title: President  
 Date: 8/5/2024

## INDEPENDENT CONTRACTOR AGREEMENT

THIS INDEPENDENT CONTRACTOR AGREEMENT (the "Agreement") is made and entered into effective as of the 12<sup>th</sup> day of July, 2024 (the "Effective Date"), by and between the CITY OF BAY CITY, TEXAS (the "City" or "Applicant") and DEBRISTECH, LLC, a Mississippi limited liability company (the "Contractor").

### RECITALS

WHEREAS, the City desires to engage Contractor to perform certain Contractor Services (as hereinafter defined) and Contractor desires to perform such Contractor Services, all on the terms and conditions set forth herein.

### AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Duties of Contractor. Effective as of the date of this Agreement, Contractor agrees to supply personnel as specifically requested in writing by the City to perform the services described in Exhibit A attached hereto (collectively, the "Contractor Services").

2. Independent Contractor Relationship. Contractor is an independent contractor and is solely responsible for all taxes, withholdings, and other similar statutory obligations in connection with the personnel supplied and services provided by Contractor pursuant to this Agreement, including, but not limited to, workers' compensation insurance and unemployment insurance. Nothing in this Agreement shall be deemed to create an agency, partnership, or joint venture between the parties, nor shall this Agreement be interpreted or construed as creating or establishing the relationship of employer and employee between the City and Contractor. Neither party hereto has the authority to act on behalf of or to enter into any contract, incur any liability or make any representation on behalf the other party. It is expressly understood that the Contractor is an independent contractor in every respect.

3. No Exclusive Duty. The Contractor shall devote sufficient time, attention, personnel and other resources to perform the Contractor Services, provided, however, the Contractor shall not be required to perform work exclusively for the City and Contractor may have other business interests and may engage in other activities in addition to those relating to the City.

4. Term. The term of this Agreement shall commence on the Effective Date and terminate on August 11, 2024, subject to the provisions of Paragraphs 5 and 6 (the "Initial Term"). Upon expiration of the Initial Term, this Agreement may continue in 30 day increments as set forth in Section 5 below or otherwise extended pursuant to mutually agreeable written terms.

5. Termination. Either party shall have the right to terminate this Agreement immediately upon written notice thereof to the other party, if such other party breaches any of the material terms of this Agreement or fails to perform or observe any of its material obligations hereunder, and such breach or failure is not cured within a period of thirty (30) days after the receipt

by such party of written notice of such breach or failure specifying the nature of the breach or failure. The City or Contractor may terminate this Agreement for convenience and without cause at any time for any reason without any further obligation to the other party by providing the other party with two (2) days written notice. In the event of termination in accordance with this Paragraph, the City shall pay Contractor for services rendered (as set forth in Paragraph 6 of this Agreement) through the effective termination date and the City shall be liable for the same until such amounts are fully and finally settled.

(a) Authority to Modify, Change or Direct Work. The City understands and agrees it is important for Contractor to receive any and all Project directives, changes, guidance and other scope-related correspondence (collectively "Directives") from authorized representatives of the City. As such, the City designates the below listed individuals as City representatives authorized to issue Directives to Contractor on the City's behalf. In the event any additional City representatives are designated for this Project, the City shall promptly notify Contractor of such designation(s) in writing.

Owner-designated representative: Scotty Jones, Interim City Manager.

6. Compensation. The City will pay Contractor an hourly rate for the personnel provided by Contractor pursuant to the payment schedule attached to Exhibit B. For each hour of services provided by any Contractor personnel in excess of forty (40) hours per week, the City will pay Contractor at one and one-half times (1.5x) the hourly rate on Exhibit B. Contractor agrees to track the number of hours worked per week and to provide invoices for services rendered to the City on a weekly basis. Payment shall be due from the City to the Contractor within fifteen (15) days of the regular meeting of the City Council immediately following receipt of the invoice. For any amounts more than sixty (60) days overdue, Contractor shall have the right to suspend its provision of the Contractor Services until such payment is received. In no event shall the amount payable under this Agreement exceed \$75,000.00 (the "Cap"). If the Contractor performs services such that the amount payable under this Agreement reaches the Cap, this Agreement shall automatically terminate unless the parties agree to amend this Agreement to increase the amount of the Cap.

7. Taxes. Contractor shall be solely responsible for the payment of all taxes and/or assessments imposed on the payments of compensation for the performance of services outlined herein, including, without limitation, any unemployment insurance or tax, self-employment tax, federal, state and foreign income taxes, and any federal social security payment or similar taxes (and Contractor shall provide evidence to the City, upon the City's request, that such have been paid). Notwithstanding, the City may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation; provided, however, that the City shall provide the Contractor with written substantiation of withholding and remittance of such taxes upon Contractor's request.

8. No Breach. Each party hereby represents and warrants to the other party that: (a) it has all right, power and authority to grant the rights granted herein and to perform all of its obligations hereunder; (b) by entering into this Agreement and performing the obligations herein, it will not breach or violate any agreement, charter, instrument or other document to which it is a party or otherwise bound; and (c) it is currently in compliance and, throughout the term of this Agreement, it shall comply, in all material respects, with all applicable laws, rules and regulations.

9. Non-Disclosure. In connection with the Contractor Services, the City may be exposed to certain information that Contractor considers to be confidential or proprietary, or which is otherwise designated by the Contractor as confidential or secret (collectively, "Confidential Information"). During the term of this Agreement and for three (3) years thereafter, the City: (a) shall use reasonable care to protect all Confidential Information it receives; (b) shall not use Confidential Information for any purpose unrelated to the Contractor Services; and (c) shall not, directly or indirectly, disclose any Confidential Information to any third party except to such of the City's employees, agents and representatives who have a need to know such information for purposes of the Contractor Services and are bound by confidentiality obligations no less restrictive than those imposed on the City under this Agreement. The City shall be responsible for any unauthorized disclosure or use of Confidential Information by the City's employees, agents and representatives.

The obligations set forth in this Paragraph 9 shall not apply to such Confidential Information which (i) is or becomes generally available to the public other than as a result of a disclosure by the City; (ii) was available to City on a non-confidential basis prior to its disclosure by the Contractor or its agents; or (iii) becomes available to City on a non-confidential basis from a source other than the Contractor or its agents.

Notwithstanding the foregoing, if City is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, City shall promptly notify the Contractor of such request(s) so that the Contractor may seek an appropriate protective order or waive compliance with the provisions of this Agreement. City agrees to cooperate fully with the Contractor in seeking any protective order. If, in the absence of a protective order or the receipt of a waiver hereunder, City is, nonetheless, in the reasonable opinion of their counsel, compelled to disclose any such Confidential Information or else stand liable for contempt or suffer other censure or penalty, then it may disclose such information pursuant to such request or requirement without liability hereunder.

10. Dispute Resolution.

(a) Should any dispute between the Parties arise under this Agreement (a "Dispute"), written notice of such Dispute shall be delivered from one party to the other and thereafter, the parties, through their appointed representatives or designees (each an "Authorized Representative"), shall first meet and attempt to resolve the Dispute in face-to-face negotiations. This meeting shall occur within thirty (30) days of the date on which a written notice of such Dispute is received from the complaining party.

(b) If no resolution is reached through the informal process set forth in Section 10(a) above, at the direction of either party's Authorized Representative, the parties shall engage in non-binding mediation. The mediation shall be conducted in Bay City, Texas by a single mediator mutually selected by the parties. The parties shall share equally in the fees of the mediator. If the Dispute remains unresolved for a period of at least sixty (60) days following the mediation, either party may seek any remedy at law or in equity that may be available. Any disputes shall be brought in the appropriate court in Matagorda, Texas.

11. Relationship with Debris Removal Contractor. The City acknowledges that the Contractor and the debris removal contractor are not partners or joint ventures with each other. The

City further acknowledges that the Contractor's relationship with the debris removal contractor is limited to documenting the work that is performed by the debris removal contractor, that the Contractor does not direct the operations of the debris removal contractor, does not have any control over the acts or operations of the debris removal contractor, and is not responsible for the acts or omissions of the debris removal contractor.

12. Standards. The Contractor shall follow the generally accepted standard of care typically exhibited by similarly situated consultants performing like services on projects of similar size, scope, nature and complexity. The City and Contractor agree and understand that Contractor's services hereunder constitute professional services and Contractor makes no warranty or guarantee, express or implied, and guarantees no particular result.

13. Insurance. Contractor shall maintain as a condition precedent to this Agreement an approved and satisfactory general comprehensive liability insurance policy in the minimum amount of \$1,000,000.00, and naming the City, its employees and elected officials as additional insureds. Such general comprehensive insurance, the premiums for which have been paid by the Contractor, shall cover any claim for damages of whatever nature brought by any person, corporation or business entity against the Contractor, the City, its employees, named insureds, or additional insureds, or any of them arising out of or in any manner connected with the services provided to the City. A certificate of insurance shall be provided by its producing agent to the City prior to the Contractor's beginning work under this Agreement.

Contractor shall furnish the City as a condition precedent to this Agreement evidence of approved and satisfactory workers' compensation insurance providing workers' compensation insurance to Contractor's employees, unless Contractor is not required by law to have such insurance coverage.

14. Assignment. This Agreement shall not be assigned, in whole or in part, by Contractor without the prior written consent of the City, which shall not be unreasonably withheld.

15. Solid Waste Disposal Act. During the term of this Agreement and any extensions thereof, the Contractor shall at all times comply with all applicable provisions of The Solid Waste Disposal Act of 1965, as amended (42 USCA § 6901, et seq.).

16. Contract Work Hours and Safety Standards Act.

(a) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(b) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each

individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section. (3) Withholding for unpaid wages and liquidated damages. The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section. (4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

17. Clean Air Act. Where applicable, the Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. The Contractor agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by FEMA.

18. Federal Water Pollution Control Act (Clean Water Act). Where applicable, the Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq. The Contractor agrees to report each violation to the (insert name of the non-federal entity entering into the contract) and understands and agrees that the (insert name of the nonfederal entity entering into the contract) will, in turn, report each violation as required to assure notification to the (insert name of the pass-through entity, if applicable), Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by FEMA.

19. Energy Policy and Conservation Act. During the term of this Agreement and any extensions thereof, the Contractor shall at all times comply with all applicable federal, state and local laws pertaining to energy efficiency, including but not limited to, the Energy Policy and Conservation Act, as amended (42 U.S.C.A § 6201 et seq.).

(a) The Contractor shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered material practicable, consistent with maintaining a satisfactory level of competition,

where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

20. Byrd Anti-Lobbying Amendment. During the term of this Agreement and any extensions thereof, the Contractor shall at all times comply with all applicable provisions of the Byrd Anti-Lobbying Amendment (42 U.S.C. § 1352, et seq.).

21. Non-Discrimination.

(a) Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. Contractor 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. Contractor 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.

(b) Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(c) Contractor will not discharge 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 Contractor's legal duty to furnish information.

(d) Contractor 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 Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) Contractor 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.

(g) In the event of Contractor'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 Contractor 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.

(h) Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) 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. Contractor 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 contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be

imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

22. Prohibition on Contracting for Covered Telecommunications Equipment or Services.

(a) Definitions. As used in this clause, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or services have the meaning as defined in FEMA Policy 405-143-1, Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services (Interim), as used in this clause.

(b) Prohibitions. (1) Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after Aug. 13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons. (2) Unless an exception in paragraph (c) of this clause applies, the contractor and its subcontractors may not use grant, cooperative agreement, loan, or loan guarantee funds from the Federal Emergency Management Agency to: (i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system; (ii) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system; (iii) Enter into, extend, or renew contracts with entities 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; or (iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

(c) Exceptions. (1) This clause does not prohibit contractors from providing:

(i) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(ii) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles. (2) By necessary implication and regulation, the prohibitions also do not apply to: (i) Covered telecommunications equipment or services that: i. Are not used as a substantial or essential component of any system; and ii. Are not

used as critical technology of any system. (ii) Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.

(d) **Reporting requirement.** (1) In the event the contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is notified of such by a subcontractor at any tier or by any other source, the contractor shall report the information in paragraph (d)(2) of this clause to the recipient or subrecipient, unless elsewhere in this contract are established procedures for reporting the information. (2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause: (i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended. (ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) **Subcontracts.** The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

23. **Domestic Preference for Procurements.** As appropriate, and to the extent consistent with law, the contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. This includes, but is not limited to iron, aluminum, steel, cement, and other manufactured products.

For purposes of this clause: Produced in the United States means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

Manufactured products mean items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

24. **Access to Records.** The Contractor agrees to provide the City, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

In compliance with section 1225 of the Disaster Recovery Reform Act of 2018, the City and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

25. DHS Seal, Logo, and Flags. The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval. The contractor shall include this provision in any subcontracts.

26. Compliance with Federal Law, Regulations, And Executive Orders and Acknowledgement of Federal Funding. This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

27. No Obligation by Federal Government. The federal government is not a party to this contract and is not subject to any obligations or liabilities to the non-federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

28. Program Fraud and False or Fraudulent Statements or Related Acts. The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract.

29. Byrd Anti-Lobbying Amendment. Contractors who apply or bid for an award of more than \$100,000 shall file the required certification attached as Exhibit D. Each tier certifies to the tier above that it will not and has not used federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the federal awarding agency.

30. Affirmative Socioeconomic Steps. If subcontracts are to be let, the Contractor is required to take all necessary steps identified in 2 C.F.R. § 200.321(b)(1)-(5) to ensure that small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

32. Force Majeure. Except with respect to payment obligations under this Agreement, neither party hereto shall be liable for any failure to perform due to strikes, riots, civil disturbances, acts of terrorism, wars, failures or fluctuations in electrical power or telecommunications equipment, or any other cause beyond such party's reasonable control (each an "Event of Force Majeure"). The parties shall use their commercially reasonable efforts to minimize the consequences of any Event of Force Majeure.

33. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This

Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Contractor:  
DebrisTech, LLC  
Attn: Brooks Wallace  
923 Goodyear Boulevard  
Picayune, Mississippi 39466

If to the City:  
City of Bay City, Texas  
Attn: Scotty Jones  
1901 Fifth Street  
Bay City, Texas 77414

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The parties' respective rights under this Agreement are cumulative and either party's exercise or enforcement of any right or remedy under this Agreement will not preclude such party's exercise or enforcement of any other right or remedy which such party is entitled to enforce at law or in equity.

(e) Contractor's or the City's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Contractor or the City may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) If any provision of this Agreement shall be deemed unlawful, void or unenforceable for any reason, it shall be deemed severable, and in no way shall affect the validity or enforceability of, the remaining provisions of this Agreement.

(g) This Agreement shall not be construed or interpreted in favor of or against Contractor or the City on the basis of draftsmanship or preparation of the Agreement.

(h) This Agreement, together with the Exhibits attached hereto, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and shall supersede all prior and contemporaneous agreements and understandings between Contractor and the City, whether written or oral, with respect to the subject matter hereof.

(i) This Agreement can only be amended or modified in a written document signed by both Contractor and the City.

(j) All rights and obligations of the parties hereto that either expressly, or by their nature, survive the expiration or termination of this Agreement shall survive such expiration or termination.

(k) This Agreement and any amendment, waiver, approval or consent relating hereto may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The delivery by any party of an executed signature page to this Agreement or any amendment, waiver, approval or consent relating hereto by facsimile transmission or by electronic email in Adobe Corporation's Portable Document Format (or PDF) shall be deemed to be, and shall be enforceable to the same extent as, an original signature page hereto or thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party that requests it.

IN WITNESS WHEREOF, the parties have executed this Independent Contractor Agreement as of the date first written above.

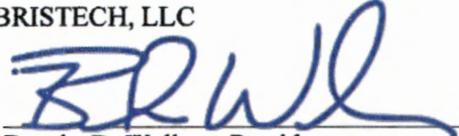
-CONTRACTOR-

-CITY-

DEBRISTECH, LLC

BAY CITY, TEXAS

By:

  
Brooks R. Wallace, President

By:

  
Robert K. Nelson, Mayor

## **EXHIBIT A**

### **SCOPE OF SERVICES**

#### **I. BACKGROUND**

The City requires management, recovery, and consulting services related to disaster recovery. Upon request of the City other services may include, but not limited to, facilitating communication with FEMA, FHWA, the State of Texas and other agencies, coordination with insurance representatives, pre-event planning, and post-event reconstruction, grant funding, and reimbursement services.

#### **II. SCOPE**

##### **A. DISASTER DEBRIS MONITORING SERVICES**

The selected firm will be expected to provide disaster debris monitoring services to include debris generated from the public rights-of-way, private property, drainage areas/canals, waterways, and other areas designated as eligible by the City. Specific services may include:

1. Providing technical support and guidance in selecting a debris removal contractor. This shall include the preparation, review and recommendations of Request for Proposals and/or Bids for debris removal.
2. Coordinating daily briefings, work progress, staffing, and other key items with the City.
3. Support with the selection and permitting of Temporary Debris Storage and Reduction Site (TDSRS) locations and other permitting/regulatory issues as requested.
4. Scheduling work for team members and contractors on a daily basis.
5. Hiring, scheduling, and managing field staff.
6. Monitoring recovery contractor operations and making/implementing recommendations to improve efficiency and speed up recovery work.
7. Assisting the City with responding to public concerns and comments.
8. Certifying contractor vehicles for debris removal using methodology and documentation practices appropriate for contract monitoring.
9. The Debris monitoring company shall utilize an Electronic Ticketing System to generate

electronic debris load tickets for each load of debris generated. The Electronic Ticketing System shall capture a digital photograph, GPS coordinates, Electronic Signature, and a timestamp for each load of debris generated as it is loaded and as it dumped. The System shall also capture before and after photos of each Leaner, Hanger, and Stump removed along with GPS coordinates and timestamps. This information shall be transmitted electronically to a central information database that provides real time access to debris removal activities via a web-based interface. Along with the digital records, the system shall also have the ability to generate paper receipts in the field for redundancy and debris removal crew validation if requested by the City at no additional cost. The System shall also be capable of providing a real time connection to the City's GIS system and shall be customizable to meet specific needs of the City with no additional cost to the City. The purpose of the Electronic Ticketing System is to provide the City with complete documentation of every load of debris generated for auditing and reimbursement purposes.

10. Developing daily operational reports to keep the City informed of work progress.
11. Development of maps, GIS applications, etc. as necessary.
12. Comprehensive review, reconciliation, and validation of debris removal contractor(s) invoices prior to submission to the City for processing.
13. Project Worksheet and other pertinent report preparation required for reimbursement by FEMA, FHWA and any other applicable agency for disaster recovery efforts by City staff and designated debris removal contractors.
14. Final report and appeal preparation and assistance.

END OF SCOPE

**EXHIBIT B****PAYMENT SCHEDULE**

The hourly labor rates shall include all applicable overhead and profit. All non-labor related project costs will be billed to the City at cost without mark-up. All Per Diem expenses shall be billed directly to the City at a rate not to exceed the GSA Per Diem Allowance for the project area. The rates listed below shall be straight time rates. All hours in excess of 40 hours per week shall be billed at 1.5 times the straight time rate.

**DISASTER DEBRIS MONITORING SERVICES**

<b>POSITIONS</b>	<b>HOURLY RATES</b>
Project Manager	\$ <u>85.00</u>
Operations Manager	\$ <u>70.00</u>
Field Supervisor	\$ <u>50.00</u>
Load Site Monitors	\$ <u>38.00</u>
Debris Site/Tower Monitor	\$ <u>38.00</u>

**EXHIBIT C****CERTIFICATION REGARDING DEBARMENT,  
SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -Certification in accordance with Section 29.510 Appendix A, C.F.R./Vol. 53, No. 102, page 19210 and 19211:

- (1) The CONTRACTOR certifies to the best of its knowledge and belief that it and its principals:
  - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
  - (b) have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification: and
  - (d) have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default;
  - (e) has not either directly or indirectly entered into any agreement participated in any collusion; or otherwise taken any action in restraint of free competitive negotiation in connection with this CONTRACT.
  
- (2) The CONTRACTOR further certifies, to the best of his/her knowledge and belief, that:
  - (f) No 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 Federal agency, a member of Congress, an officer or employee of Congress, or employee of a member of Congress in connection with the awarding 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.
  - (g) 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 Congress, or any employee of a member of Congress in connection with this CONTRACT, Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions will be completed and submitted.

The certification contained in (1) and (2) above is a material representation of fact upon which reliance is placed and a pre-requisite imposed by Section 1352, Title 31, U. S. Code prior to entering into this CONTRACT. Failure to comply shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000. The CONTRACTOR shall include the language of the certification in all subcontracts exceeding \$100,000 and all sub-contractors shall certify and disclose accordingly.

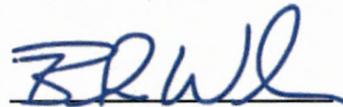
I hereby certify that I am the duly authorized representative of the CONTRACTOR for purposes of making this certification, and that neither I, nor any principal, officer, shareholder or employee of the above firm has:

- (a) employed or retained for commission, percentages, brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above CONTRACTOR) to solicit or secure this agreement,
- (b) agreed, as an express or implied condition for obtaining this CONTRACT, to employ or retain the services of any firm or person in connection with carrying out the agreement, or
- (c) paid, or agreed to pay, to any firm, organization or person (other than a bone fide employee working solely for me or the above CONTRACTOR) any fee, contribution, donation, or consideration of any kind for, or in connection with, procuring or carrying out the agreement; except as herein expressly stated (if any).

I acknowledge that this Agreement may be furnished to the Federal Emergency Management Agency, in connection with the Agreement involving participation of federal disaster relief funds, and is subject to applicable state and federal laws, both criminal and civil.

SO CERTIFIED this day of July 13, 2024.

DebrisTech, LLC

  
Brooks Wallace, President



ATTEST:   
Notary

**EXHIBIT D****BYRD ANTI-LOBBYING AMENDMENT CERTIFICATION**

## APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

## Certification for Contracts, Grants, Loans, and Cooperative Agreements

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

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.

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.

The undersigned shall require that the language of this 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 section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, DebrisTech, LLC, 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. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.



Brooks Wallace, President

July 13, 2024

Date

## **Ratify the extension of the contract with DRC Emergency Services, LLC for debris removal**



### **EXECUTIVE SUMMARY**

#### **DEBRIS REMOVAL SERVICES (Extension of Contract)**

##### **BACKGROUND:**

The City sustained damages as a result of Hurricane Beryl making landfall on July 8, 2024. The City took measure to immediately clear debris from the roadways following the storm. The City staff determined that the most efficient route would be to perform emergency procurement to remove unsafe debris piles immediately.

City Council approved first emergency contract on July 16, 2024. The initial term of the contract commenced on July 10, 2024 to expire 30 days after. This contract amendment is to extend another 30 days to complete all debris work.

##### **FINANCIAL IMPLICATIONS:**

Variable Rates—reimbursable by FEMA if the City/County meet threshold. (See Exhibit A in Original Contract)

##### **RECOMMENDATION:**

Approve ratifying the extension of the Emergency Debris Removal Contract

**ATTACHMENTS:** Amendment and Original contract with DRS Emergency Services

**FIRST AMENDED EXIGENT AND EMERGENCY AGREEMENT FOR DEBRIS REMOVAL AND RELATED SERVICES BETWEEN CITY OF BAY CITY, TEXAS AND DRC EMERGENCY SERVICES, LLC**

This First Amended Exigent and Emergency Agreement for Debris Removal and Related Services (“Amended Agreement”) dated August 8, 2024 by and between the City of Bay City (the “Government”) and DRC Emergency Services, LLC (“Contractor”) as follows:

**Recitals**

WHEREAS, the Government and Contractor entered into that certain Exigent and Emergency Agreement for Debris Removal and Related Services dated July 10, 2024 with an effective date commencing July 12, 2024 and expiring 30 days thereafter (the “Agreement”);

WHEREAS, the Government and Contractor wish to execute this Amended Agreement extending the term of the Agreement another 30 days commencing August 11, 2024 and expiring 30 days thereafter;

WHEREAS, the Government has determined that public exigent and emergency circumstances continue to exist detrimental to the health, safety and welfare of citizens and property and will not permit for the delays resulting from competitive solicitations as recognized under 2 CFR §200.320(f)(2) to procure debris removal and related services;

WHEREAS, the Government has determined that the Contractor is a responsible contractor;

NOW THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference, and other specific consideration set forth in this Amended Agreement the receipt and sufficiency of which is acknowledged by Contractor and Government, the parties agree as follows:

1. This Amended Agreement forms parts of and is incorporated by reference into the Agreement.
2. This Amended Agreement has an effective date commencing August 11, 2024 and expires 30 days thereafter;
3. Except as otherwise provided in this Amended Agreement, all terms, conditions and obligations of the parties under the Agreement remain in full force and effect.

Thus done and agreed on the dates indicated below.

**DRC Emergency Services, LLC**

**City of Bay City, Texas**

\_\_\_\_\_  
Kristy Fuentes, Vice President

  
Robert K. Nelson, Mayor

Date: \_\_\_\_\_

Date: 8-8-24

**EXIGENT AND EMERGENCY AGREEMENT FOR DEBRIS REMOVAL AND RELATED SERVICES BETWEEN City of Bay City, TX AND DRC EMERGENCY SERVICES, LLC**

This Exigent and Emergency Agreement for Debris Removal and Related Services (“Agreement”) dated July 10, 2024 by and between the City of Bay City (the “Government”) and DRC Emergency Services, LLC (“Contractor”) as follows:

**Recitals**

WHEREAS, the Government has determined that public exigency and emergency circumstances exist detrimental to the health, safety and welfare of citizens and property and will not permit for the delays resulting from competitive solicitations as recognized under 2 CFR §200.320(f)(2) to procure debris removal and related services.

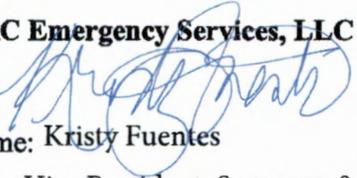
WHEREAS, the Government has determined that the Contractor is a responsible contractor in accordance with 2 CFR §200.318(h).

NOW THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference, and other specific consideration set forth in this Agreement the receipt and sufficiency of which is acknowledged by Contractor and Government, the parties agree as follows:

1. The Contractor and Government agree that the foregoing recitals are true, correct and material to this Agreement.
2. The Contractor and Government agree that the active term of this Agreement shall commence on July 12, 2024 and shall expire 30 days thereafter (hereafter the “active term”). This Agreement shall apply to all work performed at the request of the Government or for the benefit of the Government during the active term hereof (the “Work”) unless both parties agree in writing that the terms and conditions hereof shall not apply.
3. Contractor’s scope of work and rates are set forth on the attached Exhibit “A” which is adopted and incorporated herein by reference.
4. The contract clauses set forth on the attached Exhibit “B” and certification set forth on the attached Exhibit “C” are adopted and incorporated herein by reference.

In witness whereof, the parties herein have executed this Agreement as of the 10<sup>th</sup> day of July, 2024.

**DRC Emergency Services, LLC**

By:   
Name: Kristy Fuentes  
Title: Vice President, Secretary & Treasurer  
Date: 07/10/2024

**City of Bay City**

By:   
Name: Robert K. Nelson  
Title: Mayor  
Date: 7-10-24

ROW Vegetative Debris Removal: Work consists of the collection and transportation of eligible vegetative debris on the ROW or public property to approved debris management site (DMS) or approved final disposal site	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 7.45	\$ 7.45	\$ 7.45	\$ 7.45	\$ 80.00
16-30 miles	\$ 7.45	\$ 7.45	\$ 7.45	\$ 7.45	\$ 80.00
31-60 miles	\$ 7.45	\$ 7.45	\$ 7.45	\$ 7.45	\$ 80.00
Greater than 60 miles	\$ 7.45	\$ 7.45	\$ 7.45	\$ 7.45	\$ 80.00
ROW C&D Debris Removal: Work consists of the collection and transportation of eligible C&D on the ROW or public property to approved final disposal site.	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 7.75	\$ 7.75	\$ 7.75	\$ 7.75	\$ 80.00
16-30 miles	\$ 8.25	\$ 8.25	\$ 8.25	\$ 8.25	\$ 85.00
31-60 miles	\$ 14.00	\$ 14.00	\$ 14.00	\$ 14.00	\$ 140.00
Greater than 60 miles	\$ 14.00	\$ 14.00	\$ 14.00	\$ 14.00	\$ 140.00
Demolition, Removal, Transport and Disposal of Non-RACM Structures: Work consists of decommissioning, demolition, and disposal of eligible Non-RACM structures on public or private property and hauling the resulting debris to approved final disposal site	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 18.95	\$ 18.95	\$ 18.95	\$ 18.95	\$ 185.00
16-30 miles	\$ 19.95	\$ 19.95	\$ 19.95	\$ 19.95	\$ 195.00
31-60 miles	\$ 22.95	\$ 22.95	\$ 22.95	\$ 22.95	\$ 225.00
Greater than 60 miles	\$ 24.95	\$ 24.95	\$ 24.95	\$ 24.95	\$ 245.00
Demolition, Removal, Transport and Disposal of RACM Structures: Work consists of decommissioning, demolition, and disposal of eligible RACM structures on public or private property and hauling the resulting debris to approved final disposal site	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 28.95	\$ 28.95	\$ 28.95	\$ 28.95	\$ 285.00
16-30 miles	\$ 29.95	\$ 29.95	\$ 29.95	\$ 29.95	\$ 295.00
31-60 miles	\$ 32.95	\$ 32.95	\$ 32.95	\$ 32.95	\$ 325.00
Greater than 60 miles	\$ 34.95	\$ 34.95	\$ 34.95	\$ 34.95	\$ 345.00
DMS Management and Operations: Work consist of managing and operating DMS for acceptance of eligible vegetative disaster related debris. The costs associated with acquiring, preparing, leasing, renting, operating, and remediating land used as DMS is reflected in this bid.	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45	\$ 14.50
16-30 miles	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45	\$ 14.50
31-60 miles	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45	\$ 14.50
Greater than 60 miles	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45	\$ 14.50
DMS Management and Reduction by Grinding: Work consist of managing and operating DMS for acceptance of eligible vegetative disaster related debris through grinding. The costs associated with acquiring, preparing, leasing, renting, operating, and remediating land used as DMS is reflected in this bid.	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 27.50
16-30 miles	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 27.50
31-60 miles	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 27.50
Greater than 60 miles	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 27.50
DMS Management and Reduction by Air Curtain Incineration: Work consist of managing and operating DMS for acceptance of eligible vegetative disaster related debris through air curtain incinerators. The costs associated with acquiring, preparing, leasing, renting, operating, and remediating land used as DMS is reflected in this bid.	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 22.50
16-30 miles	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 22.50
31-60 miles	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 22.50
Greater than 60 miles	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 22.50
Haul-out of Reduced Debris to Approved Final Disposal Site: Work consists of loading and transporting reduced eligible disaster related debris at approved DMS to designated final disposal site.	\$ per cubic yard (CY)	Low Range 0-100k CY	Mid Range 100k-500k CY	High Range 500k+ CY	\$ per ton (Alternate)
0-15 miles	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 40.00
16-30 miles	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 50.00
31-60 miles	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 85.00
Greater than 60 miles	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 105.00

Removal of Hazardous Trees and Limbs: work consist of removing eligible hazardous trees or limbs and placing them on the safest possible location of the row for collection under the terms and conditions of Scope of Services					\$ Per Tree
6 inch to 12.99 inch diameter					\$ 75.00
13 inch to 24.99 inch diameter					\$ 100.00
25 inch to 36.99 inch diameter					\$ 170.00
37 inch to 48.99 inch diameter					\$ 295.00
49 inch and larger					\$ 395.00
Hanger Removal (Pre Tree)					\$ 85.00
Removal of Hazardous Stumps: Work consists od removing eligible hazardous stumps and transporting resulting debris from the ROW to approved DMS. Rate includes removal, backfill of stump hole, reduction, and final disposal					\$ Per Stump
24.1 inch to 36.99 inch diameter					\$ 150.00
37 inch to 48.99 inch diameter					\$ 200.00
49 inch and larger diameter					\$ 300.00
ROW White Goods Debris Removal: Work consists of the removal of eligible White Goods from the ROW to approved DMS or approval. Facility for recycling. Contractor shall be responsible for recovering/disposing reffridgerants as required by law as well as unit decontamination in a contained area. The Contractor shall also be responsible for the transportation of eligible White Goods from the approved DMS to approved facility for recycling.					\$ Per Unit
Reffridgerators and freezers requiring reffridgerant recovery and					\$ 100.00
Washers, dryers, stoves, ovens, AC units, and hot water heaters					\$ 50.00
Used Electronics Removal: Work consists of recovery and disposal of disaster damaged televisions, computers, computer monitors, and microwaves unless otherwise specified in writing by the County					\$ Per Unit
					\$ 25.00
Household Hazardous Waste Removal, Transport, and Disposal: Work consists of the collection, transportation, and disposal of household hazardous waste from the ROW to approved permitted hazardous waste facility or MSW type I landfill.					\$ Per Pound
					\$ 6.95
Abandoned Vehicle and Vessel Removal: Work Consists of removal and transports of eligible abandoned vehicles and vessels.					\$ Per Unit
Passenger Car					\$ 100.00
Single Axle					\$ 150.00
Vessel less than 20 linear feet					\$ 500.00
Vessels 21 linear feet and greater					\$ 2,500.00
Double Axle					\$ 200.00
Dead Animal Carcasses: Work Consists of the recovery and disposal of dead animal carcasses.					\$ Per Pound
					\$ 1.50

Equipment Type with Operator	Estimated Hours	Hourly Labor Ra	Total
Air Curtain Burner, Self-Contained System	1	\$ 185.00	\$ 185.00
50' Bucket truck	1	\$ 225.00	\$ 225.00
Crash truck w/ Impact Attenuator	1	\$ 145.00	\$ 145.00
Dozer, Tracked D3 or Equivalent	1	\$ 200.00	\$ 200.00
Dozer, Tracked D4 or Equivalent	1	\$ 200.00	\$ 200.00
Dozer, Tracked D5 or Equivalent	1	\$ 200.00	\$ 200.00
Dozer, Tracked D8 or Equivalent	1	\$ 200.00	\$ 200.00
Dump truck, 16+/-CY	1	\$ 100.00	\$ 100.00
Dump Truck, 20+/- CY	1	\$ 120.00	\$ 120.00
Dump Truck, 38+/- CY	1	\$ 140.00	\$ 140.00
Generator, 5.5 kW, List kW Capacity - 5.5kW	1	\$ 25.00	\$ 25.00
Generator, 200 kW, List kW Capacity - 200 kW as availabl	1	\$ 125.00	\$ 125.00
Generator, 2,500 kW, List kW Capacity 2,500 kW as availabl	1	\$ 750.00	\$ 750.00
Light Plant with Fuel and Support	1	\$ 75.00	\$ 75.00
Grader w/ 12' Blade (Min. 30,000 LB)	1	\$ 110.00	\$ 110.00
Hydraulic Excavator, 1.5 CY	1	\$ 145.00	\$ 145.00
Hydraulic Excavator, 2.5 CY	1	\$ 155.00	\$ 155.00
Knucleboom Loader	1	\$ 250.00	\$ 250.00

Lowboy Trailer w/ Tractor	1	\$ 150.00	\$ 150.00
Mobile Crane up to 15 Ton	1	\$ 175.00	\$ 175.00
Pump, 95 HP (Minimum 25' Intake and 200' Discharge to Include Fuel and Support Personnel)	1	\$ 200.00	\$ 200.00
Pump, 200 HP (Minimum 25' Intake and 200' Discharge to Include Fuel and Support Personnel)	1	\$ 400.00	\$ 400.00
Pump, 650 HP (Minimum 25' Intake and 200' Discharge to Include Fuel and Support Personnel)	1	\$ 600.00	\$ 600.00
Vac Truck (Mist Capacity), List Capacity - 2,500 Gallon	1	\$ 325.00	\$ 325.00
Pickup Truck, 1 Ton	1	\$ 40.00	\$ 40.00
Skid-Steer Loader, 1,500 LB Operating Capacity (w/ Utility Grapple)	1	\$ 125.00	\$ 125.00
Skid-Steer Loader, 2,500 LB Operating Capacity (w/ Utility Grapple)	1	\$ 135.00	\$ 135.00
Compact Track Loader, 1,500 LB Operating Capacity (w/ Utility Grapple)	1	\$ 125.00	\$ 125.00
Compact Track Loader, 2,500 LB Operating Capacity (w/ Utility Grapple)	1	\$ 135.00	\$ 135.00
Tub Grinder, 800 to 1,000 HP	1	\$ 550.00	\$ 550.00
Hydraulic Excavator, 1.5 CY (w/ Thumb)	1	\$ 175.00	\$ 175.00
Hydraulic Excavator, 2.5 CY (w/ Thumb)	1	\$ 180.00	\$ 180.00
Truck, Flatbed	1	\$ 120.00	\$ 120.00
Articulated, Telescoping Scissor Lift for Tower, 15 HP/37ft Lift	1	\$ 135.00	\$ 135.00
Water Truck, 2,5000 gal (Non-Portable, Dust Control and Pavement Maintenance)	1	\$ 85.00	\$ 85.00
Wheel Loader, 3 CY, 152 HP	1	\$ 185.00	\$ 185.00
Wheel Loader, 4CY, 200 HP	1	\$ 195.00	\$ 195.00
Wheel Loader-Backhoe, 1.5 CY, 95 HP	1	\$ 175.00	\$ 175.00
Other-Please List	N/A	N/A	N/A

Labor Category	Estimated Hours	Hourly Labor Rate	Total
Operations managers w/ Cell Phone and 0.5 ton Pickup	1	\$ 80.00	\$ 80.00
Crew Foreman w/ Cell Phone and 1 ton Equipment Truck w/ Small tools and	1	\$ 75.00	\$ 75.00
Tree Climber W/ Chain Saw	1	\$ 90.00	\$ 90.00
Laborer w/ Chainsaw	1	\$ 45.00	\$ 45.00
Laborer w/Small Tools, Traffic Control, or Flag Person	1	\$ 45.00	\$ 45.00
Bonded and Certified Security Personnel	1	\$ 85.00	\$ 85.00
Other - Please List	N/A	N/A	N/A

Crew Category	Estimated Hours	Hourly Labor Rate	Total
Wheel Loader, 2.5 CY, 950 or Similar w/Operator, Foreman with Support Vehicle and Small Equipment, Laborer w/ Chainsaw, and 2 Laborers w/ Small Tools	1	\$ 395.00	\$ 395.00
Other Please List	N/A	N/A	N/A

**EXHIBIT "B"****(A) LIQUIDATED DAMAGES (2 CFR §200.326 Appendix II to Part 200 (A))**

(1) All work to be performed under this AGREEMENT shall be timely commenced. As a breach of this AGREEMENT would cause substantial delay in the completion of the required services affecting the safety and welfare of the public, the parties adopt the following liquidated damages clause.

(2) Liquidated damages are hereby fixed and agreed upon between the parties, recognizing the impossibility of precisely ascertaining the amount of damages that will be sustained by the GOVERNMENT as a consequence of such delay in performance. CONTRACTOR acknowledges and agrees that damages to GOVERNMENT from untimely performance are extremely difficult to determine, and accordingly, the CONTRACTOR agrees that the amount of liquidated damages provided for herein is the nearest and most exact measure of damages for such delays.

(a) Failure of the CONTRACTOR to meet the mobilization requirements under this AGREEMENT: \$100.00 per calendar day.

(3) The GOVERNMENT is authorized to deduct liquidated damage amounts from the monies due to CONTRACTOR for the work under this AGREEMENT, or as much thereof as the GOVERNMENT may, at its own option, deem just and reasonable.

**(B) TERMINATION RIGHTS (2 CFR §200.326 Appendix II to Part 200 (B))**

(1) Termination for Cause: GOVERNMENT may terminate this AGREEMENT for cause if the CONTRACTOR fails to take corrective action within thirty (30) days after written notice from the GOVERNMENT identifying the breach. Cause for termination shall include, but not be limited to, failure to suitably perform the work, failure to suitably deliver goods in accordance with the specifications and instructions in the AGREEMENT, failure to continuously perform the work in a manner calculated to meet or accomplish the objectives of the GOVERNMENT as set forth in the AGREEMENT, or multiple breaches of the provisions of the AGREEMENT notwithstanding whether any such breach was previously waived or cured.

(2) Termination for Convenience: GOVERNMENT may terminate this AGREEMENT for convenience upon no less than thirty (30) days written notice. In the event this AGREEMENT is terminated for convenience, CONTRACTOR be paid for any goods properly delivered and services properly performed to the date the AGREEMENT is deemed terminated; however, upon being notified of GOVERNMENT's election to terminate, CONTRACTOR shall cease any deliveries, shipment or carriage of goods, and refrain from performing further services or incurring additional expenses under the terms of this AGREEMENT. CONTRACTOR acknowledges and agrees that is has received good, valuable and sufficient consideration from GOVERNMENT, the receipt and adequacy of which are hereby acknowledged for GOVERNMENT's right to terminate this AGREEMENT for convenience.

(C) EQUAL EMPLOYMENT OPPORTUNITY CLAUSE (2 CFR §200.326 Appendix II to Part 200 (C))

If applicable to the work and services performed by CONTRACTOR under the AGREEMENT, during the performance of the AGREEMENT, CONTRACTOR shall comply with the Equal Employment Opportunity Clause (41 CFR 60-1.4(b)):

(1) CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. CONTRACTOR 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, 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. AGREEMENTOR 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.

(2) CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) CONTRACTOR will send to each labor union or representative of workers with which it has a collective bargaining agreement or other agreement or understanding, a notice to be provided advising the said labor union or workers' representatives of the CONTRACTOR'S commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) CONTRACTOR will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) CONTRACTOR 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 for purpose of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the CONTRACTOR'S noncompliance with the nondiscrimination clauses of this AGREEMENT or with any of the said rules, regulations or orders, this AGREEMENT may be canceled, terminated, or suspended in whole or in part and the CONTRACTOR 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.

(7) CONTRACTOR will include the portion of the sentence immediately preceding paragraph (1) and the provisions of subparagraphs 1 through 7 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 contractor. CONTRACTOR 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 CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or contractor as a result of such direction by the administering agency the CONTRACTOR may request the United States to enter into such litigation to protect the interest of the United States.

**D. DAVIS-BACON ACT AND COPELAND "ANTI-KICKBACK" ACT (2 CFR §200.326 Appendix II to Part 200 (D))**

If applicable to the work and services performed by CONTRACTOR under the parties' AGREEMENT:

(1) Bacon-Davis Act: Applicable to construction or repair of public buildings or public works. see FEMA Public Assistance Program and Policy Guide, Ch.2(V)(G)(2), page 32 and Ch. (FP 104-009-2/January 2016);

(2) Copeland "Anti-Kickback" Act: In contracts subject to the Davis-Bacon Act, CONTRACTOR shall comply with the Copeland "Anti-Kickback" Act (40 U.S.C. §3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that the contractor and subcontractor must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The GOVERNMENT must report all suspected or reported violations to the appropriate Federal agency.

If applicable to the work and services under the parties' AGREEMENT:

(a) CONTRACTOR shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this AGREEMENT.

(b) CONTRACTOR or subcontractor shall insert in any subcontract the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The CONTRACTOR shall be responsible for the compliance by any subcontractor or lower tier subcontract with all of these contract clauses.

(c) A breach of the AGREEMENT clause above may be grounds for termination of the AGREEMENT, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. §5.12.

**E. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (2 CFR §200.326 Appendix II to Part 200 (E)) (40 U.S.C. 3701-3708)**

Contracts in excess of \$100,000 that involve the employment of mechanics or laborers shall comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor and its subcontractors shall compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation: liability for unpaid wages: liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The GOVERNMENT shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) The contractor and subcontractor shall insert in any subcontract the clauses set forth in paragraphs (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts.

**F. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT (2 CFR §200.326 Appendix II to Part 200 (F))**

If applicable to the work and services performed by CONTRACTOR under the parties' AGREEMENT and if the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the GOVERNMENT 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 GOVERNMENT must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business."

**G. CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT (2 CFR §200.326 Appendix II to Part 200 (G))**

CONTRACTOR shall comply 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). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

CONTRACTOR shall include the foregoing requirements in each subcontract exceeding \$100,000.

**H. ENERGY EFFICIENCY AND CONSERVATION (2 CFR §200.326 Appendix II to Part 200 (H))**

If applicable to the work and services performed by CONTRACTOR under the parties' AGREEMENT, CONTRACTOR shall comply with the mandatory standards and policies of the state regulation promulgated in accordance with the Energy Policy and Conservation Act (42 U.S.C. § 6201).

**I. DEBARMENT AND SUSPENSION (2 CFR §200.326 Appendix II to Part 200 (I))**

(1) This AGREEMENT is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the CONTRACTOR is required to verify that none of the contractor, its principals

(defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(2) The CONTRACTOR must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by GOVERNMENT. If it is later determined that the CONTRACTOR did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to GOVERNMENT, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The CONTRACTOR agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C AGREEMENT is valid and throughout the period of performance. The CONTRACTOR further agrees to include a provision requiring such compliance in its lower tier covered transactions.

#### J. BYRD ANTI-LOBBYING AMENDMENT (2 CFR §200.326 Appendix II to Part 200 (J))

CONTRACTOR must file with the GOVERNMENT the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. If not provided with the bid response, CONTRACTOR must complete and submit the Certification Regarding Lobbying Form.

#### K. PROCUREMENT OF RECOVERED MATERIALS (2 CFR §200.326 Appendix II to Part 200 (K) and 2 CFR §200.322)

(1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired-

- (a) Competitively within a timeframe providing for compliance with the contract performance schedule;
- (b) Meeting contract performance requirements; or
- (c) At a reasonable price.

(2) Information about this requirement is available at EPA's Comprehensive Procurement Guidelines web site, <http://www.epa.gov/cpg/>. The list of EPA-designate items is available at <http://www.epa.gov/cpg/products/htm>.

#### L. AGREEMENTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS (2 CFR §200.321)

Should the CONTRACTOR subcontract any of the work under this AGREEMENT, CONTRACTOR shall take the following affirmative steps: place qualified small and minority businesses and women's business enterprises on solicitation lists; assure that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; establish delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and use 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.

#### M. ACCESS TO RECORDS

(1) CONTRACTOR agrees to provide GOVERNMENT, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this AGREEMENT for the purposes of making audits, examinations, excerpts, and transcriptions.

(2) CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(3) CONTRACTOR agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

#### N. SEAL, LOGO AND FLAGS

CONTRACTOR shall not use the U.S. Department of Homeland Security's seal(s), logos, crests, or reproductions of flags or likenesses of the U.S. Department of Homeland Security's agency officials without specific FEMA preapproval.

#### O. COMPLIANCE WITH FEDERAL LAW, REGULATIONS AND EXECUTIVE ORDERS

This is an acknowledgement that FEMA financial assistance will be used to fund the AGREEMENT only. If applicable to the work and services performed by CONTRACTOR under the AGREEMENT, the CONTRACTOR will comply with all federal law, regulations, executive orders, FEMA policies, procedures, and directives.

**P. NO OBLIGATION BY FEDERAL GOVERNMENT**

The Federal Government is not a party to this AGREEMENT and is not subject to any obligations or liabilities to GOVERNMENT, CONTRACTOR, or any other party pertaining to any matter resulting from the contract.

**Q. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS**

CONTRACTOR acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the CONTRACTOR'S actions pertaining to this contract.

**EXHIBIT "C"**

**CERTIFICATION REGARDING LOBBYING**

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

(1) 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.

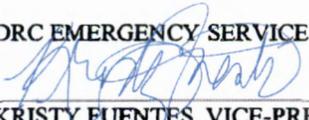
(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this 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.

(3) The undersigned shall require that the language of this 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). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned Contractor 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.

DRC EMERGENCY SERVICES, LLC

  
KRISTY FUENTES, VICE-PRESIDENT

Date: 07/10, 2024



## Agenda Item Submission Executive Summary

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The Interlocal Agreement for health benefits, between the City of Bay City and the TX Health Benefits (TXHB) Pool, is designed to establish a cooperative framework between multiple governmental entities to provide comprehensive health benefits to participating entity employees. The agreement allows for the City to benefit from the collective bargaining power to achieve cost savings, enhance benefit offerings, and improve overall employee wellness.

To stay on schedule, the Mayor signed the agreement on Tuesday, August 6, 2024. The signed agreement is now being presented to the Council for ratification.

# Interlocal Agreement



Risk Participating Member (Pool)

**Texas Health Benefits Pool**  
Austin, Texas

**INTERLOCAL AGREEMENT**  
(RISK PARTICIPATING MEMBER)

WHEREAS, the TML Multistate Intergovernmental Employee Benefits Pool, d/b/a TX Health Benefits Pool, hereinafter referred to as TXHB, is a legal governmental entity created by Political Subdivisions of the State of Texas and governed by a Board of Trustees; and

WHEREAS, the undersigned Employer Member represents that (1) it is (a) a Political Subdivision of the State of Texas or of its state of domicile, (b) an Affiliated Service Contractor (as defined by Section 172.003, Texas Local Government Code) of a Political Subdivision of this state or of its state of domicile, or (c) an Economic Development Corporation organized under Subtitle C1, Title 12, Texas Local Government Code; (2) it is qualified under the interlocal cooperation law of the Employer Member's domiciliary state to enter into this Interlocal Agreement; and (3) its governing body has acted by majority vote, at a duly called and posted public meeting, to authorize the Employer Member to participate in this Interlocal Agreement; and

WHEREAS, the undersigned Employer Member has examined all the facts and issues it deems relevant and determined that it is in the best interest of the Employer Member, its Employees, officials, and retirees and their dependents to enter into this Interlocal Agreement and to obtain one or more life, sick, accident, and other health benefits, as well as the related services, by becoming a member of TXHB; and

WHEREAS, TXHB represents that it is a Local Government qualified to enter into this Interlocal Agreement pursuant to Chapter 791 of the Texas Government Code;

NOW, THEREFORE, in consideration of the covenants and agreements herein set forth, the undersigned Employer Member, together with other Employer Members executing identical or substantially similar Interlocal Agreements, enters into this Interlocal Agreement for the purpose of providing certain benefits and related services for their Employees, officials, and retirees and their dependents. The benefits will be provided under the authority of the laws of the State of Texas including the Texas Political Subdivision Uniform Group Benefits Program (Chapter 172, Texas Local Government Code), the Interlocal Cooperation Act (Chapter 791, Texas Government Code) and the Texas Trust Code (Title 9, Subtitle B, Texas Property Code). The Employer Member hereby designates TXHB as its instrumentality to administer the business and supervise the performance of the Interlocal Agreement and the operation of the Risk Pool. All money transferred by the Employer Member to TXHB under this Interlocal Agreement, together with any other property which may become subject to this Interlocal Agreement, will be held in trust by the Board of Trustees of TXHB for the benefit of the Employees, officials, and retirees and their dependents of the Employer Members. The conditions of membership in TXHB are agreed upon by and between the parties as set forth hereinafter.

1. When used in this Interlocal Agreement, the capitalized terms shall have the meanings specified in this paragraph unless the context clearly requires otherwise:

"Board of Trustees" or "Board" or "Trustees" means the trustees selected pursuant to the Trust Agreement Establishing TXHB to supervise the operation of the Pool.

"Covered Participant" means a person who is eligible for coverage and who has enrolled in a Plan.

"Employee" means a person who works at least 20 hours a week for an Employer Member.

"Employer Member" means a Political Subdivision, Affiliated Service Contractor, or Economic

Development Corporation member of TXHB that has executed the Interlocal Agreement.

"Interlocal Agreement" or "this Agreement" means this Risk Participating Member Interlocal Agreement.

"Plan" or "Plans" mean TXHB benefit plan(s) selected and adopted by the Employer Member.

"Political Subdivision" means (a) any legal entity included within the definition of "political subdivision" in Chapter 172, Texas Local Government Code or otherwise qualified as a political subdivision under Texas Law or (b) a political subdivision as defined by the laws of the Employer Member's domiciliary state.

"Schedule of Benefits" means the document outlining the Plan benefits and contribution level of the Employer Member.

"TXHB" means the TML Multistate Intergovernmental Employee Benefits Pool, d/b/a TX Health Benefits Pool.

"Local Government" means any legal entity included within the definition of "local government" in Chapter 791, Texas Government Code including any political subdivision as defined by the laws of the Employer Member's domiciliary state.

"Affiliated Service Contractor" means an entity described by Section 172.003(1) of the Texas Local Government Code.

"Economic Development Corporation" means a corporation organized under Subtitle C1, Title 12, Texas Local Government Code.

"Fund Contact" means the individual of department head rank or higher who is designated by the Employer Member to be the point of contact for all interaction with TXHB.

2. The Employer Member agrees to be bound by this Interlocal Agreement, the Trust Agreement Establishing the TXHB and all amendments thereto, and the Policies and Procedures established by the TXHB which collectively establish the conditions for membership in TXHB.
3. The Employer Member will adopt one or more of the TXHB Plans and make the payments and contributions set forth in the Schedule of Benefits. The payments required to be made by the Employer Member shall be made at Austin, Travis County, Texas. Interest, beginning the first day after the due date and continuing until paid, shall accrue at the maximum rate allowed by Texas law on the balance of any payment or contribution not paid when due. All such payments and contributions shall be available for payment of eligible benefits and administrative expenses for all participating Employer Members. Supplemental benefits, including but not limited to dental, vision, life, Medicare Supplement and Long and Short Term Disability will not be offered separately from medical benefits.
4. Except as may be otherwise specified in the TXHB Trust Agreement Establishing TXHB, as amended, this Interlocal Agreement may be terminated by either the Employer Member or TXHB upon 30 days written notice which will become effective on the first day of the month following the receipt of the 30 day notice by the party receiving the notice. Contributions are earned when paid. Withdrawing Employer Members are not entitled to a refund of contributions. The TXHB may terminate this Interlocal Agreement for non-payment of a payment or contribution immediately upon delinquency as determined by the TXHB Policies and Procedures. In the event of a disagreement between an Employer Member and TXHB regarding non-payment of a payment or contribution, the Employer Member may appeal to the Board. The decision of the Board on appeal is final.

TXHB may also terminate this Interlocal Agreement if the Employer Member fails to cooperate with claims agents or attorneys representing TXHB or if the Employer Member takes any other action detrimental to TXHB's ability to carry out its purposes in an efficient manner.

5. Every Employer Member shall furnish all the information TXHB deems necessary and useful for the purposes of this Interlocal Agreement and shall abide by the Policies and Procedures adopted for the administration of the benefits plans. TXHB may amend the Policies and Procedures and Trust Agreement Establishing the TXHB at anytime to the extent it deems advisable. TXHB may employ and contract with a third party administrator.
6. TXHB may purchase excess loss coverage or reinsurance as provided in Chapter 172, Texas Local Government Code, and all Employer Members are subject to the terms and conditions of any such excess loss coverage or reinsurance agreement.
7. Each Employer Member will designate and appoint a person of department head rank or above to be the Employer Member's Fund Contact with TXHB and agrees that TXHB shall not be required to contact or provide notices to any other person. Further, any notice to or agreement by an Employer Member's Fund Contact with respect to services or claims hereunder shall be binding on the Employer Member. The Employer Member reserves the right to change the Fund Contact from time to time by giving written notice to TXHB.
8. The Employer Member hereby appoints TXHB as its agent to act in all matters pertaining to the processing and handling of claims and agrees to cooperate fully and provide all information necessary. All decisions on individual claims shall be made by TXHB or by its contracted third party administrator.
9. TXHB shall be audited annually by an independent certified public accountant, and the audit shall be filed as required by the laws of the State of Texas (including, but not limited to Chapter 172 of the Texas Local Government Code) or as may be required by the Employer Member's domiciliary state. A summary financial report will be provided to each Employer Member upon request.
10. All monies available for investment shall be invested by TXHB in compliance with the Texas Public Funds Investment Act of 1987 (TEX. GOV'T CODE. ANN. Sec. 2256.001, et seq.) or the Texas Trust Code (Subtitle B, Title 9, Property Code).
11. Each Employer Member, as Plan Administrator, retains the rights, duties and privileges of the Plan Administrator and acknowledges it has responsibility for compliance with the state and federal laws applicable to employee benefits. For purposes of delivery of any Continuation of Coverage notices, TXHB is not the Group Administrator for any Employer Member unless and until a separate contract for administration of Continuation of Coverage is entered into between TXHB and that Employer Member.
12. To the extent authorized by law, the Employer Member agrees to indemnify and hold harmless TXHB for all claims, damages and expenses, including but not limited to attorney's fees and costs of court, arising out of acts or omissions of officers or Employees of the Employer Member in connection with the Plan. The Employer Member agrees to pay all such claims, damages, and expenses out of current revenues at the time the obligation is determined. In the event current revenues are inadequate to fund the obligation at the time it is determined, the Employer Member agrees to take the appropriate budgetary action sufficient to pay the obligation.
13. The Employer Member agrees that all conditions of coverage for the benefits provided shall be as specified in the Plan booklet/document furnished to the Employer Member by TXHB. The Employer Member agrees that the Employees and the Board of Trustees of TXHB and individuals and entities with whom TXHB contracts for staff functions may receive

## Plan benefits.

14. Each Employer Member acknowledges that health Plan benefits provided in accordance with Chapter 172 of the Texas Local Government Code are not insurance and that TXHB is not an insurer under the Insurance Code or other laws of the State of Texas or of another state in which an Employer Member is located.
15. The Employer Member and TXHB may contract for additional administrative services related to the Employer Member's employee benefit programs as long as the Employer Member is a full medical risk participating member of TXHB.
16. The Employer Member agrees that no Covered Participant shall have any claim against the property of the trust. The rights of Covered Participants are limited to the benefits specified in the Plan.
17. The Employer Members desire to join together to purchase life insurance benefiting their Employees, officials, and retirees and their dependents. Therefore, the Employer Member authorizes TXHB to purchase life insurance coverage insuring the lives of all Covered Participants under the Plan.
18. No bond is required of the Board of Trustees of TXHB.
19. If any part of this Interlocal Agreement, save and except paragraph 3, is declared invalid, void or unenforceable, the remaining parts and provisions shall continue in full force and effect. It is further agreed that venue for any dispute arising under the terms of this Interlocal Agreement shall be in Austin, Travis County, Texas.
20. This Interlocal Agreement represents the complete understanding of TXHB and the Employer Member and may not be amended, modified or altered without the written agreement of both parties.
21. The initial term of this Interlocal Agreement shall be from the First day of October, 2024, at 12:01 a.m. and continue until September 30, 2025. Absent notice of termination, the Employer Member may annually renew and extend the Interlocal Agreement by executing and returning the rerate notice and benefit selection form as authorized at the inception of this Interlocal Agreement.
22. This Interlocal Agreement is entered into in the State of Texas and it is understood and agreed that this Interlocal Agreement shall be governed by, construed, and enforced in accordance with and subject to the laws of the State of Texas.
23. Employer Member represents and warrants that (a) this Agreement fully complies with the laws of its state of domicile and (b) Employer Member has full legal authority to enter into this Agreement. By entering into this Agreement, an Employer Member who is an Affiliated Service Contractor further warrants that it is an organization qualified for exemption under Section 501(c), Internal Revenue Code (26 U.S.C. Section 501(c)), as amended, that provides governmental or quasi-governmental services on behalf of a political subdivision and derives more than 25 percent of its gross revenues from grants or funding from the political subdivision.
24. The parties agree that this agreement, and other agreements related to services provided by TXHB, may be electronically signed. The parties agree that the electronic signatures appearing on this agreement are the same as handwritten signatures for the purposes of validity and admissibility. City of Bay City may withdraw their consent to do business electronically at any time.

**This Interlocal Agreement is entered into for the Employer Member under authorization of**

City of Bay City

at a duly called meeting held on August 13, 2024

by:  
Mayor

*Robert K. Nelson*

Robert K Nelson

on:

08 / 06 / 2024

**This Interlocal Agreement entered into and Appointment Accepted By:**

TML Multistate Intergovernmental Employee Benefits

Pool, D/B/A TX Health Benefits Pool

at Austin, Texas

By

*Jennifer Hoff*

Jennifer Hoff, Executive Director

**APPROVED AS TO FORM:**

BY:

*Nathan...*

Chief Legal Officer

**TO BE COMPLETED BY EMPLOYER MEMBER:**

**EMPLOYER MEMBER BENEFITS FUND CONTACT**

Rhonda Clegg  
Name

Director of Human Resources

Title

1901 5th Street, Bay City, Texas 77414, United States

Mailing Address

Street Address (if different from above)

# **BAY CITY POLICE DEPT.**

**NARCOTICS DIVISION**

**Presentation by: Sergeant Joe Bruno**

**Assisted by: Chief Christella Rodriguez, Lt. Clayton Ryman, CSI  
Donna Pruitt**

# Mission

- **As a specialized unit, the Narcotics Division seeks and gathers criminal intelligence information as it relates to:**
  - Criminal enterprises relating to the trafficking and smuggling of Narcotics, organized crime, vice, and gang activity. The unit works jointly with other municipalities, county, state and federal law enforcement agencies.
  - To investigate complaints “ticklers” from the community concerning street level narcotics trafficking.
  - To develop sources of information which may be of assistance in conducting mid to upper-level narcotics investigations of criminals, organizations, traffickers, gangs, vice and gang activity.

- To gather and investigate information received through tips and leads, informants and covert surveillances.
- To actively pursue mid to upper-level narcotics cases against local drug buyers and suppliers.
- To gather and investigate information received through tips and leads, informants and covert surveillances.
- To prepare cases, criminal and civil, for the prosecution and present the same to the District Attorney's Office and/or the U.S. Attorney's Office.

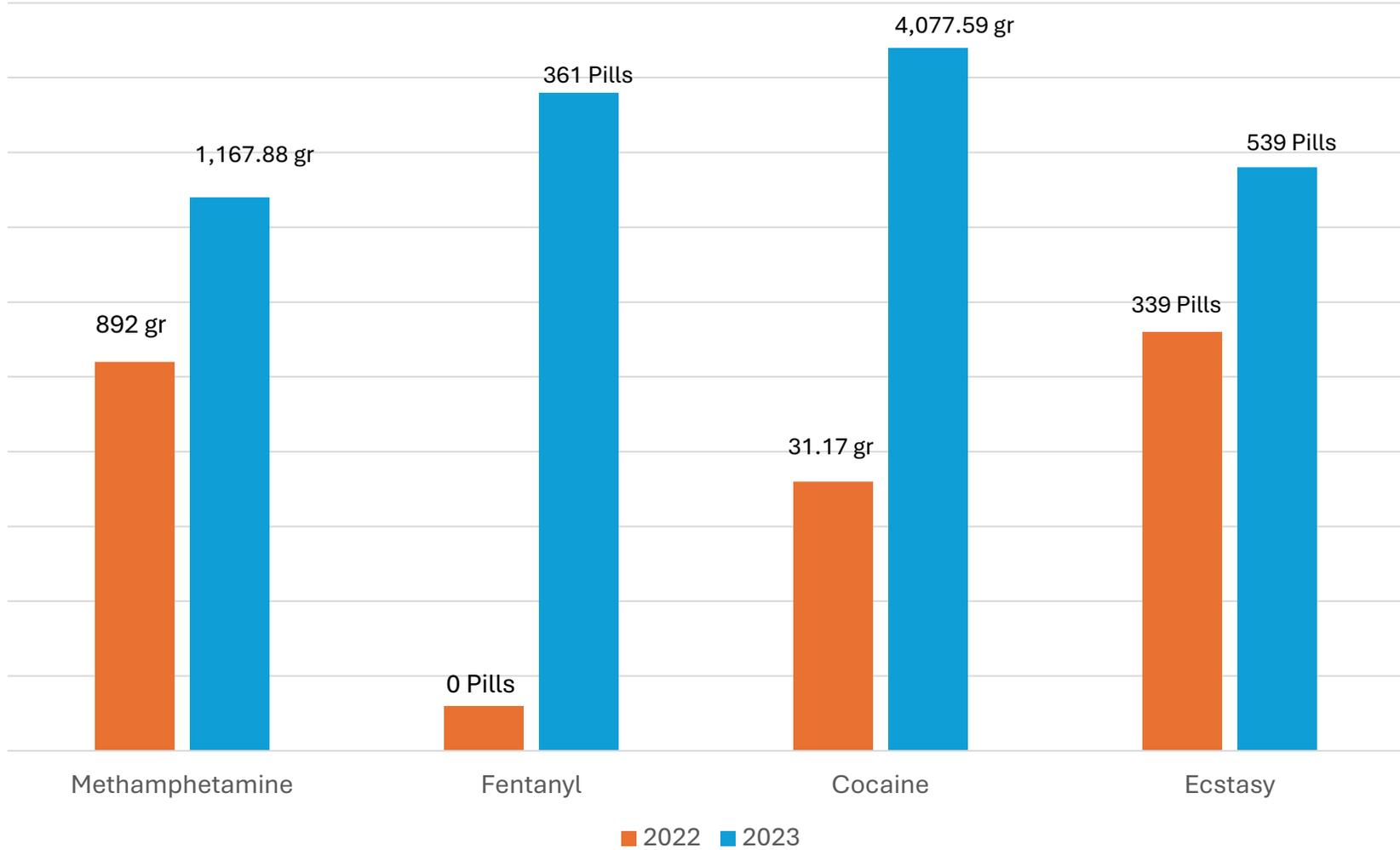
# BCPD Narcotics Division has Two Lines of Attack

- To stop street-level dealing, “Hunting the streets”, Strategic enforcement (SET), This is where the community safety comes in. A drug house can ruin the quality of life of an entire block or neighborhood. We constantly patrol known areas of the city frequented by street level dealers, we use multiple documented informants to make buys at certain residences and later execute a search warrant. We are constantly seeking to flip those we arrest at a street level into becoming an informant in the attempt to lead us to other street level dealers / residences selling narcotics.
- Target and investigate the large organizations involved in trafficking—the importers, distributors, and so on. These investigations are multi-jurisdictional, involving multiple agencies since we do not have the resources to go after the entire organization.

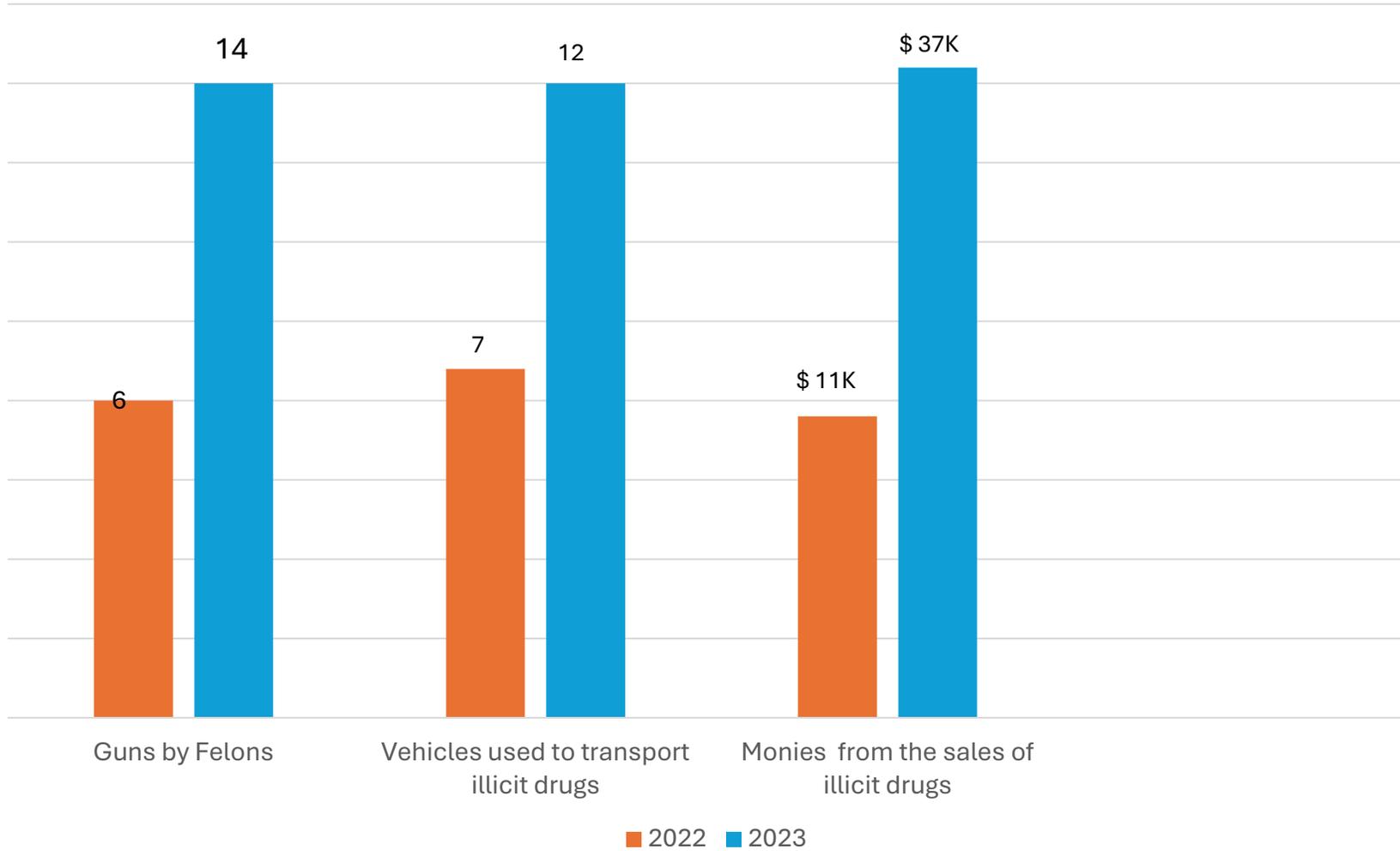
# BCPD Narcotics Division Challenges

- It requires additional personnel to conduct multiple surveillances both stationary and mobile to include takedowns. Managing multiple informants, along with investigating tips received from the public has been a challenge.
- Safety of Officers: Narcotics knows who we are dealing with. It is not the speeder, the person who failed to signal or stop at a red light. It is dealing with known criminals who will fight, run, shoot at the police to avoid being arrested with their illicit drugs. Most stops made are a felony type stop. Having additional personnel back up is key to keeping Narcotic Officers safe and whole.

### SEIZURES OF MAJOR NARCOTICS (Not inclusive Pain Pills, Depressants)



### Guns and Asset Forfeitures

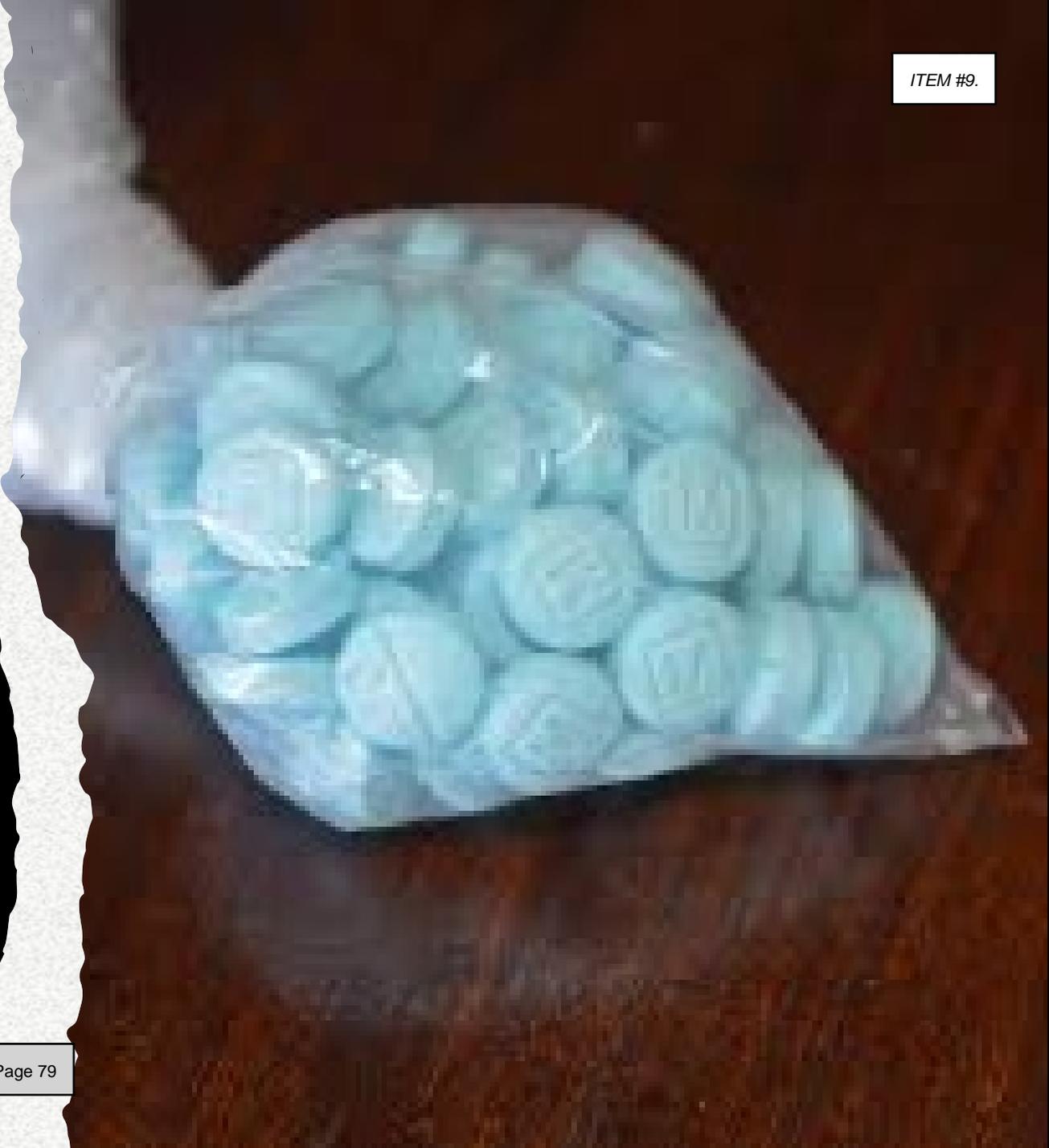


# Major Ongoing Investigations

- The BCPD Narcotics Division is presently engaged in Major Narcotics Investigations. These are large scale trafficking investigations whereas BCPD had requested the assistance from DPS Narcotics and other agencies due to manpower shortage and equipment.
- Multi faceted investigation involving a Bay City Resident trafficking large amounts of illicit drugs. The investigation goal is to lead us to the suppliers, known Cartel members. This investigation entails numerous hours of surveillance being conducted in Bay City and outside jurisdictions.

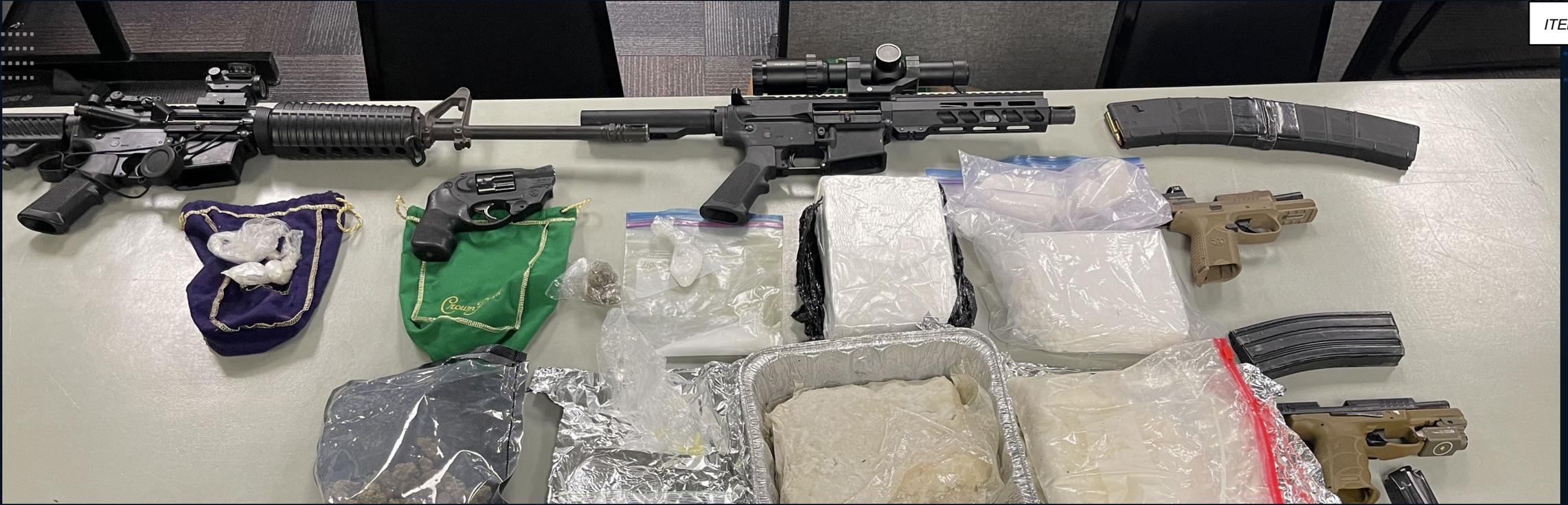
- Major Fentanyl investigation involving a subject that BCPD Narcotics previously arrested after a controlled delivery was set up by Narcotics Division for a quantity of fentanyl, after learning that subject from another large city in Texas was delivering fentanyl to various street level dealers within Bay City. BCPD Narcotics Division was also able to “flip” one of the street level dealers that was also arrested receiving the fentanyl being delivered and has been providing information regarding delivery dates and times of the described subject delivering fentanyl into Bay City.
- Major Methamphetamine distribution network operating from Ft. Bend County and deliveries of Methamphetamine being made to Bay City Texas / Matagorda County.
- Working a joint investigation with the FBI gang task force involving a chapter of outlaw bikers operating within Bay City. Information was received by a confidential source of the BCPD Narcotics Division.

- Fentanyl Pills - Controlled Delivery to Bay City
- 130 Pills, Enough to kill 520 persons if over-laced.





Ecstasy, 1/2 pound of Methamphetamine, Needles Loaded with liquid Methamphetamine. Seized After execution of a search warrant. Trafficking Amount. The above methamphetamine contains ~ 904 dosage units for personal use. A typical user Would use about 5 dosage units per day.



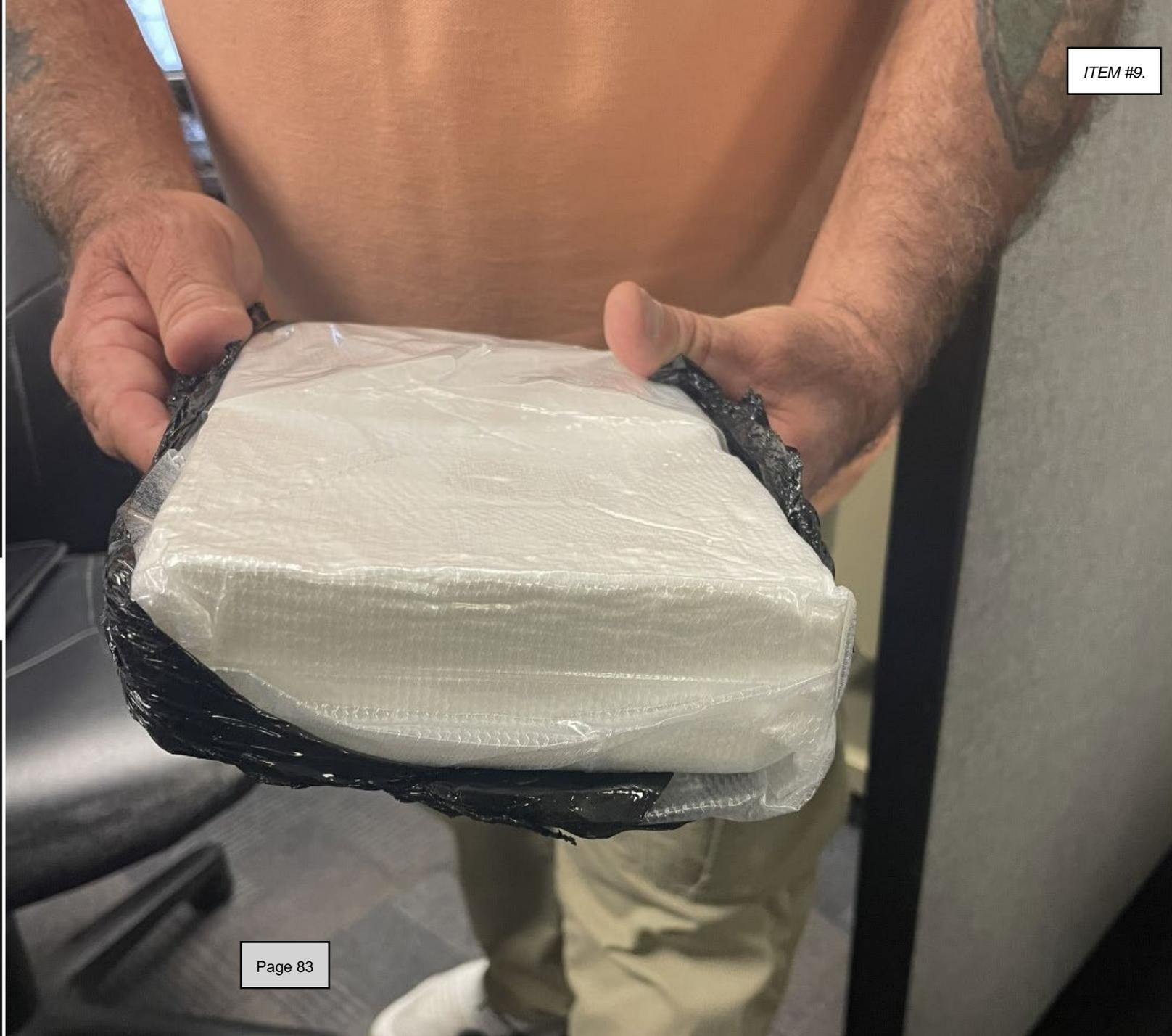
9.2 LBS of COCAINE, 4 KILOS, 5,002 Grams,  
Seized in Search Warrant after 5 Month  
Investigation.

Major Trafficking amount. A user of cocaine would  
consume ~ 3 grams per day, this amount would  
last a user 1,667 Days.



- (2) 1 kilo bricks of COCAINE, Seized in Search Warrant. There is 1000 grams per kilo, enough to supply 300 – 500 Users.

(1) Kilo Brick  
of COCAINE  
– Street Value  
~ \$ 120,00.00  
(UNCUT)

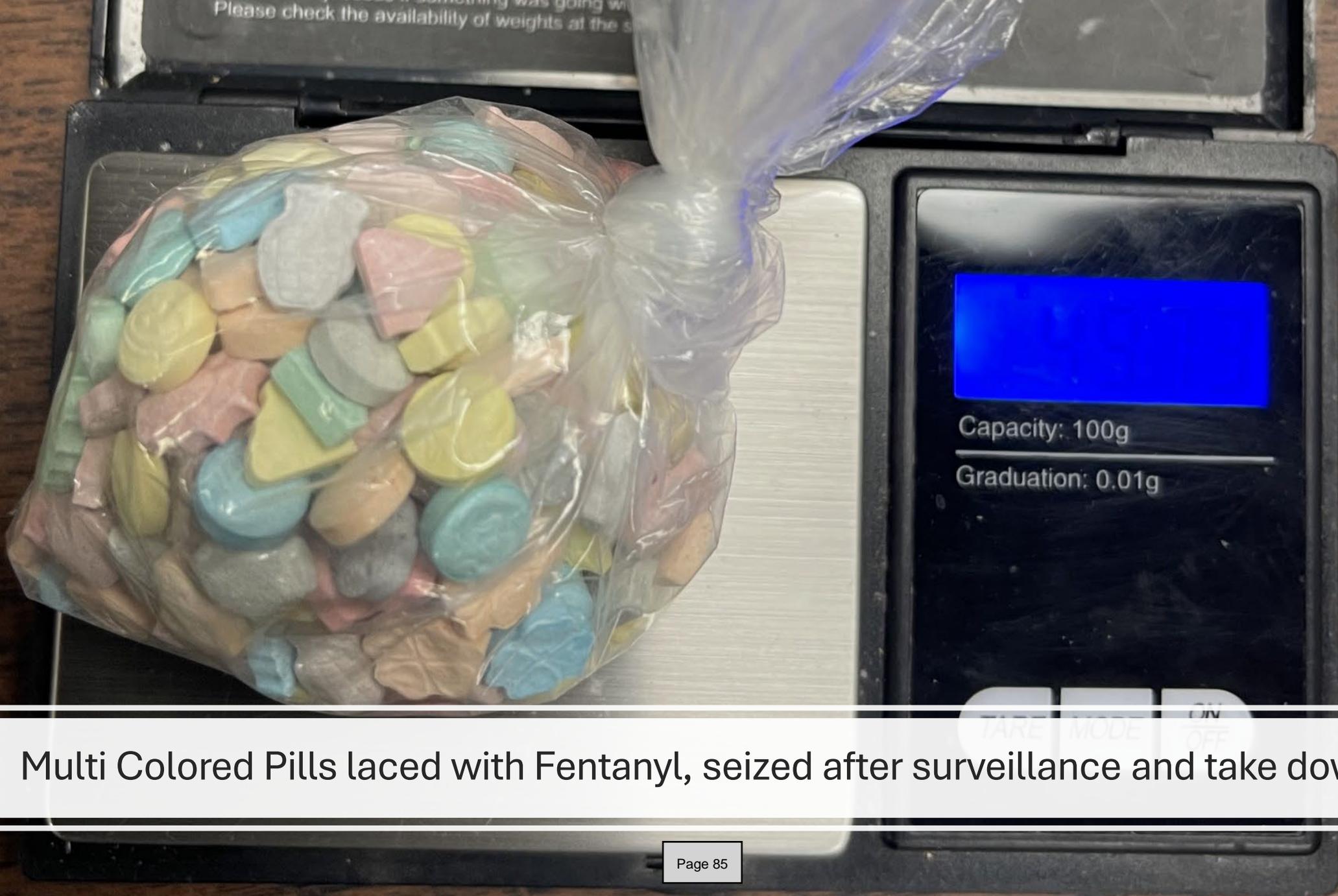


ITEM #9.

Money seized  
in a Search  
Warrant, Funds  
derived from  
the sales of  
Narcotics



ITEM #9.

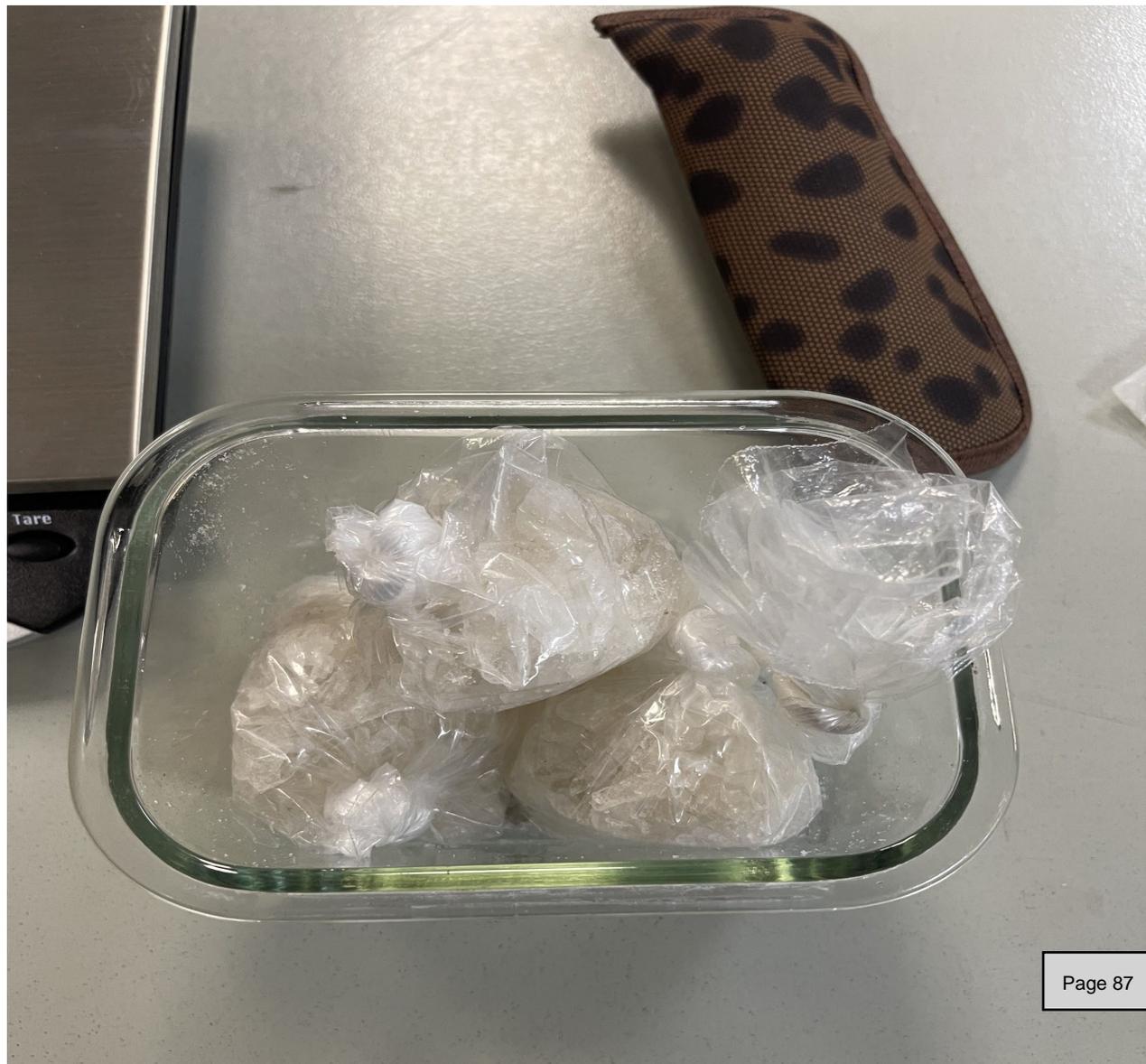


Multi Colored Pills laced with Fentanyl, seized after surveillance and take down.

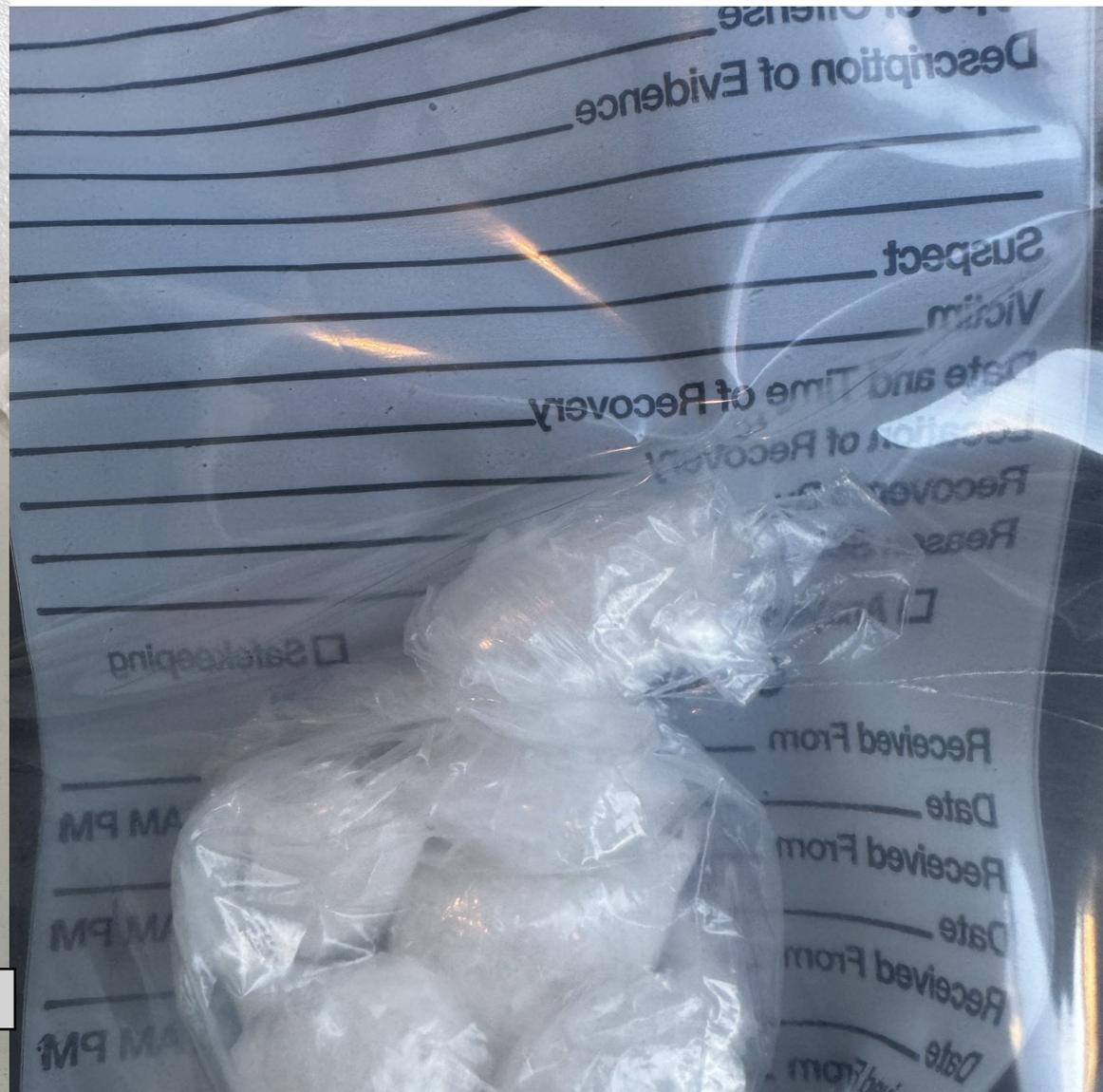
Fentanyl  
packaged for  
sale, Seized  
during intel  
purchase.



Methamphetamine cut with Heroin, Seized in Search Warrant



Methamphetamine, 140 grams, seized after surveillance and take down.



**Ordinance~ An Ordinance Of The City Of Bay City, Texas Approving a Service and Assessment Plan and Assessment Roll for the Russell Ranch Public Improvement District (The “District”); making a finding of special benefit to certain property in the district; levying assessments against certain property within the district and establishing a lien on such property; providing for payment of the assessment in accordance with chapter 372, Texas Local Government Code, as amended; providing for the method of assessment and the payment of the assessments; providing penalties and interest on delinquent assessments; providing for severability and providing an effective date.**



## **EXECUTIVE SUMMARY**

### **BACKGROUND:**

On December 21, 2021, the City Council approved by resolution the creation of a public improvement district (PID) under Chapter 372 of the Texas Local Government Code. The PID was created to act as a financing tool for reimbursement of public improvements in relation to a residential development known as Russell Ranch. The boundaries are approximately 50 acres located in the East part of the City of Bay City between Hubbard Road and Old Van Vleck Road, North of the intersection of FM 457 and Hwy 35.

*A PID can finance capital costs to meet community needs which could not otherwise be constructed or provided. The costs of the capital improvements and/or supplemental services are paid entirely by property owners within the Public Improvement District.*

In order to levy assessments on property within the PID for public improvements, there is a two-step process. First, the City has to accept the preliminary service and assessment plan (“SAP”) attached to the Resolution, and call a public hearing on the levy of assessments. Notice of the public hearing is published in the newspaper and mailed to each property owner in the PID. After

the public hearing, the City will approve an Ordinance levying assessments on property in the PID for the financing of the public improvements. The SAP is the document that apportions the levy on the properties in the PID for the costs of the public improvements. The SAP is prepared by the City's consultants based on an engineer's opinion of probable costs of the public improvements to construct and complete the project and it provides the method and formula for levying against the lots in the PID.

The Public Hearing was held on August 13, 2024 to provide an opportunity to speak on the levy of Assessments.

**RECOMMENDATION:** Staff recommends City Council approve the Ordinance.

**ATTACHMENTS:** Ordinance

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF BAY CITY, TEXAS APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE RUSSELL RANCH PUBLIC IMPROVEMENT DISTRICT (THE "DISTRICT"); MAKING A FINDING OF SPECIAL BENEFIT TO CERTAIN PROPERTY IN THE DISTRICT; LEVYING ASSESSMENTS AGAINST CERTAIN PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR PAYMENT OF THE ASSESSMENT IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Bay City, Texas (the "City") received a petition meeting the requirements of Sec. 372.005 of the Public Improvement District Assessment Act (the "Act") requesting the creation of a public improvement district over a portion of the area within the corporate limits of the City to be known as the Russell Ranch Public Improvement District (the "District"); and

WHEREAS, on September 28, 2021, the City Council accepted the Petition and called a public hearing for October 26, 2021, on the creation of the District and the advisability of the improvements; and

WHEREAS, notice of the hearing was published in a newspaper of general circulation in the City in which the District is to be located on October 6, 2021; and,

WHEREAS, on September 30, 2021, notice to the owners of property within the proposed District was sent by first-class mail to the owners of 100% of the property subject to assessment under the proposed District containing the information required by the Act such that such owners had actual knowledge of the public hearing to be held on October 26, 2021; and

WHEREAS, the City Council approved the creation of the District by Resolution approved on December 21, 2021 (the " Creation Resolution") and filed the Creation Resolution in the real property records as authorized by the Act; and

WHEREAS, pursuant to Sections 372.013, 372.014, and 372.016 of the Act, the City Council has directed the preparation of a Preliminary Service and Assessment Plan for the District (the "Service and Assessment Plan") and an assessment roll for the District (the "Assessment Roll") that states the assessment against each assessable property (the "Assessed Property") within the District (the "Assessments"); and

WHEREAS, the City called a public hearing regarding the proposed levy of Assessments pursuant to the Service and Assessment Plan and the proposed Assessment Roll on property within the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City, pursuant to Section 372.016(b) of the Act, published notice in a newspaper of general circulation within the City to consider the proposed Service and Assessment Plan for the District and the levy of the Assessments, as defined in the Service and Assessment Plan, on property in the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the Act caused the mailing of notice of the public hearing to consider the proposed Service and Assessment Plan and the Assessment Roll attached to the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the public hearing at 6:00 p.m. on the 13th day of August, 2024, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the costs of the Authorized Improvements, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the developer of property within the District as described in the Service and Assessment Plan for the District has substantially completed the Authorized Improvements within the District; and

WHEREAS, the City wishes to levy Assessments on the property within the District for the Authorized Improvements as set forth in the Service and Assessment Plan; and

WHEREAS, the City Council finds and determines that the Service and Assessment Plan and Assessment Roll attached thereto should be approved and that the Assessments should be levied on property within the District as provided in this Ordinance and the Service and Assessment Plan and Assessment Roll; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the costs of the Authorized Improvements, the Assessment Roll or the levy of Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the District, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act.

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

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

Section 2. Terms. Terms not otherwise defined herein are defined in the Service and Assessment Plan attached hereto as Exhibit A.

Section 3. Findings. The findings and determinations set forth in the preambles are hereby incorporated by reference for all purposes. The City Council hereby finds, determines and orders, as follows:

- a. The apportionment of the costs of the Authorized Improvements, and the Annual Collection Costs pursuant to the Service and Assessment Plan is fair and reasonable, reflects an accurate presentation of the special benefit each Assessed Property will receive from the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;
- b. The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Authorized Improvements;
- c. The Service and Assessment Plan apportions the costs of the Authorized Improvements to be assessed against each Assessed Property in the District and such apportionment is made on the basis of special benefits accruing to each Assessed Property because of the Authorized Improvements.
- d. All of the real property in the District which is being assessed in the amounts shown in the Service and Assessment Plan and Assessment Roll will be benefited by the Authorized Improvements proposed to be provided through the District in the Service and Assessment Plan, and each parcel of real property in the District will receive special benefits during the term of the Assessments equal to or greater than the total amount assessed;
- e. The method of apportionment of the costs of the Authorized Improvements and Annual Collection Costs set forth in the Service and Assessment Plan results in imposing equal shares of the costs of the Authorized Improvements and Annual Collection Costs on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the costs;
- f. The Service and Assessment Plan should be approved as the service plan and assessment plan for the District, as described in Sections 372.013 and 372.014 of the Act;
- g. The Assessment Roll in the form attached to the Service and Assessment Plan should be approved as the assessment roll for the District;
- h. The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the improvements needed and required for the District; and

- i. A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon.

Section 4. Assessment Plan. The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the Act as a service plan and an assessment plan for the Authorized Improvements within the District.

Section 5. Assessment Roll. The Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the Act as the assessment roll for the Authorized Improvements within the District.

Section 6. Levy and Payment of Assessments for Costs of Authorized Improvements.

- a. The City Council hereby levies the Assessments on each Assessed Property located within the District, as shown and described in the Service and Assessment Plan and the Assessment Roll, in the respective amounts shown on the Assessment Roll, as special assessments on the properties within the District as set forth in the Service and Assessment Plan and the Assessment Roll.
- b. The levy of the Assessments shall be effective on the date of execution of this Ordinance levying Assessments and strictly in accordance with the terms of the Service and Assessment Plan.
- c. The collection of the Assessments shall be as described in the Service and Assessment Plan.
- d. Each Assessment may be pre-paid or paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.
- e. Each Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.
- f. Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.
- g. The Annual Collection Costs for Assessed Properties shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 7. Method of Assessment. The method of apportioning the costs of the Authorized Improvements is as set forth in the Service and Assessment Plan.

Section 8. Penalties and Interest on Delinquent Assessments. Delinquent Assessments shall be subject to the penalties, interest, procedures and foreclosure sales set forth in the Service

and Assessment Plan. The Assessments shall have lien priority as specified in the Act and the Service and Assessment Plan.

Section 9. Prepayments of Assessments. As provided in Section 372.018(f) of the Act and in the Service and Assessment Plan, the owner (the “Owner”) of any Assessed Property may prepay the Assessments levied by this Ordinance as set forth in the Service and Assessment Plan.

Section 10. Lien Priority. As provided in the Act, the City Council and owners of the Assessed Property intend for the obligations, covenants and burdens on the owners of Assessed Property, including without limitation such owner’s obligations related to payment of the Assessments and the Annual Installments, to constitute a covenant running with the land. The Assessments and the Annual Installments levied hereby shall be binding upon the Assessed Property, and the owners of Assessed Properties, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Assessments shall have lien priority as specified in the Act.

Section 11. Administrator and Collector of Assessments.

- a. Administrator. The City shall administer the Service and Assessment Plan and the Assessments levied by this Ordinance. The City has appointed a third-party administrator (the “Administrator”) to administer the Service and Assessment Plan and the Assessments. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator’s fees, charges and expenses for providing such services shall constitute an Annual Collection Cost.
- b. Collector. The City may collect the assessments or may, by future action, appoint a third-party collector of the Assessments. The City is hereby authorized to enter into an agreement with a third-party for the collection of the Assessments. The City may also contract with any other qualified collection agent selected by the City or may collect the Assessments on its own behalf. The costs of such collection contracts shall constitute an Annual Collection Cost.

Section 12. Applicability of Tax Code. To the extent not inconsistent with this Ordinance and the Act or other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of Assessments by the City.

Section 13. Severability. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 14. Effective Date. This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage thereof.

PASSED AND APPROVED on this 13th day of August, 2024.

[Remainder of Page left Intentionally Blank]

\_\_\_\_\_  
Robert K. Nelson, Mayor  
City of Bay City, Texas

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jeanna Thompson, City Secretary  
City of Bay City, Texas

\_\_\_\_\_  
Anne Marie Odefey, City Attorney

COUNCIL MEMBER	VOTED AYE	VOTED NO	ABSENT
Ben Flores	_____	_____	_____
Jim Folse	_____	_____	_____
Brad Westmoreland	_____	_____	_____
Becca Sitz	_____	_____	_____
Blayne Finlay	_____	_____	_____
Robert K. Nelson Mayor	_____	_____	_____

\_\_\_\_\_  
Robert K. Nelson, Mayor  
City of Bay City, Texas

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jeanna Thompson, City Secretary  
City of Bay City, Texas

\_\_\_\_\_  
Anne Marie Odefey, City Attorney

STATE OF TEXAS                   §  
   §  
COUNTY OF MATAGORDA       §

Before me, the undersigned authority, on this day personally appeared Robert Nelson Mayor of the City of Bay City, known to me to be such persons who signed the above and acknowledged to me that such persons executed the above and foregoing Ordinance in my presence for the purposes stated therein.

Given under my hand and seal of office this \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

[NOTARY STAMP]

EXHIBIT A  
SERVICE AND ASSESSMENT PLAN  
AND ASSESSMENT ROLL

# Russell Ranch Public Improvement District

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SERVICE AND ASSESSMENT PLAN

AUGUST 13, 2024, VERSION 1.0



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## INTRODUCTION

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

On December 21, 2021, the City passed and approved Resolution No. R-2021-0032 authorizing the establishment of the District in accordance with the PID Act, as amended, which authorization was effective upon approval in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 49.7981 acres located within the City, as described by the legal description on **Exhibit J** and depicted on **Exhibit A**.

The PID Act requires a service plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice form is attached as **Appendix B**.

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll is included as **Exhibit F-1**.

## SECTION I: DEFINITIONS

**“Actual Costs”** mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner[s], (either directly or through affiliates), including : (1) the costs for the design, planning, administration/management, acquisition, installation, construction and/or implementation and dedication of such Authorized Improvements; (2) the fees paid for obtaining permits, zoning, licenses, plan approvals, inspections or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, legal, consulting, and other governmental fees, construction security, insurance premiums, directly related to the construction of the Authorized Improvements and charges and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Owner[s].

**“Additional Interest”** means the amount collected by the application of the Additional Interest Rate. Additional Interest is not charged on the Reimbursement Obligation.

**“Additional Interest Rate”** means the 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act. The Additional Interest Rate is not charged on Assessments securing the Reimbursement Obligation.

**“Administrator”** means the City or independent firm designated by the City who shall have the responsibilities provided in this Service and Assessment Plan, any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

**“Annual Collection Costs”** mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) third-party administrative costs relating to paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City’s continuing disclosure requirements;

and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

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

**“Assessed Property”** means any Parcel within the District against which an Assessment is levied.

**“Assessment”** means an assessment levied against Assessed Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

**“Assessment Ordinance”** means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

**“Assessment Plan”** means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

**“Assessment Roll”** means any assessment roll for the Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in any Annual Service Plan Updates.

**“Authorized Improvements”** means improvements authorized by Section 372.003 of the PID Act, including Public Improvements, District Formation Expenses, Bond Issuance Costs, and First Year Collection Costs, as described in **Section III**.

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

**“City”** means the City of Bay City, Texas.

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

**“County”** means Matagorda County, Texas.

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

**“District”** means the Russell Ranch Public Improvement District containing approximately 49.71 acres located within the City as shown on **Exhibit A** and more specifically described on **Exhibit J**.

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

**“Engineer’s Report”** means the report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A**.

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

**“First Year Annual Collection Costs”** means the estimated Annual Collection Costs to be accrued prior to collection of the first Annual Installment of the Assessment securing the applicable PID Bonds, as shown on **Exhibit D**.

**“Indenture”** means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series PID Bonds.

**“Initial Parcel”** means all of the Assessed Property within the District against which the entire Assessment is initially levied, as shown on the Assessment Roll.

**“Lot”** means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or Official Public Records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a

preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded Subdivision Plat.

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

“**Lot Type 1**” means a Lot within the District marketed to homebuilders as a residential townhome Lot with an Estimated Buildout Value of \$275,000 as of the date of adoption of this Service and Assessment Plan. The buyer disclosure for Lot Type 1 is included in **Appendix B**.

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

“**Non-Benefited Property**” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council and are not assessed.

“**Notice of Assessment Termination**” means a document that shall be recorded in the Official Public Records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit I**.

“**Owner**” means Crescent Capital Investments, LLC, a limited liability company, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

“**Parcel**” or “**Parcels**” means a specific property within the District identified by either a tax parcel identification number assigned by the Matagorda County Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

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

“**PID Bonds**” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

“**Prepayment**” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

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

**“Private Improvements”** means improvements required to be constructed by the Owner that are not Public Improvements, as depicted on **Exhibit H-2**.

**“Public Improvements”** means those Authorized Improvements, specifically described in **Section III.A** and depicted on **Exhibit H-1**.

**“Reimbursement Agreement”** means that certain “Russell Ranch Public Improvement District Reimbursement Agreement” effective July 9, 2024 entered into by and between the City and Owner, whereby all or a portion of the Actual Costs not paid to the Owner from the proceeds of PID Bonds will be paid to the Owner from Assessments to reimburse the Owner for Actual Costs paid by the Owner, plus interest, that are eligible to be paid with Assessments.

**“Reimbursement Obligation”** means the amount not to exceed \$7,450,000 to be paid to the Developer pursuant to the Reimbursement Agreement.

**“Service and Assessment Plan”** means this Russell Ranch Public Improvement District Service and Assessment Plan as updated, amended, or supplemented from time to time.

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

**“TIRZ Number 4”** means Tax Increment Reinvestment Zone Number 4, City of Bay City, Texas.

**“TIRZ Administrative Costs”** means those reasonable costs paid or incurred by or on behalf of the City to create and/or administer the TIRZ.

**“TIRZ Number 4 Agreement”** means the TIRZ Agreement for Russell Ranch PID, to be adopted.

**“TIRZ Number 4 Annual Credit Amount”** is defined in **Section V.F**, which amount shall not annually exceed the TIRZ Number 4 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ Number 4 Fund to the applicable pledged revenue fund pursuant to the TIRZ Number 4 Agreement.

**“TIRZ Number 4 Fund”** means the tax increment fund created pursuant to the TIRZ Number 4 Ordinance where TIRZ Number 4 Revenues are deposited annually.

**“TIRZ Number 4 Maximum Annual Credit Amount”** means for each Lot Type, the amount shown on **Exhibit F**.

**“TIRZ Number 4 Ordinance”** means Ordinance No. 1689 adopted by the City Council approving the TIRZ Number 4 Project Plan and authorizing the use of TIRZ Number 4 Revenues for project

costs under the Chapter 311, Texas Tax Code as amended, and related to certain public improvements as provided for in the TIRZ Number 4 Project Plan.

**"TIRZ Number 4 Project Plan"** means the Tax Increment Reinvestment Zone #4, City of Bay City, Texas Final Project and Financing Plan, prepared and adopted by the Board of Directors of the TIRZ and approved by the City (including any amendments or supplements thereto).

**"TIRZ Number 4 Revenues"** mean, for each year, the amounts which are deposited in the TIRZ Number 4 Fund pursuant to the TIRZ Number 4 Ordinance, TIRZ Number 4 Project Plan, TIRZ Number 4 Agreement and the Russell Ranch Public Improvement District Financing Agreement.

**"Trustee"** means the trustee or successor trustee under an Indenture.

## SECTION II: THE DISTRICT

The District includes approximately 49.71 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit J** and depicted on **Exhibit A**. Development of the District is anticipated to include approximately 192 Lots developed with single family homes.

## SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Public Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City or by a third party pursuant to a qualified management contract. The budget for the Authorized Improvements is shown on **Exhibit B**.

### A. Public Improvements

#### ▪ *Roadways*

Improvements include the construction of the proposed local streets of the subdivision. Improvements to include erosion control measures, earthwork, subgrade stabilization, concrete pavement with curb and gutter, concrete sidewalk segments with ADA ramps, signage, lighting, and construction testing. These roadway improvements will provide street access to each Lot within the District.

#### ▪ *Sanitary Sewer*

Improvements to include erosion control measures, earthwork, trench excavation and embedment, trench safety, pipe installation, manholes, service connections, testing, and all necessary appurtenances required to provide wastewater service to each Lot within the District.

In addition to the construction of the subdivision improvements, removal of existing manholes as well as the re-routing of existing sanitary sewer mains to maintain a better flow that crosses the District are included.

#### ▪ *Water*

Improvements to include earthwork, erosion control measures, trench safety, trench excavation and embedment, pipe installation, fire hydrant assemblies, valves, service connections, testing, and all necessary appurtenances required to provide water service to each Lot within the District.

- *Drainage*

Improvements to include earthwork, erosion control measures, trench safety, trench excavation and embedment, pipe installation, curb inlets, box culverts, manholes, and junction boxes, headwalls, testing, and all necessary appurtenances to provide drainage service for each Lot within the District.

Also included are channels, temporary and permanent flood control detention ponds, clearing, excavation, piping for inbound and outbound drainage lines and outlet structures.

- *Landscaping, Parks & Amenities*

Improvements include an entry monumentation along stat highway 35 with planting beds and landscaping at the entry monument, sidewalks, irrigation, amenity center site, parking lots in addition to landscaped areas and grass covered areas within the subdivision. The improvements include erosion control measures, earthwork, site improvements, planting and vegetation.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Public Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, and inspection fees.

## **B. Private Improvements**

- *Roadways*

Improvements include striping and signage, Bay City Seafood Drive closure and re-striping, and site fencing.

- *Landscaping, Irrigation & Sign*

Improvements include an entry monumentation along state highway 35 with planting beds and landscaping at the entry monument, and mail box units.

- *Drainage*

Improvements include removal of trees and clearing, and excavation and fill.

- *Detention*

Improvements include detention pond fountains, and electrical for fountains.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Private Improvements including land planning and design, City fees, civil engineering, survey,

construction administration, legal fees, consultant fees, contingency, inspection fees, TxDOT permit fees, preliminary site plan, District Formation Expenses, and other PID costs paid entirely by the Developer and non-reimbursed by PID Bonds or Assessments.

**C. Bond Issuance Costs**

▪ *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

▪ *Delinquency and Prepayment Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

▪ *Underwriter’s Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds (including a fee for underwriter’s counsel).

▪ *Cost of Issuance*

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

**D. Other Costs**

▪ *Initial Administrative Fund Deposit*

Equals the amount necessary to fund the first year’s Annual Collection Costs for a particular series of PID Bonds.

▪ *District Formation Expenses*

Includes the costs associated with forming the District, including, but not limited to, attorney fees, consultant fees, and any other cost or expense directly associated with the establishment of the District.

**SECTION IV: SERVICE PLAN**

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also

required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B**.

**Exhibit D** summarizes the sources and uses of funds required to construct the Public Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated at the time any PID Bonds are issued in an Annual Service Plan Update to show the amount required to fund the required reserves and to issue the PID Bonds.

**SECTION V: ASSESSMENT PLAN**

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

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

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

**A. Assessment Methodology**

Acting in its legislative capacity and based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs related to the Authorized Improvements shall be allocated entirely to the Initial Parcel. Upon subdivision of an Assessed Property, the Actual Costs of the Authorized

Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**.

### **B. Assessments**

Assessments will be levied on the Assessed Property according to the Assessment Roll, attached hereto as **Exhibit F-1**. The projected Annual Installments are shown on **Exhibit F-2**, and are subject to revisions made during any Annual Service Plan Update. Upon division or subdivision of the Initial Parcel, the Assessments will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1 exceed the corresponding Maximum Assessment shown on **Exhibit E**.

### **C. Findings of Special Benefit**

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

- The cost of the Authorized Improvements equals \$10,123,720 as shown on **Exhibit B**; and
- The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Cost of the Authorized Improvements; and
- The Initial Parcel shall be allocated 100% of the Assessments levied for the Authorized Improvements which equal \$9,564,000, as shown on the Assessment Roll attached hereto as **Exhibit F-1**; and
- The special benefit (\$10,123,720) received by the Initial Parcel from the Authorized Improvements, is equal to or greater than the amount of the Assessment (\$9,564,000) levied on the Initial Parcel for the Authorized Improvements; and
- At the time the City Council approved this Service and Assessment Plan, the Owner owned 100% of the Initial Parcel. The Owner acknowledged that the Authorized Improvements confer a special benefit on the Initial Parcel and consented to the imposition of the Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance, (2) the Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Assessment on the Initial Parcel.

### **D. Annual Collection Costs**

The Annual Collection Costs shall be paid annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as the Annual Installments in the amounts shown on the Assessment Roll, which may be revised in Annual Service Plan Updates based on Actual Costs incurred.

#### **E. Additional Interest**

The interest rate on the portion of Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, upon the issuance of PID Bonds, Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

The interest on the Assessment securing the Reimbursement Obligation shall be set at a rate of 6.875%. The PID Act requires the rate set on unpaid amounts due under a Reimbursement Agreement may not exceed five percent above the highest average index rate for tax-exempt bonds for a period of not more than five years and may not exceed two percent above the same index rate for the following two-year period. The index rate utilized to set the rate on the Reimbursement Obligation is the S&P Municipal Bond High Yield Index, which rate is 5.58% as of June 27, 2024. The rate set by this Service and Assessment Plan of 6.940% for the seven-year period is less than 2% above the S&P Municipal Bond High Yield Index. The portion of the Annual Installment allocable to the Reimbursement Agreement will not include Additional Interest unless and until PID Bonds secured by the Assessment are issued. Once PID Bonds are issued the interest rate on the Assessment will be equal to the rate on the PID Bonds.

#### **F. TIRZ Number 4 Annual Credit Amount**

The City Council, in accordance with the TIRZ Number 4 Agreement, has agreed to use a portion of TIRZ Number 4 Revenues generated from each Assessed Property to offset a portion of the principal and interest of such property's Assessment.

1. The principal and interest portion of the Annual Installment for an Assessed Property shall receive a TIRZ Number 4 Annual Credit Amount equal to the TIRZ Number 4 Revenue generated by the Assessed Property for the previous Tax Year (e.g. TIRZ Number 4 Revenue collected from the Assessed Property for Tax Year 2023 shall be applied as the TIRZ Number 4 Annual Credit Amount applicable to the Assessed Property's Annual Installment to be collected in Tax Year 2024), but in no event shall the TIRZ Number 4 Annual Credit Amount exceed the TIRZ Number 4 Maximum Annual Credit Amount shown in **Section V.F.2** as calculated on **Exhibit G** for each Assessed Property.

2. The TIRZ Number 4 Maximum Annual Credit Amount available to reduce the principal and interest portion of the Annual Installment for an Assessed Property is calculated for each Lot Type, as shown on **Exhibit G**. The TIRZ Number 4 Maximum Annual Credit Amount is calculated so that the average Annual Installment for each Lot Type minus the TIRZ Number 4 Maximum Annual Credit Amount for each Lot Type does not produce an equivalent tax rate for such Lot Type which exceeds \$.9325 per \$100 of assessed value based on Estimated Buildout Values at the time Assessment Ordinance is approved. The resulting TIRZ Number 4 Maximum Annual Credit Amount for each Lot Type is shown below:

1. Lot Type 1: \$1,706

3. After the TIRZ Number 4 Annual Credit Amount is applied to provide a credit towards the principal and interest portion of the Annual Installment for the Assessed Property, any excess TIRZ Number 4 Revenues available from the Russell Ranch PID Account of the TIRZ Number 4 Fund shall be transferred to the City for any lawfully available use.

**SECTION VI: TERMS OF THE ASSESSMENTS**

Any reallocation of Assessments as described in **Section VI** shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

**A. Reallocation of Assessments**

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

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

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

Where the terms have the following meanings:

- A = the Assessment for the newly divided Assessed Property
- B = the Assessment for the Assessed Property prior to division
- C = the Estimated Buildout Value of the newly divided Assessed Property
- D = the sum of the Estimated Buildout Value for all for the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Owner, relying on information from homebuilders, market

studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Value for Lot Type 1 is shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

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

2. *Upon Subdivision by a Recorded Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

E = the number of newly subdivided Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council in an Annual Service Plan Update, based on Estimated Buildout Value information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The Estimated Buildout Value for Lot Type 1 is shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

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

3. *Upon Consolidation*

If two or more Lots or Parcels are consolidated into a single Parcel or Lot, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation.

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

**B. Mandatory Prepayment of Assessments**

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

**C. True-up of Assessments if Maximum Assessment Exceeded**

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

**D. Reduction of Assessments**

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (1) in the event PID Bonds have not been issued, the Assessments for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce the Reimbursement Obligation on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (2) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds and any related Reimbursement Obligation, as such any Reimbursement Obligation may be reduced pursuant to this Section. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Assessed Properties from the Authorized Improvements completed.

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

**E. Prepayment of Assessments**

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

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

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to the extent of the Prepayment made

on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

For purposes of the prepayment of Annual Installments, the Reimbursement Obligation is and will remain subordinated to (i) the PID Bonds and (ii) any additional PID Bonds secured by a parity lien on the Assessments issued to refinance all or a portion of the Reimbursement Obligation. Prepayments shall be allocated pro rata to any outstanding PID Bonds and any outstanding Reimbursement Obligation.

**F. Payment of Assessment in Annual Installments**

Assessments that are not paid in full shall be due and payable in Annual Installments. **F-2** shows the estimated Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

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

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

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed

Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

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

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

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve the Owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

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

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The Owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this 2024 Amended and Restated Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the Owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in

which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

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

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

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

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

**H. Allocating Annual Installments if Assessed Property is Sold**

If Assessed Property is sold, the Annual Installment shall be allocated between the buyer and seller in the same methodology as property taxes.

**SECTION VII: ASSESSMENT ROLL**

The Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Assessment Roll and Annual

Installments for each Parcel as part of each Annual Service Plan Update. The Initial Parcels shown on the Assessment Roll will receive the bills for the 2025 Annual Installments which will be delinquent if not paid by January 31, 2025.

**SECTION VIII: ADDITIONAL PROVISIONS**

**A. Calculation Errors**

If the owner of a Parcel claims that error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Updates, the owner’s sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1<sup>st</sup> of each year following City Council’s approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such written notice of error by the Administrator. The City Council shall consider the owner’s notice of error and the Administrator’s response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

**B. Termination of Assessments**

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the Owner of the affected Assessed Property a recordable “Notice of Assessment Termination,” attached hereto as **Exhibit I**.

**C. Amendments**

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

Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

**D. Administration and Interpretation**

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

**E. Form of Buyer Disclosure; Filing in Real Property Records**

Within seven days of approval by the City Council, the City Secretary shall file and record in the official public records of the County the executed Assessment Ordinance and this Service and Assessment Plan. In addition, the City Secretary shall similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

**F. Severability**

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

## LIST OF EXHIBITS

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

<b>Exhibit A</b>	Map of the District
<b>Exhibit B</b>	Authorized Improvements
<b>Exhibit C</b>	Service Plan
<b>Exhibit D</b>	Sources and Uses of Funds
<b>Exhibit E</b>	Maximum Assessment and Tax Rate Equivalent
<b>Exhibit F-1</b>	Assessment Roll
<b>Exhibit F-2</b>	Annual Installments
<b>Exhibit G</b>	TIRZ Number 4 Maximum Annual Credit Amount
<b>Exhibit H-1</b>	Maps of Public Improvements
<b>Exhibit H-2</b>	Maps of Private Improvements
<b>Exhibit I</b>	Form of Notice of Assessment Termination
<b>Exhibit J</b>	District Legal Description

## LIST OF APPENDICES

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

<b>Appendix A</b>	District Engineer's Report
<b>Appendix B</b>	Buyer Disclosures



## EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total Costs <sup>[a]</sup>	Private Improvements		District	
		%	\$	%	\$
<i>Public Improvements</i>					
Roadways	\$ 2,062,206	0.00%	\$ -	100.00%	\$ 2,062,206
Water	565,473	0.00%	-	100.00%	565,473
Sanitary Sewer	725,636	0.00%	-	100.00%	725,636
Drainage	2,160,244	0.00%	-	100.00%	2,160,244
Detention	1,024,000	0.00%	-	100.00%	1,024,000
Landscaping, Irrigation & Sign	40,000	0.00%	-	100.00%	40,000
Contingency	252,096	0.00%	-	100.00%	252,096
Soft Costs <sup>[b]</sup>	1,170,229	0.00%	-	100.00%	1,170,229
	<u>\$ 7,999,884</u>		<u>\$ -</u>		<u>\$ 7,999,884</u>
<i>Private Improvements<sup>[c]</sup></i>					
Roadways	\$ 221,190	100.00%	\$ 221,190	0.00%	\$ -
Landscaping, Irrigation & Sign	28,000	100.00%	28,000	0.00%	-
Drainage	378,500	100.00%	378,500	0.00%	-
Detention	50,000	100.00%	50,000	0.00%	-
Contingency	78,797	100.00%	78,797	0.00%	-
Soft Costs <sup>[b]</sup>	512,343	100.00%	512,343	0.00%	-
	<u>\$ 1,268,830</u>		<u>\$ 1,268,830</u>		<u>\$ -</u>
<i>Bond Issuance Costs<sup>[d]</sup></i>					
Debt Service Reserve Fund	\$ 819,364		\$ -		\$ 819,364
Capitalized Interest	413,712		-		413,712
Underwriter Discount	286,920		-		286,920
Cost of Issuance	573,840		-		573,840
	<u>\$ 2,093,836</u>		<u>\$ -</u>		<u>\$ 2,093,836</u>
<i>Other Costs</i>					
Deposit to Administrative Fund	30,000		\$ -		\$ 30,000
	<u>\$ 30,000</u>		<u>\$ -</u>		<u>\$ 30,000</u>
<b>Total</b>	<b>\$ 11,392,550</b>		<b>\$ 1,268,830</b>		<b>\$ 10,123,720</b>

**Footnotes:**

[a] Costs were determined by the Engineer's Report attached hereto as **Appendix A**.

[b] Soft Costs include Engineering & Surveying, Project Management Costs and Contingency.

[c] Private Improvements will be funded privately by the Owner or Developer and are not reimbursable by PID Bonds or Assessments.

[d] Bond Issuance Costs are subject to change upon issuance of future PID Bonds issued to fund the Reimbursement Obligation.

**EXHIBIT C – SERVICE PLAN**

		District				
Annual Installments Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
<i>Reimbursement Obligation</i>						
Principal		\$ 102,347	\$ 109,449	\$ 117,045	\$ 125,168	\$ 133,855
Interest		663,742	656,639	649,043	640,920	632,233
	(1)	\$ 766,088	\$ 766,088	\$ 766,088	\$ 766,088	\$ 766,088
Additional Interest <sup>[a]</sup>	(2)	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Collection Costs	(3)	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
<b>Total Annual Installments</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ 796,088</b>	<b>\$ 796,688</b>	<b>\$ 797,300</b>	<b>\$ 797,924</b>	<b>\$ 798,561</b>

**Footnotes:**

[a] Additional Interest will not be charged on the Assessment until PID Bonds are issued.

## EXHIBIT D – SOURCES AND USES OF FUNDS

	District
<b>Sources of Funds</b>	
Reimbursement Obligation	9,564,000
Owner Contribution - Private Improvements <sup>[a]</sup>	1,268,830
Owner Contribution <sup>[b]</sup>	559,720
<b>Total Sources of Funds</b>	<b>\$ 11,392,550</b>
<b>Uses of Funds</b>	
Public Improvements	\$ 7,999,884
Private Improvements	1,268,830
	\$ 9,268,714
<i>Bond Issuance Costs</i>	
Debt Service Reserve Fund	\$ 819,364
Capitalized Interest	413,712
Underwriter Discount	286,920
Cost of Issuance	573,840
	\$ 2,093,836
<i>Other Costs</i>	
Deposit to Administrative Fund	30,000
	\$ 30,000
<b>Total Uses of Funds</b>	<b>\$ 11,392,550</b>

**Footnotes:**

[a] Private Improvements will be funded privately by the Owner or Developer and are not reimbursable by PID Bonds or Assessments.

[b] Non-reimbursable to Owner.

[c] Bond Issuance Costs are subject to change upon issuance of future PID Bonds to finance the Reimbursement Obligation.

**EXHIBIT E – MAXIMUM ASSESSMENT**

Lot Type	Units <sup>[a]</sup>	Estimated Buildout Value <sup>[a]</sup>		District Assessment		Total Maximum Assessment		Maximum Annual Installment		Value to Lien Per Finished Lot Value	TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total		
1	192	\$ 275,000	\$ 52,800,000	\$ 49,813	\$ 9,564,000	\$49,813	\$ 9,564,000	\$ 4,268	\$ 819,364	1.205	\$ 1.5518
<b>Total/Weighted Average</b>	<b>192</b>		<b>52,800,000</b>		<b>\$ 9,564,000</b>		<b>\$ 9,564,000</b>		<b>\$ 819,364</b>	<b>1.205</b>	

**Footnotes:**

[a]Per Developer as of May 15, 2024

### EXHIBIT F-1 – ASSESSMENT ROLL

Property ID	Address	District <sup>[a]</sup>					
		Outstanding Assessment <sup>[b]</sup>	Principal	Interest	Additional Interest	Annual Collection Costs	Annual Installment Due 1/31/2025 <sup>[c]</sup>
19964	Initial Parcel	\$ 8,511,960.00	\$ 91,088.46	\$ 590,730.02	\$ -	\$ 26,700.00	\$ 708,518.49
19988	Initial Parcel	\$ 1,052,040.00	\$ 11,258.12	\$ 73,011.58	\$ -	\$ 3,300.00	\$ 87,569.70
<b>Improvement Area #1 Total</b>		<b>\$ 9,564,000.00</b>	<b>\$ 102,346.59</b>	<b>\$ 663,741.60</b>	<b>\$ -</b>	<b>\$ 30,000.00</b>	<b>\$ 796,088.19</b>

**Footnotes:**

[a] Totals may not match the total Outstanding Assessment or Annual Installment due to rounding.

[b] The total Outstanding Assessment represents the amount secured by a Reimbursement Obligation.

[c] For billing purposes, the Annual Installment for the District Initial Parcels are allocated pro rata to the Property IDs based on acreage.

## EXHIBIT F-2 – ANNUAL INSTALLMENTS

Installment Due 1/31	Reimbursement Obligation			Annual Collection Costs	Total Annual Installment Due <sup>[c]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest <sup>[b]</sup>		
2025	\$ 102,347	\$ 663,742	\$ -	\$ 30,000	\$ 796,088
2026	\$ 109,449	\$ 656,639	\$ -	\$ 30,600	\$ 796,688
2027	\$ 117,045	\$ 649,043	\$ -	\$ 31,212	\$ 797,300
2028	\$ 125,168	\$ 640,920	\$ -	\$ 31,836	\$ 797,924
2029	\$ 133,855	\$ 632,233	\$ -	\$ 32,473	\$ 798,561
2030	\$ 143,144	\$ 622,944	\$ -	\$ 33,122	\$ 799,211
2031	\$ 153,079	\$ 613,010	\$ -	\$ 33,785	\$ 799,873
2032	\$ 163,702	\$ 602,386	\$ -	\$ 34,461	\$ 800,549
2033	\$ 175,063	\$ 591,025	\$ -	\$ 35,150	\$ 801,238
2034	\$ 187,213	\$ 578,876	\$ -	\$ 35,853	\$ 801,941
2035	\$ 200,205	\$ 565,883	\$ -	\$ 36,570	\$ 802,658
2036	\$ 214,099	\$ 551,989	\$ -	\$ 37,301	\$ 803,389
2037	\$ 228,958	\$ 537,130	\$ -	\$ 38,047	\$ 804,135
2038	\$ 244,848	\$ 521,241	\$ -	\$ 38,808	\$ 804,896
2039	\$ 261,840	\$ 504,248	\$ -	\$ 39,584	\$ 805,673
2040	\$ 280,012	\$ 486,077	\$ -	\$ 40,376	\$ 806,464
2041	\$ 299,444	\$ 466,644	\$ -	\$ 41,184	\$ 807,272
2042	\$ 320,226	\$ 445,862	\$ -	\$ 42,007	\$ 808,095
2043	\$ 342,450	\$ 423,639	\$ -	\$ 42,847	\$ 808,936
2044	\$ 366,216	\$ 399,873	\$ -	\$ 43,704	\$ 809,793
2045	\$ 391,631	\$ 374,457	\$ -	\$ 44,578	\$ 810,667
2046	\$ 418,810	\$ 347,278	\$ -	\$ 45,470	\$ 811,558
2047	\$ 447,876	\$ 318,213	\$ -	\$ 46,379	\$ 812,468
2048	\$ 478,958	\$ 287,130	\$ -	\$ 47,307	\$ 813,395
2049	\$ 512,198	\$ 253,890	\$ -	\$ 48,253	\$ 814,341
2050	\$ 547,744	\$ 218,344	\$ -	\$ 49,218	\$ 815,306
2051	\$ 585,758	\$ 180,330	\$ -	\$ 50,203	\$ 816,291
2052	\$ 626,409	\$ 139,679	\$ -	\$ 51,207	\$ 817,295
2053	\$ 669,882	\$ 96,206	\$ -	\$ 52,231	\$ 818,319
2054	\$ 716,372	\$ 49,716	\$ -	\$ 53,275	\$ 819,364
<b>Total</b>	<b>\$ 9,564,000</b>	<b>\$ 13,418,646</b>	<b>\$ -</b>	<b>\$ 1,217,042</b>	<b>\$ 24,199,688</b>

**Footnotes:**

[a] Interest on the Reimbursement Obligation is calculated at a rate of 6.94% which is less than 2% above the S&P Municipal Bond High Yield Index which was 5.58% as of June 27, 2024, as required by the PID Act. If PID Bonds are issued, the interest rate on the Assessment will adjust to the interest rate on the Bonds plus the Additional Interest.

[b] Additional Interest will be collected if PID Bonds are issued.

[c] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update. The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

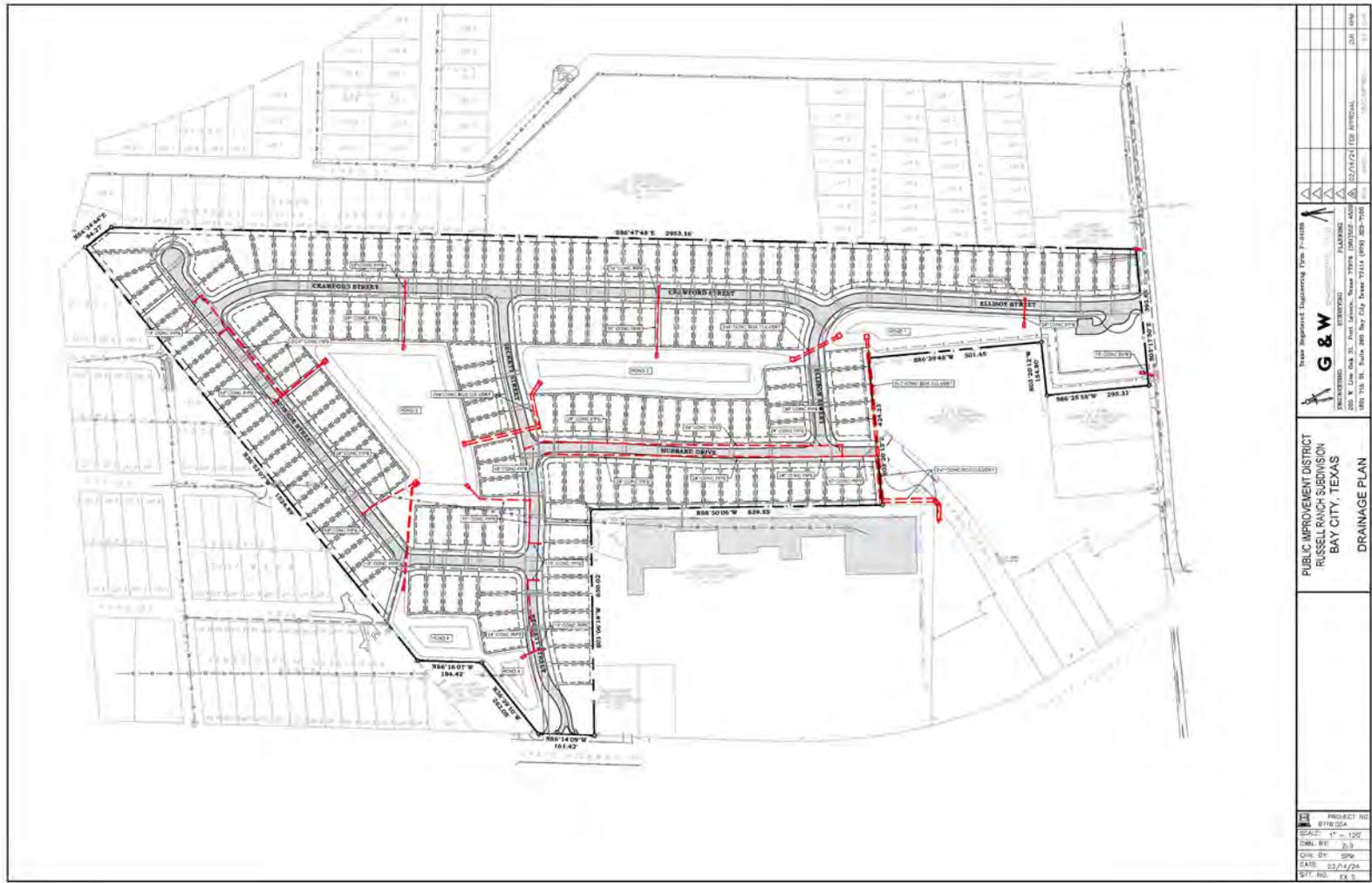
**EXHIBIT G – TIRZ NUMBER 4 MAXIMUM ANNUAL CREDIT AMOUNT**

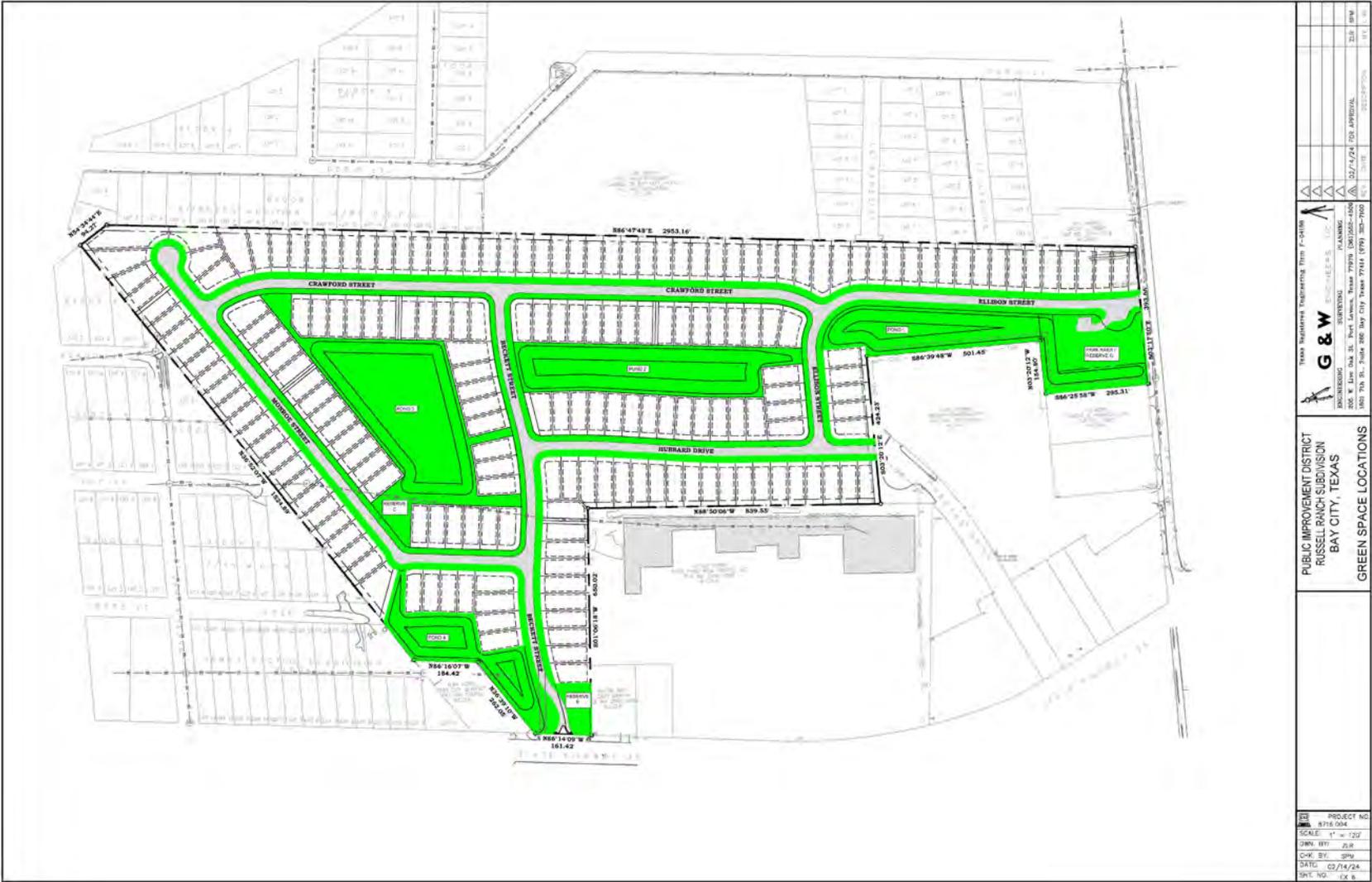
Lot Type	Units	TIRZ No. 4 Maximum Annual Credit Amount		Annual Installment Per Unit Pre-TIRZ Credit	Net Annual Installment Per Unit	Net District Tax Rate Equivalent
		Amount	Per Unit			
Lot Type 1	192	\$ 0.6203	\$ (1,706)	\$ 4,268	\$ 2,562	\$ 0.9315
<b>Total</b>	<b>192</b>	<b>\$ (327,529)</b>				











**EXHIBIT H-2 – MAPS OF PRIVATE IMPROVEMENTS**

**[TO BE PROVIDED BY DEVELOPER]**

[TO BE PROVIDED BY DEVELOPER]

[TO BE PROVIDED BY DEVELOPER]

[TO BE PROVIDED BY DEVELOPER]

**EXHIBIT I – FORM OF NOTICE OF ASSESSMENT TERMINATION**



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

[Date]  
Matagorda County Civil Courthouse  
[County Clerk Name]  
1700 7<sup>th</sup> Street, Room 202  
Bay City, Texas 77414

**Re: City of Bay City Lien Release documents for filing**

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

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

City of Bay City  
Attn: City Secretary  
1901 Fifth Street N.  
Bay City, Texas 77414

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

Sincerely,  
[Signature]

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



**WHEREAS**, the property owners of the Property have paid unto the City the Lien Amount.

**RELEASE**

**NOW THEREFORE**, the City, the owner and holder of the Lien, as established by Ordinance No. \_\_\_\_\_, which levied the Assessment in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

**EXECUTED** to be **EFFECTIVE** this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY OF BAY CITY, TEXAS,**

By: \_\_\_\_\_  
[Name], [Title]

**ATTEST:**

\_\_\_\_\_  
[Secretary Name], City Secretary

**STATE OF TEXAS**                   §  
  §  
**COUNTY OF MATAGORDA**       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [Name], [Title] for the City of Bay City, Texas, on behalf of said municipality.

\_\_\_\_\_  
Notary Public, State of Texas

## EXHIBIT J – DISTRICT LEGAL DESCRIPTION

### EXHIBIT A:

Legal Description of land:

49.7981 acres, more or less, BEING THE REMAINDER OF:

73.90210 acres of land out of the I&GN RR Co Survey 2, Block 4, Abstract No. 270 and the I&GN RR Co Survey 1, Block 4, Abstract 271, Matagorda County, Texas and being the same land conveyed to A. Uher by Deed dated February 20, 1937 as recorded in Volume 116 at Page 516 of the Deed Records of Matagorda County, Texas and a Deed from The Gulf Coast Water Co. to A. Uher dated June 14, 1937, recorded in Volume 120 at Page 402, Deed Records of Matagorda County, Texas and a Deed from G. A. Bailey to A. Uher dated April 10, 1950, recorded in Volume 214 at Page 28, Deed Records, Matagorda County, Texas.

LESS AND EXCEPT:

0.70 acres out of the I&GN RR Co Survey 1, Block 4, Abstract No. 271

12.70 acres out of the I&GN RR Co Survey 1, Block 4, Abstract 271

0.41 acres out of the I&GN RR Co Survey 1, Block 4, Abstract No. 271

1.08 acres out of the I&GN RR Co Survey 1, Block 4, Abstract No. 271

0.938 acres out of the I&GN RR Co Survey 1, Block 4, Abstract No. 271

8.214 acre out of the out of the I&GN RR Co Survey 2, Block 4, Abstract No. 270 and the I&GN RR Co Survey 1, Block 4, Abstract No. 271

## APPENDIX A – DISTRICT ENGINEER’S REPORT



205 W. Live Oak • Port Lavaca, TX 77979 • p: (361)552-4509 • f: (361)552-4987  
Texas Firm Registration No. F04188

### Public Improvement District Engineer’s Report

#### Russell Ranch Subdivision (RRS)

March 28, 2024

#### Introduction

Russell Ranch Subdivision (RRS) is a proposed master planned subdivision by Crescent Capital Investments, LLC. The planned subdivision has a total of 193 single family residential lots. The subdivision is located approximately 1,400 LF west of the intersection of state highway 35 and FM 457. The subdivision will also include several open spaces, a recreational park, and four flood control detention ponds. The water and sanitary sewer utility services will be provided by the City of Bay City and the improvements are anticipated to be funded by the PID.

The improvement area consists of the proposed 49.71 acre subdivision and is planned to be completed in one single phase.

This report includes the supporting documentation for the formation of the PID and the issuance of the Improvement Area bonds by the City of Bay City. The bonds are to be used to finance the public infrastructure items listed below that are necessary for buildout of the development.

#### Development Improvements

- Roadways  
This item includes the construction of the proposed local streets of the subdivision. Improvements to include erosion control measures, earthwork, subgrade stabilization, concrete pavement with curb and gutter, concrete sidewalk segments with ADA ramps, signage, lighting, and construction testing
- Sanitary Sewer  
Improvements to include erosion control measures, earthwork, trench excavation and embedment, trench safety, pipe installation, manholes, service connections, testing and all necessary appurtenances constructed to the City of Bay City standards required to provide wastewater service to improvements area.

In addition to the construction of the subdivision the improvement area includes the removal of existing manholes as well as the re-routing of existing sanitary sewer mains to maintain a better flow that crosses the proposed subdivision site.

Engineering • Consulting • Planning • Surveying

- **Water**  
Improvement to include Earthwork, erosion control measures, trench safety, trench excavation and embedment, pipe installation, fire hydrant assemblies, valves, service connections, testing and all necessary appurtenances to meet the construction standards of the City of Bay City.
- **Drainage**  
Improvements to include earthwork, erosion control measures, trench excavation and embedment, trench safety, pipe installation, curb inlets, box culverts, manholes and junction boxes, headwalls, testing and all necessary appurtenances constructed to the City of Bay City standards required to provide drainage service to Improvements Area.  
  
Also included are channels, temporary and permanent flood control detention ponds, clearing, excavation, piping for inbound and outbound drainage lines and outlet structures.
- **Landscaping, Parks & Amenities**  
Improvements Area includes an entry monumentation along state highway 35 with planting beds and landscaping at the entry monument, sidewalks, irrigation, amenity center site, park lots in addition to landscaped areas and grass covered areas within the subdivision. These improvements include erosion control measures, earthwork, site improvements, planting and vegetation
- **Soft Costs**  
Costs related to designing, constructing, installing, and financing the Improvement Area improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, inspection fees, district formation costs, and other PID costs incurred and paid by the Developer.

#### **Development Costs**

An Engineers' Opinion of Probable Cost (OPC) has been prepared for Improvements Area improvements described above and is included as the Public Improvement District Cost Estimate. The Opinion of Probable Cost is based on contractor pricing and G&W Engineers' reasonable professional judgment and experience and does not constitute a warranty, expressed or implied. Actual costs may vary.

**Development and Construction Schedule**

## Construction Phase:

- Construction commenced
- Complete Construction: Quarter 2 of 2024

Thank you for your review of this letter and the associated plat and related information. Should you have any questions or wish to discuss this submittal in detail, please contact me at [smason@gwengineers.com](mailto:smason@gwengineers.com).

Sincerely,

  
Scott P. Mason, P.E.  
Lead Project Engineer  
G&W Engineers, Inc.

## EXHIBIT A:

### Legal Description of land:

49.7981 acres, more or less, BEING THE REMAINDER OF:

73.90210 acres of land out of the I&GN RR Co Survey 2, Block 4, Abstract No. 270 and the I&GN RR Co Survey 1, Block 4, Abstract 271, Matagorda County, Texas and being the same land conveyed to A. Uher by Deed dated February 20, 1937 as recorded in Volume 116 at Page 516 of the Deed Records of Matagorda County, Texas and a Deed from The Gulf Coast Water Co. to A. Uher dated June 14, 1937, recorded in Volume 120 at Page 402, Deed Records of Matagorda County, Texas and a Deed from G. A. Bailey to A. Uher dated April 10, 1950, recorded in Volume 214 at Page 28, Deed Records, Matagorda County, Texas.

### LESS AND EXCEPT:

0.70 acres out of the I&GN RR Co Survey 1, Block 4, Abstract No. 271

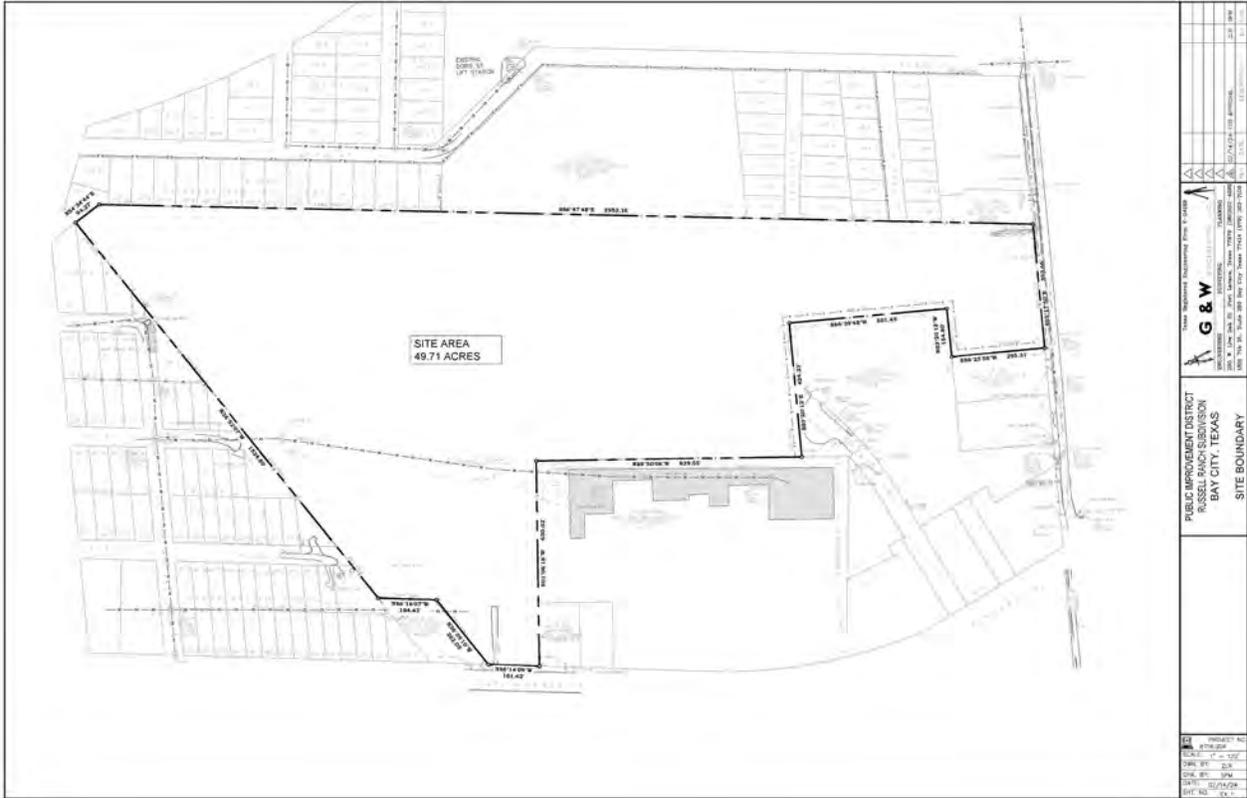
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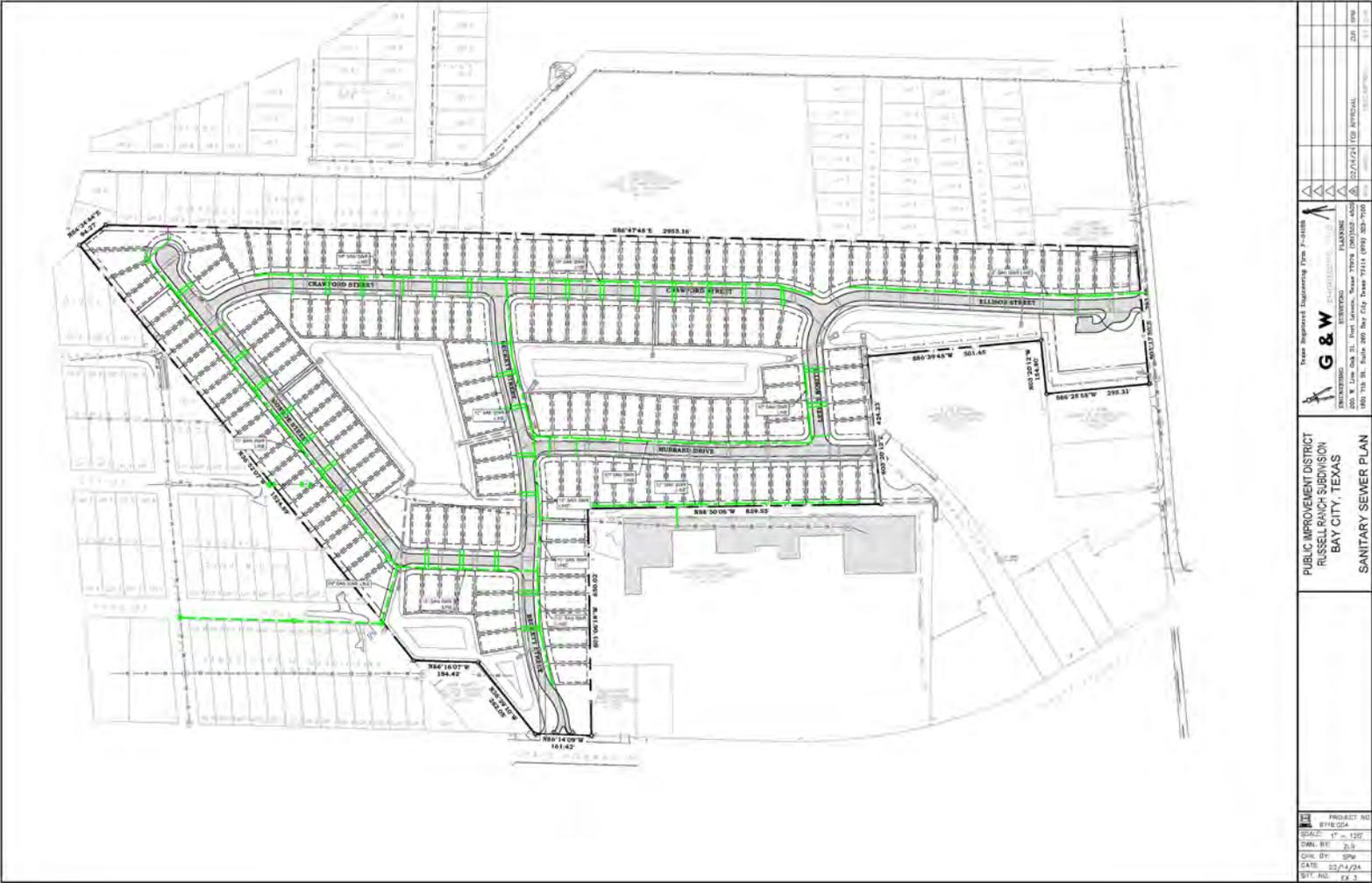
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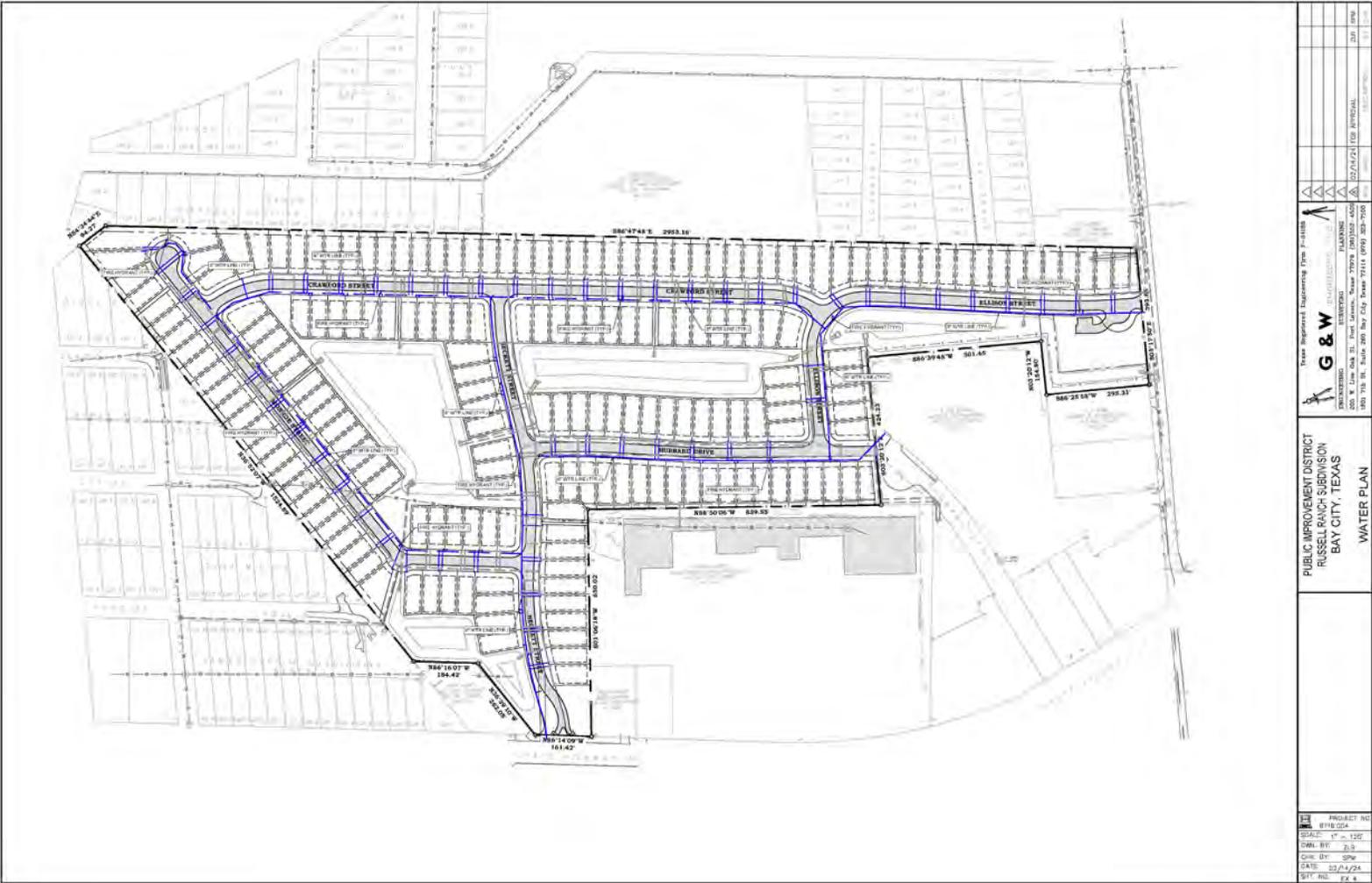


PUBLIC IMPROVEMENT DISTRICT RUSSELL RANCH SUBDIVISION BAY CITY, TEXAS SITE BOUNDARY	
G & W ENGINEERS 1000 N. TEXAS ST. SUITE 200 DALLAS, TEXAS 75201	DATE: 11/14/2018 DRAWN BY: J. W. WILSON CHECKED BY: J. W. WILSON SCALE: AS SHOWN SHEET NO. 10 OF 10



<p>Public Improvement District                  Russell Ranch Subdivision                  Bay City, Texas                  Roadway Plan</p>		<p>State Registered Engineering Firm P-14188  <b>G &amp; W</b>                  ENGINEERING, INC.                  PLANNING                  200 N. Line 204 St., First Level, Baytown, Texas 77999 (281)322-4000                  800.715.1111, Email: gow@baycitytexas.gov, www.gow-engineering.com</p>
<p>DATE: 03/14/24                  SCALE: 1" = 120'                  DRAWN BY: JLS                  CHECK BY: SPW                  CITY FILE: 24-2</p>	<p>PROJECT NO: 24-2                  EVIDENCE: 24-2                  DATE: 03/14/24                  CITY FILE: 24-2</p>	





PUBLIC IMPROVEMENT DISTRICT RUSSELL RANCH SUBDIVISION BAY CITY, TEXAS WATER PLAN	
PROJECT NO. 8718 054	
SCALE: 1" = 120'	
DWG. BY: JLS	
CHK. BY: SPW	
DATE: 03/14/24	
REV. NO.: 02	
G & W ENGINEERING, PLLC 1000 W. Loop West, Suite 1000, Bay City, Texas 77515 (409) 863-7000	
PLANNING DEPARTMENT 02/14/24 FOR APPROVAL 03/14/24	





ENGINEER'S OPINION OF PROBABLE COST (EOPC)  
 G Engineers, Inc. TREF# F-4188 (361) 552-4509  
 Date: July 18, 2023

Preliminary PID Estimate Summary  
 BAY CITY, TEXAS STATE HWY 35  
 49.8 Acre Site  
 Russell Ranch Development  
 9/22/2021

Revised  
 PID Estimate  
 7/18/2023



Work Classification	Itemized Total Amount	Division Total Amount	Public Costs	Private Costs	Itemized Total Amount	Public Costs	Private Costs
<b>PRELIMINARY SITE COSTS</b>							
Boundary Survey	\$8,000.00		8,000.00	0.00	8,941.00	8,941.00	0.00
Topo Survey	8,000.00		8,000.00	0.00	6,000.00	6,000.00	0.00
Platting Documents and Full Site Survey	50,000.00		50,000.00	0.00	50,000.00	50,000.00	0.00
Phase I	12,000.00		12,000.00	0.00	12,000.00	12,000.00	0.00
Traffic Study (required by TX-DOT for new curb cut approval)	15,000.00		0.00	15,000.00	0.00	0.00	0.00
TX-DOT Variance Request (work done by G&M Engineering)	2,500.00		0.00	2,500.00	2,500.00	0.00	2,500.00
TX-DOT Permit Submittal Package Fee for New Curb Cut on I35	5,000.00		0.00	5,000.00	5,000.00	0.00	5,000.00
TX-DOT Permit (per TX-DOT no fee)	0.00		0.00	0.00	0.00	0.00	0.00
Preliminary Pond Evaluation & Storm Design Recommendation for District 1 Engineer	12,500.00		12,500.00	0.00	12,500.00	12,500.00	0.00
District One Review Fees	3,600.00		3,600.00	0.00	9,963.00	9,963.00	0.00
Updated/New Geotechnical Investigation	15,000.00		15,000.00	0.00	15,000.00	15,000.00	0.00
Re-Zoning Fees (no re-zoning required per Maddox Properties)	0.00		0.00	0.00	0.00	0.00	0.00
META - Preliminary Site Plan	5,000.00		0.00	5,000.00	3,738.00	0.00	3,738.00
SWPPP Report and Permit for The City of Bay City	10,000.00		10,000.00	0.00	0.00	0.00	0.00
Easement Abandonment Fees (if required)	10,000.00		0.00	10,000.00	10,000.00	10,000.00	0.00
Create New Utility Easements	10,000.00		10,000.00	0.00	10,000.00	10,000.00	0.00
<b>Total Preliminary Site Costs:</b>		<b>\$184,600.00</b>	<b>\$127,100.00</b>	<b>\$37,500.00</b>	<b>\$145,642.00</b>	<b>\$134,404.00</b>	<b>\$11,238.00</b>
<b>SITE CLEARING</b>							
Removal of Trees and Clearing	\$300,000.00		84,350.00	215,650.00	298,900.00	85,400.00	213,500.00
Erosion Control, Construction Ingress and Egress	25,000.00		25,000.00	0.00	22,950.00	22,950.00	0.00
SWPPP Plan, Installation and Maintenance	10,000.00		10,000.00	0.00	0.00	0.00	0.00
<b>Total Site Clearing:</b>		<b>\$335,000.00</b>	<b>\$119,350.00</b>	<b>\$215,650.00</b>	<b>\$321,850.00</b>	<b>\$108,350.00</b>	<b>\$213,500.00</b>
<b>MISC DEVELOPMENT SITE COSTS</b>							
Temporary Fencing	\$5,000.00		5,000.00	0.00	5,000.00	5,000.00	0.00

Preliminary PID Estimate Summary  
 BAY CITY, TEXAS STATE HWY 35  
 49.8 Acre Site  
 Russell Ranch Development  
 9/22/2021

Revised  
 PID Estimate  
 7/18/2023

Work Classification	Itemized Total Amount	Division Total Amount	Public Costs	Private Costs	Itemized Total Amount	Public Costs	Private Costs
Traffic Control/Signage	15,000.00		15,000.00	0.00	15,000.00	15,000.00	0.00
Site Planning Review Fees	15,000.00		15,000.00	0.00	15,000.00	15,000.00	0.00
City of Bay City Permitting Fees and Platting Fees	2,720.00		2,720.00	0.00	2,720.00	2,720.00	0.00
Water Meter and Tap Fees ( 2 ea. 6" taps)	0.00		0.00	0.00	0.00	0.00	0.00
Sanitary Tap Fees	0.00		0.00	0.00	0.00	0.00	0.00
Impact Fees ( no fees per the City of Bay City)	0.00		0.00	0.00	0.00	0.00	0.00
Re-Staking of Lots for Revised Survey Once Plat is Approved	20,000.00		0.00	20,000.00	20,000.00	0.00	20,000.00
As-Built Surveying for all Public and Private Utilities and Ponds	60,000.00		50,000.00	10,000.00	60,000.00	50,000.00	10,000.00
Materials Testing	95,000.00		95,000.00	0.00	95,000.00	95,000.00	0.00
Off-Site and Pond Inspection Fees by Bay City	2,500.00		2,500.00	0.00	2,500.00	2,500.00	0.00
Gas	45,000.00		0.00	45,000.00	0.00	0.00	0.00
Lift Station Maintenance Agreement	0.00		0.00	0.00	0.00	0.00	0.00
Mail Box Unit	0.00		0.00	0.00	8,000.00	0.00	8,000.00
<b>Total Misc. Development Site Costs and Fees:</b>		<b>\$260,220.00</b>	<b>\$185,220.00</b>	<b>\$75,000.00</b>	<b>\$223,220.00</b>	<b>\$185,220.00</b>	<b>\$38,000.00</b>
<b>EARTHWORK, SITE UTILITIES, PAVING, SIDEWALKS</b>							
Sitework - Excavation and Fill	\$150,000.00		25,000.00	125,000.00	235,000.00	70,000.00	165,000.00
Earthwork Import	\$0.00		0.00	0.00	169,950.00	169,950.00	0.00
Lime Stabilation	\$0.00		0.00	0.00	215,358.00	215,358.00	0.00
Site Surveying	40,000.00		30,000.00	10,000.00	40,000.00	30,000.00	10,000.00
Trench/Haul Off Back fill for AEP	20,000.00		0.00	20,000.00	0.00	0.00	0.00
Water Lines	132,000.00		132,000.00	0.00	483,723.00	483,723.00	0.00
Fire Hydrants	55,000.00		55,000.00	0.00	61,750.00	61,750.00	0.00
Gate Valves, Boxes, Blow-Offs	20,000.00		20,000.00	0.00	20,000.00	20,000.00	0.00
Sanitary Lines, Manholes, Splits	552,000.00		552,000.00	0.00	591,486.00	591,486.00	0.00
Abandonment and Relocation of Existing Sanitary Lines for Shopping Center	75,000.00		75,000.00	0.00	134,150.00	134,150.00	0.00
Lift Station/Force Main	550,000.00		550,000.00	0.00	0.00	0.00	0.00
Storm Drainage	750,000.00		750,000.00	0.00	1,877,844.00	1,877,844.00	0.00
Storm Drainage (Road)	92,000.00		92,000.00	0.00	92,000.00	92,000.00	0.00
Bore Under New McCoy Drive for Tie-In to Public Storm	10,000.00		10,000.00	0.00	10,000.00	10,000.00	0.00
Trench Safety	20,000.00		20,000.00	0.00	20,000.00	20,000.00	0.00
Striping/Signage	15,000.00		0.00	15,000.00	15,000.00	0.00	15,000.00
Concrete Paving and Curbing (205,535 SF)	1,200,000.00		1,200,000.00	0.00	1,313,086.00	1,313,086.00	0.00
Sidewalks and Ramps Only at Public Areas	80,000.00		80,000.00	0.00	85,862.00	85,862.00	0.00
Access Drives (3 each)	75,000.00		75,000.00	0.00	75,000.00	75,000.00	0.00
Bay City Seafood Drive Closure and Re-Striping (30,000 SF)	10,000.00		0.00	10,000.00	11,218.00	0.00	11,218.00
Fencing for Site (8,333 LF, 6' high wood fencing)	250,000.00		0.00	250,000.00	194,972.00	0.00	194,972.00
<b>Total Earthwork, Site Utilities, Paving, Sidewalk Costs:</b>		<b>\$4,096,000.00</b>	<b>\$3,666,000.00</b>	<b>\$430,000.00</b>	<b>\$5,646,399.00</b>	<b>\$5,250,209.00</b>	<b>\$396,190.00</b>

Preliminary PID Estimate Summary  
 BAY CITY, TEXAS STATE HWY 35  
 49.8 Acre Site  
 Russell Ranch Development  
 9/22/2021

Revised  
 PID Estimate  
 7/18/2023

Work Classification	Itemized Total Amount	Division Total Amount	Public Costs	Private Costs	Itemized Total Amount	Public Costs	Private Costs
<b>LANDSCAPE AND IRRIGATION</b>							
Landscaping and Irrigation	\$25,000.00		0.00	25,000.00	25,000.00	25,000.00	0.00
Landscaping and Irrigation in ROW	15,000.00		0.00	15,000.00	15,000.00	15,000.00	0.00
Monument Sign	20,000.00		0.00	20,000.00	20,000.00	0.00	20,000.00
<b>Total Landscaping and Irrigation:</b>		<b>\$60,000.00</b>	<b>\$0.00</b>	<b>\$60,000.00</b>	<b>\$60,000.00</b>	<b>\$40,000.00</b>	<b>\$20,000.00</b>
<b>DETENTION/RETENTION PONDS</b>							
Excavation of Ponds	\$312,000.00		312,000.00	0.00	312,000.00	312,000.00	0.00
Haul-Off	150,000.00		150,000.00	0.00	150,000.00	150,000.00	0.00
Retaining Walls/Footings	0.00		0.00	0.00	0.00	0.00	0.00
Hydromulching of Ponds	30,000.00		30,000.00	0.00	30,000.00	30,000.00	0.00
Fountains ( estimated for ponds 2 and 3 only) Allowance	25,000.00		0.00	25,000.00	25,000.00	0.00	25,000.00
Fencing Around Ponds (no fencing around ponds per Maddox Properties)	0.00		0.00	0.00	0.00	0.00	0.00
Concrete Wing Walls (included above)	0.00		0.00	0.00	0.00	0.00	0.00
<b>Total Detention/Retention Ponds:</b>		<b>\$517,000.00</b>	<b>\$492,000.00</b>	<b>\$25,000.00</b>	<b>\$517,000.00</b>	<b>\$492,000.00</b>	<b>\$25,000.00</b>
<b>ELECTRICAL</b>							
AEP (street lights)	\$500,000.00		0.00	500,000.00	150,000.00	150,000.00	0.00
Pad Mounted Transformer/ Panel for power to Pond Fountains	25,000.00		0.00	25,000.00	25,000.00	0.00	25,000.00
Temporary Service Panel	15,000.00		15,000.00	0.00	15,000.00	15,000.00	0.00
Site Lighting (included in AEP number per the Rep)	0.00		0.00	0.00	0.00	0.00	0.00
Phone Lines	125,000.00		0.00	125,000.00	0.00	0.00	0.00
Cable	75,000.00		0.00	75,000.00	0.00	0.00	0.00
<b>Total Electrical:</b>		<b>\$740,000.00</b>	<b>\$15,000.00</b>	<b>\$725,000.00</b>	<b>\$190,000.00</b>	<b>\$165,000.00</b>	<b>\$25,000.00</b>
<b>TOTAL SITE DEVELOPMENT AND CONSTRUCTION COSTS:</b>					<b>\$7,104,111.00</b>	<b>\$6,375,183.00</b>	<b>\$723,928.00</b>
<b>OVERHEAD AND PROFIT, INSURANCE</b>							
General Conditions, Insurance, OH&P	\$695,700.00		\$556,560.00	\$139,140.00			
<b>Total General Conditions, Insurance, Overhead and Profit Fees:</b>		<b>\$695,700.00</b>	<b>\$556,560.00</b>	<b>\$139,140.00</b>	<b>\$583,745.00</b>	<b>\$460,105.00</b>	<b>\$123,105.00</b>
<b>Sub Total Estimated Construction Costs and Development Fees:</b>		<b>\$6,868,520.00</b>	<b>\$5,161,230.00</b>	<b>\$1,707,290.00</b>	<b>\$7,687,856.00</b>	<b>\$6,835,288.00</b>	<b>\$847,033.00</b>
<b>Cost Escalation Contingency:</b>		<b>\$330,893.00</b>	<b>\$252,096.00</b>	<b>\$78,797.00</b>	<b>\$330,893.00</b>	<b>\$252,096.00</b>	<b>\$78,797.00</b>
<b>Performance and Payment Bond:</b>		<b>55,330.00</b>	<b>\$55,330.00</b>	<b>\$0.00</b>	<b>55,000.00</b>	<b>55,000.00</b>	<b>0.00</b>
<b>Total Estimated Construction Costs and Development Fees:</b>		<b>\$7,254,743.00</b>	<b>\$5,468,656.00</b>	<b>\$1,786,087.00</b>	<b>\$8,073,749.00</b>	<b>\$7,142,384.00</b>	<b>\$925,830.00</b>
					<b>Itemized Total Amount</b>	<b>Public Costs</b>	<b>Private Costs</b>
<b>DESIGN FEES</b>							
Mechanical and Electrical Fee for Construction Documents	\$15,000.00		0.00	15,000.00	\$15,000.00	\$0.00	\$15,000.00

Preliminary PID Estimate Summary  
 BAY CITY, TEXAS STATE HWY 35  
 49.8 Acre Site  
 Russell Ranch Development  
 9/22/2021

Revised  
 PID Estimate  
 7/18/2023

Work Classification	Itemized Total Amount	Division Total Amount	Public Costs	Private Costs	Itemized Total Amount	Public Costs	Private Costs
Civil Engineer Fee for Construction Documents	150,000.00		120,000.00	30,000.00	150,000.00	120,000.00	30,000.00
Civil Engineer for Detention/Retention Ponds District One Design	25,000.00		25,000.00	0.00	25,000.00	25,000.00	0.00
Additional Civil Engineer for Detention/Retention Ponds District One Design	0.00		0.00	0.00	59,000.00	59,000.00	0.00
Construction Administration/Inspections by Civil Engineer	50,000.00		40,000.00	10,000.00	50,000.00	40,000.00	10,000.00
Landscaping	5,000.00		0.00	5,000.00	5,000.00	5,000.00	0.00
Reproductions and Misc. Costs	5,000.00		2,500.00	2,500.00	5,000.00	4,000.00	1,500.00
<b>Estimated Design Fees:</b>		<b>\$250,000.00</b>	<b>\$187,500.00</b>	<b>\$62,500.00</b>	<b>\$309,000.00</b>	<b>\$253,000.00</b>	<b>\$56,500.00</b>
<b>CONSTRUCTION CONSULTANT FEES</b>							
Fees for Preparing New Easements or Modifications of Existing Easements	\$15,000.00		15,000.00	0.00	15,000.00	15,000.00	0.00
Construction Management Fee	75,000.00		52,500.00	22,500.00	75,000.00	52,500.00	22,500.00
Additional Construction Management Fees for District One Review	0.00		0.00	0.00	5,000.00	5,000.00	0.00
<b>Estimated Construction Consultant Fees:</b>		<b>\$90,000.00</b>	<b>\$67,500.00</b>	<b>\$22,500.00</b>	<b>\$95,000.00</b>	<b>\$72,500.00</b>	<b>\$22,500.00</b>
<b>MISC./FINANCE FEES</b>							
Land Costs (14 AC. For ponds and paving)	\$532,000.00		532,000.00	0.00	532,000.00	532,000.00	
Development Costs (legal fees, financing fees, interest)	259,000.00			259,000.00	259,000.00		259,000.00
<b>Estimated Misc./Finance Fees:</b>		<b>\$791,000.00</b>	<b>\$532,000.00</b>	<b>\$259,000.00</b>	<b>\$791,000.00</b>	<b>\$532,000.00</b>	<b>\$259,000.00</b>
<b>PID FEES</b>							
Consultant Fees for P3 Work	15,000.00		0.00	15,000.00	15,000.00	0.00	15,000.00
<b>Estimated PID Fees:</b>		<b>\$15,000.00</b>	<b>\$0.00</b>	<b>\$15,000.00</b>	<b>\$15,000.00</b>	<b>\$0.00</b>	<b>\$15,000.00</b>
<b>PROJECT COST TOTAL:</b>		<b>\$8,400,743.00</b>	<b>\$6,255,656.00</b>	<b>\$2,145,087.00</b>	<b>\$9,283,749.00</b>	<b>\$7,999,884.00</b>	<b>\$1,278,830.00</b>
<b>ESTIMATED TOTAL PID PROJECT COST:</b>			<b>\$6,255,656.00</b>			<b>\$7,999,884.00</b>	

This budget has been prepared exclusively for Maddox Properties. The information in this report is not intended to be used or relied upon by any third party. Development Consulting Services shall incur no liability and disclaims any responsibility for the use or reliance upon this budget by any third party. The estimated budget shall not be construed as a guarantee of the final costs of the project as no construction documents exist.

## APPENDIX B – BUYER DISCLOSURES

Buyer disclosures for the following Lot Types are found in this Appendix:

- Initial Parcel
- Lot Type 1

**RUSSELL RANCH PUBLIC IMPROVEMENT DISTRICT – INITIAL PARCEL BUYER  
DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
PROPERTY ADDRESS

**INITIAL PARCEL PRINCIPAL ASSESSMENT: \$9,564,000.00**

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

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

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

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

<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the d of Matagorda County when updating for the Current Information of Obligation to Pay Improvement District. Page 161

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

COUNTY OF MATAGORDA

§

§

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

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF MATAGORDA

§

§

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

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

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

### ANNUAL INSTALLMENTS - INITIAL PARCEL

Installment Due 1/31	Reimbursement Obligation				Annual Collection Costs	Total Annual Installment Due <sup>[c]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest <sup>[b]</sup>			
2025	\$ 102,347	\$ 663,742	\$ -	\$ 30,000	\$ 796,088	
2026	\$ 109,449	\$ 656,639	\$ -	\$ 30,600	\$ 796,688	
2027	\$ 117,045	\$ 649,043	\$ -	\$ 31,212	\$ 797,300	
2028	\$ 125,168	\$ 640,920	\$ -	\$ 31,836	\$ 797,924	
2029	\$ 133,855	\$ 632,233	\$ -	\$ 32,473	\$ 798,561	
2030	\$ 143,144	\$ 622,944	\$ -	\$ 33,122	\$ 799,211	
2031	\$ 153,079	\$ 613,010	\$ -	\$ 33,785	\$ 799,873	
2032	\$ 163,702	\$ 602,386	\$ -	\$ 34,461	\$ 800,549	
2033	\$ 175,063	\$ 591,025	\$ -	\$ 35,150	\$ 801,238	
2034	\$ 187,213	\$ 578,876	\$ -	\$ 35,853	\$ 801,941	
2035	\$ 200,205	\$ 565,883	\$ -	\$ 36,570	\$ 802,658	
2036	\$ 214,099	\$ 551,989	\$ -	\$ 37,301	\$ 803,389	
2037	\$ 228,958	\$ 537,130	\$ -	\$ 38,047	\$ 804,135	
2038	\$ 244,848	\$ 521,241	\$ -	\$ 38,808	\$ 804,896	
2039	\$ 261,840	\$ 504,248	\$ -	\$ 39,584	\$ 805,673	
2040	\$ 280,012	\$ 486,077	\$ -	\$ 40,376	\$ 806,464	
2041	\$ 299,444	\$ 466,644	\$ -	\$ 41,184	\$ 807,272	
2042	\$ 320,226	\$ 445,862	\$ -	\$ 42,007	\$ 808,095	
2043	\$ 342,450	\$ 423,639	\$ -	\$ 42,847	\$ 808,936	
2044	\$ 366,216	\$ 399,873	\$ -	\$ 43,704	\$ 809,793	
2045	\$ 391,631	\$ 374,457	\$ -	\$ 44,578	\$ 810,667	
2046	\$ 418,810	\$ 347,278	\$ -	\$ 45,470	\$ 811,558	
2047	\$ 447,876	\$ 318,213	\$ -	\$ 46,379	\$ 812,468	
2048	\$ 478,958	\$ 287,130	\$ -	\$ 47,307	\$ 813,395	
2049	\$ 512,198	\$ 253,890	\$ -	\$ 48,253	\$ 814,341	
2050	\$ 547,744	\$ 218,344	\$ -	\$ 49,218	\$ 815,306	
2051	\$ 585,758	\$ 180,330	\$ -	\$ 50,203	\$ 816,291	
2052	\$ 626,409	\$ 139,679	\$ -	\$ 51,207	\$ 817,295	
2053	\$ 669,882	\$ 96,206	\$ -	\$ 52,231	\$ 818,319	
2054	\$ 716,372	\$ 49,716	\$ -	\$ 53,275	\$ 819,364	
<b>Total</b>	<b>\$ 9,564,000</b>	<b>\$ 13,418,646</b>	<b>\$ -</b>	<b>\$ 1,217,042</b>	<b>\$ 24,199,688</b>	

**Footnotes:**

[a] Interest on the Reimbursement Obligation is calculated at a rate of 6.94% which is less than 2% above the S&P Municipal Bond High Yield Index which was 5.58% as of June 27, 2024, as required by the PID Act. If PID Bonds are issued, the interest rate on the Assessment will adjust to the interest rate on the Bonds plus the Additional Interest.

[b] Additional Interest will be collected if PID Bonds are issued.

[c] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update. The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

## RUSSELL RANCH PUBLIC IMPROVEMENT DISTRICT – LOT TYPE 1 BUYER DISCLOSURE

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
PROPERTY ADDRESS

**LOT TYPE 1 PRINCIPAL ASSESSMENT: \$49,812.50**

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

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

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

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

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

COUNTY OF MATAGORDA

§

§

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

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF MATAGORDA

§

§

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

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

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

## ANNUAL INSTALLMENTS - LOT TYPE 1

Installment Due 1/31	Reimbursement Obligation				Annual Collection Costs	Total Annual Installment Due <sup>[e]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest <sup>[b]</sup>			
2025	\$ 533.06	\$ 3,456.99	\$ -	\$ 156.25	\$ 4,146.29	
2026	\$ 570.05	\$ 3,419.99	\$ -	\$ 159.38	\$ 4,149.42	
2027	\$ 609.61	\$ 3,380.43	\$ -	\$ 162.56	\$ 4,152.61	
2028	\$ 651.92	\$ 3,338.13	\$ -	\$ 165.81	\$ 4,155.86	
2029	\$ 697.16	\$ 3,292.88	\$ -	\$ 169.13	\$ 4,159.17	
2030	\$ 745.54	\$ 3,244.50	\$ -	\$ 172.51	\$ 4,162.56	
2031	\$ 797.28	\$ 3,192.76	\$ -	\$ 175.96	\$ 4,166.01	
2032	\$ 852.62	\$ 3,137.43	\$ -	\$ 179.48	\$ 4,169.52	
2033	\$ 911.79	\$ 3,078.26	\$ -	\$ 183.07	\$ 4,173.11	
2034	\$ 975.07	\$ 3,014.98	\$ -	\$ 186.73	\$ 4,176.78	
2035	\$ 1,042.73	\$ 2,947.31	\$ -	\$ 190.47	\$ 4,180.51	
2036	\$ 1,115.10	\$ 2,874.94	\$ -	\$ 194.28	\$ 4,184.32	
2037	\$ 1,192.49	\$ 2,797.55	\$ -	\$ 198.16	\$ 4,188.21	
2038	\$ 1,275.25	\$ 2,714.80	\$ -	\$ 202.13	\$ 4,192.17	
2039	\$ 1,363.75	\$ 2,626.29	\$ -	\$ 206.17	\$ 4,196.21	
2040	\$ 1,458.39	\$ 2,531.65	\$ -	\$ 210.29	\$ 4,200.33	
2041	\$ 1,559.61	\$ 2,430.44	\$ -	\$ 214.50	\$ 4,204.54	
2042	\$ 1,667.84	\$ 2,322.20	\$ -	\$ 218.79	\$ 4,208.83	
2043	\$ 1,783.59	\$ 2,206.45	\$ -	\$ 223.16	\$ 4,213.21	
2044	\$ 1,907.37	\$ 2,082.67	\$ -	\$ 227.63	\$ 4,217.67	
2045	\$ 2,039.74	\$ 1,950.30	\$ -	\$ 232.18	\$ 4,222.22	
2046	\$ 2,181.30	\$ 1,808.74	\$ -	\$ 236.82	\$ 4,226.87	
2047	\$ 2,332.69	\$ 1,657.36	\$ -	\$ 241.56	\$ 4,231.60	
2048	\$ 2,494.57	\$ 1,495.47	\$ -	\$ 246.39	\$ 4,236.43	
2049	\$ 2,667.70	\$ 1,322.35	\$ -	\$ 251.32	\$ 4,241.36	
2050	\$ 2,852.83	\$ 1,137.21	\$ -	\$ 256.34	\$ 4,246.39	
2051	\$ 3,050.82	\$ 939.22	\$ -	\$ 261.47	\$ 4,251.51	
2052	\$ 3,262.55	\$ 727.49	\$ -	\$ 266.70	\$ 4,256.74	
2053	\$ 3,488.97	\$ 501.07	\$ -	\$ 272.04	\$ 4,262.08	
2054	\$ 3,731.10	\$ 258.94	\$ -	\$ 277.48	\$ 4,267.52	
<b>Total</b>	<b>\$ 49,812.50</b>	<b>\$ 69,888.78</b>	<b>\$ -</b>	<b>\$ 6,338.76</b>	<b>\$ 126,040.04</b>	

**Footnotes:**

[a] Interest on the Reimbursement Obligation is calculated at a rate of 6.94% which is less than 2% above the S&P Municipal Bond High Yield Index which was 5.58% as of June 27, 2024, as required by the PID Act. If PID Bonds are issued, the interest rate on the Assessment will adjust to the interest rate on the Bonds plus the Additional Interest.

[b] Additional Interest will not be charged unless PID Bonds are issued.

[c] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update. The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.



**CITY OF BAY CITY**  
1901 FIFTH STREET  
BAY CITY, TEXAS 77414  
(979) 245-2137  
FAX: (979) 323-1626

## AGENDA ITEM SUBMISSION FORM

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**Requestor Name:** Jessica Russell **Date Submitted:** 07/03/2024  
*Last, First* *MM/DD/YYYY*

**Requestor Type:** BCCDC Staff **Meeting Date:** 07/09/2024  
*Citizen/City Staff/Council Member* *MM/DD/YYYY*

**Position Title** Executive Director, BCCDC  
*For City Staff Only*

**Agenda Location:** Discussion item  
*(e.g.: Consent Agenda/ Discussion Item/ Public Hearing/ Executive Session/ Presentation)*

### Agenda Content:

**DISCUSS, CONSIDER, AND/OR APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO ENTER INTO AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF BAY CITY FOR A PROJECT TO PROVIDE PUBLIC SAFETY FACILITIES**

### Executive Summary of Item:

#### Background:

On 01/29/24, the Bay City Community Development Corporation (BCCDC) approved entering into an agreement with the City regarding a project to provide funding for public safety facilities. The BCCDC may not undertake a Project authorized under Section 505.158 that requires an expenditure of more than \$10,000.00 until the City Council of the City of Bay City, Texas adopts a resolution authorizing the Project after giving the resolution at least two separate readings.

This is for the 1<sup>st</sup> reading of the additional \$300, 000 for the SAB

#### Financial Implications:

The BCCDC has approved a project in which BCCDC will participate in the amount of \$1,000,000 for the location of a Public Safety Project at a mutually agreed upon location.

**Recommendation:** Approve first reading of resolution.

**Attachments:** Resolution

**RESOLUTION \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO ENTER INTO AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF BAY CITY FOR A PROJECT TO PROVIDE PUBLIC SAFETY FACILITIES**

**WHEREAS**, the City of Bay City is a home-rule municipality governed by its City Charter, and has a population of less than 20,000 inhabitants; and

**WHEREAS**, the Bay City Community Development Corporation (BCCDC) is a Type B development corporation established pursuant to Chapter 505, subchapter B, of the Texas Local Government Code, and the City Council of the City of Bay City, Texas is the BCCDC's authorizing unit; and

**WHEREAS**, in accordance with Section 505.158(b) of the Texas Local Government Code, the BCCDC may not undertake a Project authorized under Section 505.158 that requires an expenditure of more than \$10,000.00 until the City Council of the City of Bay City, Texas adopts a resolution authorizing the Project after giving the resolution at least two separate readings; and

**WHEREAS**, the BCCDC has approved a project in which BCCDC will participate in the amount of \$700,000 for the location of a Public Safety Project at a mutually agreed upon location (said location is not disclosed herein due to ongoing confidential real estate negotiations between the City of Bay City and the property owner); and

**WHEREAS**, the Project meets the requirements of Chapter 501, subchapter C, Authorized Projects, and Chapter 505, subchapter D, Authorized Projects, of the Texas Local Government Code;

**WHEREAS**, the City Council of the City of Bay City, Texas finds that a public hearing was held by BCCDC on this project on July 8, and

**WHEREAS**, BCCDC previously committed to contribute \$700,000.00 in funding for a public safety facilities project and BCCDC now desires to commit an additional \$300,000.00 contingency fund for such project, and

**WHEREAS**, the City Council of the City of Bay City, Texas finds the Project is required or suitable for buildings, facilities and improvements necessary to promote or develop new or expanded business enterprises in and near the City of Bay City, Texas; and

**WHEREAS**, the action authorized by this Resolution is in furtherance of the public interest, for good government, peace, order, trade and commerce of the City of Bay City, Texas and necessary for properly carrying out the authority granted by law to the City of Bay City, Texas and the BCCDC; and

WHEREAS, the Board of Directors of the BCCDC has found that the Project shall promote new or expanded business development; and

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

**Section 1. Findings.** The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

**Section 2. Authorization.** In accordance with Section 505.158 (b) of the Texas Local Government Code, the City Council hereby authorizes the Project as described in the recitals above after all prerequisites have been satisfied.

PASSED AND APPROVED ON FIRST READING AT THE CITY OF BAY CITY, TEXAS ON \_\_\_\_\_, 2024, AND ON SECOND READING AT THE CITY OF BAY CITY, TEXAS ON \_\_\_\_\_, 2024.

**APPROVED AND ADOPTED** on \_\_\_\_\_, 2024.

\_\_\_\_\_  
ROBERT K. NELSON, MAYOR  
CITY OF BAY CITY, TEXAS

*ATTEST*

\_\_\_\_\_  
JEANNA THOMPSON, CITY SECRETARY  
CITY OF BAY CITY, TEXAS

APPROVED AS TO FORM:

\_\_\_\_\_  
ANNE MARIE ODEFEY,  
CITY ATTORNEY



**CITY OF BAY CITY**  
1901 FIFTH STREET  
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## AGENDA ITEM SUBMISSION FORM

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**Requestor Name:** Jessica Russell **Date Submitted:** 08/05/2024  
*Last, First* *MM/DD/YYYY*

**Requestor Type:** BCCDC Staff **Meeting Date:** 08/13/2024  
*Citizen/City Staff/Council Member* *MM/DD/YYYY*

**Position Title** Executive Director, BCCDC  
*For City Staff Only*

**Agenda Location:** Discussion item  
*(e.g.: Consent Agenda/ Discussion Item/ Public Hearing/ Executive Session/ Presentation)*

### Agenda Content:

Discuss, consider, and/or approve a Business Resiliency Program for Los Cucos

### Executive Summary of Item:

#### Background:

5/23/24 Discuss, consider and/or approve BCCDC Business Resiliency Program for Los Cucos - Jessica Russell, BCCDC Executive Director  
Motion by council man Folse, seconded by councilman Flores to approve the Business Resiliency grant for Los Cucos not to exceed 70K. Public Hearing date set for July 29<sup>th</sup> Motion carried.

#### Public Hearing

7/29/24 Discuss, consider, and/or approve a Business Resiliency Program for Los Cucos- Jessica Russell, BCCDC Executive Director.  
Motion by Secretary Allison, seconded by board member Bell to approve a Business Resiliency Program for Los Cucos. Motion carried

This is for the 1<sup>st</sup> Reading

#### Financial Implications:

The BCCDC has approved a project in which BCCDC will participate in Business Resilience Project with Los Cucos regarding a project not to exceed \$70,000

**Recommendation:** Approve first reading of resolution.

**Attachments:** Resolution

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, TO AUTHORIZE THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO ENTER INTO A CONTRACT WITH LOS CUCOS MEXICAN CAFE BAY CITY, INC., FOR A TERM NOT TO EXCEED TWO YEARS AND PROVIDING INCENTIVES NOT TO EXCEED A TOTAL AMOUNT OF \$70,000 OVER THE TERM OF THE AGREEMENT**

WHEREAS, the City of Bay City is a home rule city governed by its City Charter, and with a population of less than 20,000 inhabitants; and

WHEREAS, the Bay City Community Development Corporation, (BCCDC) is Type B development corporation established pursuant to the Texas Local Government Code Chapter 505, subchapter B; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158 the BCCDC is authorized provide land, building, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the board of directors to promote new or expanded business development projects; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158 in order for the BCCDC's action to become final for projects, which require an expenditure of more than \$50,000, the city council must adopt a resolution authorizing the project after giving the resolution at least two (2) separate readings; and

WHEREAS, the BCCDC has identified the proposed development of a restaurant by Los Cucos Mexican Cafe Bay City, Inc., as a Project qualified to receive expenditures from the corporation;

WHEREAS, at its Regular Board Meeting held July 29, 2024, the BCCDC held a public hearing, and considered, and voted to approve an agreement that provides for the granting of incentives for the Project, over a term of two years that shall not exceed a total amount of \$70,000.00; and

WHEREAS, at the public hearing the BCCDC Executive Director described the project proposed by the grant applicant that it would invest over \$1,000,000 for the location of a new restaurant at 6600 7th Street in Bay City, Texas, and create 70 new jobs during the term of the agreement; and

WHEREAS, the City Council finds that the proposed BCCDC grant will promote new or expanded business development:

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

**Section 1. Findings.** The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

**Section 2. Authorization.** In accordance with Section 505.158 of the Texas Local Government Code, the City Council hereby authorizes the Project as described in the recitals above after all prerequisites have been satisfied.

PASSED AND APPROVED ON FIRST READING AT THE CITY OF BAY CITY, TEXAS ON \_\_\_\_\_, 2024, AND ON SECOND READING AT THE CITY OF BAY CITY, TEXAS ON \_\_\_\_\_, 2024.

**APPROVED AND ADOPTED** on \_\_\_\_\_, 2024.

\_\_\_\_\_  
ROBERT K. NELSON, MAYOR  
CITY OF BAY CITY, TEXAS

*ATTEST*

\_\_\_\_\_  
JEANNA THOMPSON, CITY SECRETARY  
CITY OF BAY CITY, TEXAS

APPROVED AS TO FORM:

\_\_\_\_\_  
ANNE MARIE ODEFEY,  
CITY ATTORNEY



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### AGENDA ITEM SUBMISSION FORM

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**Requestor Name:** Mason, James **Date Submitted:** 8/1/2024  
*Last, First* *MM/DD/YYYY*

**Requestor Type :** City Staff **Meeting Date:** 8/13/2024  
*Citizen/City Staff/Council Member* *MM/DD/YYYY*

**Position Title** Airport Manager  
*For City Staff Only*

**Agenda Location:** Discussion Item  
*(e.g.: Consent Agenda/ Discussion Item/ Public Hearing/ Executive Session/ Presentation)*

**Agenda Content:**

**Discuss, consider, and/or approve a commercial lease agreement with Williams Energy for leased space at the Bay City Regional Airport.**

**Executive Summary of Item:**

Williams Energy has requested to add leased space in the main hangar to store their helicopter and supplies. Williams Energy has a lease with the Airport currently for leased land and leased space. This lease would replace the current lease covering leased space on the airport.

**COMMERCIAL AVIATION LEASE AGREEMENT**

STATE OF TEXAS                   §  
  §  
COUNTY OF MATAGORDA       §

This Airport Lease Agreement (“Agreement”) is hereby made and entered into effective as of September 1, 2024 (the “Effective Date”), by and between the City of Bay City (“Lessor”), a Texas home-rule municipality, and Williams Field Services - Gulf Coast Company, LLC, a Delaware limited liability company (“Lessee”). For convenience, Lessor and Lessee shall sometimes be referred to herein individually as a “party” and collectively as “parties.”

W I T N E S S E T H

WHEREAS, Lessor owns the Bay City Regional Airport located in the Bay City, Matagorda County, Texas with a street address of 3598 FM 2540 N, Bay City, TX 77414 (the “Airport”);

WHEREAS, Lessor desires to lease the Premises (as defined in Section 1.1) located at the Airport to Lessee for aviation business purposes, as further described on Exhibit A attached hereto and incorporated herein (the "Premises");

WHEREAS, Lessee desires to lease the Premises from Lessor in accordance with the terms and conditions expressed in this Lease;

NOW, THEREFORE, for and in consideration of the mutual agreements and covenants of the parties as expressed in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby mutually agree as follows:

**SECTION 1. LEASED AREA.**

1.1 Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, and subject to the terms, conditions and considerations stated herein, does hereby lease to Lessee and Lessee does hereby accept from Lessor the following premises (“the Premises”), located at the Airport:

- a) That certain area known as the terminal office, which includes 24-hour access, keypad entry, and private bathroom facilities with access restricted to Lessee’s employees, contractors and agents as well as authorized Lessor employees only;
- b) Parking area in front of office building and parking lot across Airport Road with 2 reserved spots adjacent to the terminal office as depicted on Exhibit A and 24-hour camera security;
- c) Aircraft tie down area with 4-point tie down located in the East corner of the RAMP, 53’ from the Southeast edge of the pavement and extending to the Southeast up to 83’;

- d) Non- exclusive use of the Water Wash Rack System with appropriate waste water containment;
- e) End cap storage space;
- f) Non-exclusive use of common areas within the Airport;
- g) 5546 square feet of the Main Hangar.

## SECTION 2. TERM.

2.1 The primary term of this Lease shall be for a period of five (5) years (the "Primary Term") commencing on the Effective Date, unless sooner terminated in accordance with the provisions of this Lease. At the end of the Lease term, Lessor and Lessee will have an option to extend the term of this Lease for one (1) additional five (5) year term (renewal term) and followed by five (5) additional one-year terms (the "Extended Terms") The Primary Term together with the Extended Term, if any, is hereinafter referred to as the "Term".

2.2 Lessee will have the option to terminate this Lease at any time after two (2) years into the Term without incurring a penalty or fee and without being responsible for Rent after the effective date of such termination. Lessee may exercise this option by providing Lessor with thirty (30) days' notice.

2.3 Lessee agrees that upon the expiration or termination of this Lease, any fixtures or permanent improvements attached to and located on the Premises shall become the property of Lessor.

2.4 Any holding over by Lessee after the expiration or termination of this Lease, in whatever manner its termination may be brought about, shall not operate as a renewal of this Lease, but during the period of such holding over Lessee shall be a tenant at will of Lessor and shall pay to Lessor a sum equal to one hundred fifty percent (150%) of the calculated daily Rent in effect on the last day prior to termination of the Lease for each day Lessee occupies the premises after such termination. In addition, Lessor retains all rights allowable by law and equity to remove Lessee from the premises and recover damages therefrom.

2.5 In the event that the Premises are abandoned or vacated by Lessee, Lessor shall have the right, but not the obligation, to re-let the premises for the remainder of the Term. If the payments received through such re-letting are less than the Rent provided for herein for such periods, Lessee shall pay the deficiency between the Rent for such periods and the payments received through re-letting; provided that such payments for re-letting are at a fair market rate.

## SECTION 3. CONSIDERATION.

3.1 As consideration for the lease of the Premises, Lessee agrees to pay the following in monthly installments (collectively, the "Base Rent"):

- a) Terminal Office - \$650.29 dollars per month which is equivalent to \$7,803.48 per year.

- b) Utility Fee - \$304.00 dollars per month, which is equivalent to \$3,648.00 per year ("Utility Fee"). The Utility Fee payment includes all utility fees (power, water, sewer, garbage collection and disposal of water wash rack wastes.)
- c) End Cap Storage - \$80.00 per month, which is equivalent to \$960.00 per year.
- d) Helicopter Tie Down - \$400.00 per month, which is equivalent to \$4,800.00 per year.
- e) Main Hangar - \$1,848.67 dollars per month, which is equivalent to \$22,184.04 per year.
- f) Total annual payment \$39,395.52, Monthly installments of \$3,282.96.

3.2 Lessee shall have the option to lease additional main hangar space at the rate set by the city council for the type of aircraft in the airport fee schedule. Currently the rate is \$100.00 per night, subject to availability of space. In addition, Lessee promises and agrees to pay Lessor a helicopter tie down fee calculated at a rate of \$400.00 dollars per month/per helicopter for each helicopter which is stored at the Airport, but outside the Premises. Amounts for additional hangar space and helicopter tie-down shall be payable as additional rent (collectively, the "Additional Rent").

3.3 Base Rent shall be payable in monthly installments on or before each month of the Term with the first such installment being due within five (5) business days of the Effective Date. Additional Rent, if any shall be due and payable at the same time as the next scheduled payment of Base Rent. All Base Rent and Additional Rent (collectively, the "Rent") shall be paid as the same become due, by mail or delivery to the Airport Office, Attn: Airport Manager, 3598 FM 2540 North, Bay City, Texas 77414. Rent includes all related utility fees and routine maintenance of all facilities.

3.4 In the event Lessee fails to remit Rent when the same is due, and such payments remain unpaid for ten (10) days after the date due, a late payment fee of \$50.00 shall be charged to Lessee. Failure to pay Rent or any late payments as provided for in this Lease for a period of thirty (30) days after the date said payment is due will be considered a condition of default.

3.5 The Base Rent and other fees may be adjusted upwards or downwards on October 1<sup>st</sup> of any year during the Term (after the first year of the Term) by the City, which date is the beginning of the City's fiscal year. Said change shall not be arbitrary and is intended to be the "market rate" for the same or similar as other regional airports, taking into consideration its location. In no event, however, will the Base Rent and other fees be adjusted upwards in excess of five percent (5%) in a given fiscal year. The rate adjustment shall be applicable to all same or similar leases. Notice of any change shall be given to Lessee in writing of any change on or before October 1<sup>st</sup> of each year. If no notice is given, the Base Rent and other fees have not changed. If notice is given, Lessee may object to said change and terminate the lease with 90 days' notice to City (or upon 30 days' notice at any time after two (2) years into the Term). Base rent and fees for Lessee during the 90-day period shall be at rates previously agreed upon and paid by Lessee.

## SECTION 4. COVENANTS AND CONDITIONS

4.1 Lessee covenants and agrees that it will use the Premises solely for office, aviation businesses and aviation business related purposes as required by Chapter 18 Aviation, of Lessor's Code of Ordinances which can be found at the following link: [https://www.municode.com/library/tx/bay\\_city/codes/code\\_of\\_ordinances?nodeId=PTIICOOR\\_CH18AV](https://www.municode.com/library/tx/bay_city/codes/code_of_ordinances?nodeId=PTIICOOR_CH18AV), unless Lessee obtains a written permit from City Council and the State of Texas approving a commercial use that is different from the permitted uses and purposes described in this paragraph. Lessee shall have exclusive right to occupy the Premises and to use the Premises for the uses and purposes described in this paragraph as long as Lessor has not terminated the Lease due to Lessee being in default of this Lease.

4.2 Lessee shall maintain the Premises and the improvements and appurtenances thereto, in a presentable condition consistent with good business practice and in a safe, neat, sightly and good physical condition; provided that, in no event shall Lessee be required to make any capital improvements or repairs to the Premises and Lessor shall remain responsible for all routine maintenance, the roof, floors, walls, HVAC and all major building systems. Lessee shall repair all damages to the Premises and equipment located thereon caused by its employees, patrons, or its operation thereon.

4.3 Lessee agrees that in the event it shall become necessary to make changes to the plumbing, wiring or similar installations on the Premises due to Lessee's use thereof, Lessee will make such changes and installations at its sole cost and expense, subject to Lessor's approval, and such changes shall be made in accordance with all applicable federal, state and municipal laws and regulations (collectively, "Applicable Laws"). Lessor represents and warrants that the Premises will be in accordance with all Applicable Laws on the Effective Date.

4.4 If either party fails to undertake its maintenance obligations hereunder within ten (10) days after receipt of the other party's notice, then such party shall have the right to perform such maintenance for the non-performing party at the non-performing party's expense.

4.5 Lessee shall use the provided garbage dumpsters for the handling and disposal of all trash, garbage and other refuse caused or created as a result of the operation of its business. Piling of boxes, cartons, barrels or other similar items in an unsightly or unsafe manner on or about the Premises shall not be permitted.

4.6 Lessee shall provide on the Premises at least two (2) 30-gallon trash cans with lids to be used for their own use.

4.7 Lessee shall ensure the Premises is free of all foreign object debris (FOD) and lose objects on the ground.

4.8 Lessee shall provide aircraft tug(s) and tow bar(s) or tow platform(s) sufficient for the moving of their aircraft. All tugs shall display a flashing, rotating, or steady light(s) as per Chapter 18 Division 2 – Operations, Sec. 18-131-Ground Operations E.

4.9 Lessee will be allowed to place signage on the Premises as specified in Lessor's Zoning Ordinances, as amended. Detached signs and flashing lighted signs are strictly prohibited. Should Lessor allow other lessees of premises at the Airport to place larger or different types of signs on their property, Lessee shall be allowed to place signs of equivalent sizes and types on the Premises as is fair and equitable.

4.10 Lessee covenants and agrees to comply with all Applicable Laws, all rules and regulations of the Police, Fire and Health Departments, all rules and regulations established by Lessor for the operation of the Airport as such laws, rules and regulations currently exist or may hereafter be amended or adopted; provided that such rules and regulations established by Lessor for the Airport shall apply to all users of the Airport and shall not discriminate against Lessee's use thereof. It is understood and agreed that if Lessor gives notice to Lessee of any such violation on the part of Lessee or any of its officers, agents, employees, contractors, subcontractors, licensees or invitees, Lessee shall immediately cease and desist from such violations, and take all necessary steps to ensure that such violation is corrected and that such violation does not reoccur.

4.11 Lessee shall, at its own risk, cost and expense, obtain and keep in effect all licenses and permits necessary for the operation of its business on the Premises.

4.12 Lessor reserves the right to contract with any other person or business which might be in direct or indirect competition with Lessee. It is understood that this Lease does not in any way grant exclusive right to Lessee to perform any aeronautical function at the Airport, including, but not limited to, aircraft maintenance or repair.

4.13 Lessee shall comply with all applicable Federal Aviation Administration and Texas Department of Transportation rules and regulations. All activities of Lessee shall be conducted so as not to interfere with other Airport traffic, including, but not limited to, runway(s), taxiways, ramps, aprons and fueling points.

4.14 Lessee will be provided with either a code or device for the purpose of obtaining access to the Premises. Lessee shall not divulge, duplicate, or otherwise distribute the same to any other person, unless otherwise approved in writing by the Airport Manager.

4.15 Except for the Lessee's parking rights described in Section 1.1(b), Lessee shall require and enforce all employees, agents, and/or customers to park in the public parking lot of the Airport. Lessee shall not allow any motor vehicles to park in prohibited spaces, on the grass or to block or interfere with other motor vehicles.

4.16 Lessee shall not block the entrance to the main hangar. Lessee shall not park or store aircraft in such a manner as to block access to non-leased areas.

4.17 Lessee shall lock and secure the Premises each time the area will not be occupied at any length of time.

4.18 Lessee shall have the right to install tool cages and necessary containment apparatuses as necessary to protect their equipment, tools, and materials. Lessee shall ensure that the height and placement does not interfere with the ingress or egress of aircraft outside the Premises.

#### SECTION 5. INDEPENDENT CONTRACTOR.

5.1 It is expressly understood and agreed: (a) that Lessee shall operate hereunder as an independent contractor as to all rights and privileges granted herein and not as an agent, representative or employee of Lessor; (b) that Lessee shall have exclusive control of and the exclusive right to control the details of its operations on the Premises and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors, or subcontractors; (c) that the doctrine of respondent superior shall not apply as between Lessor and Lessee, its officers, agents, employees, contractors and subcontractors; and (d) that nothing herein shall be construed as creating a relationship of employer-employee, principal-agent, partner or joint venture or enterprise or any such similar relationship between Lessor and Lessee.

#### SECTION 6. INDEMNIFICATION.

6.1 Lessee agrees to indemnify and hold harmless the Lessor and its agents, employees, and representatives from and against all liability for any and all claims, suits, demands, and/or actions arising from or based upon negligent acts or omissions arising out of Lessee's occupancy of the Premises or use of the Airport and/or activities conducted in connection with this Lease except to the extent caused by the negligent acts or omissions of Lessor and its agents, employees and representatives. Such indemnification shall include, but is not limited to, acts or omissions on the part of Lessee's contractors, subcontractors, and sub-lessee. Lessee shall also indemnify Lessor against any and all mechanic's and materialmen's liens or any other types of liens imposed upon the Premises demised hereunder arising as a result of Lessee's conduct or activity.

Lessee's indemnity obligations extend to any and all such claims, suits, demands, and/or actions regardless of the type of relief sought thereby, and whether such relief is in the form of damages, judgments, and costs and reasonable attorney's fees and expenses, or any other legal or equitable form of remedy. This Indemnity Provision shall apply regardless of the nature of the injury or harm alleged, whether for injury or death to persons or damage to property, and whether such claims be alleged at common law, or statutory or constitutional claims, or otherwise.

Lessor assumes no responsibility or liability for harm, injury, or any damaging events which are directly or indirectly attributable to defects or conditions which may now exist or which may hereafter arise upon the Premises except to the extent that such defects or conditions are due to the negligence of Lessor, its employees or agents or the failure of Lessor to comply with the provisions of this Lease.

It is expressly understood and agreed that Lessor shall not be liable or responsible for the negligence of Lessee, its agents, servants, employees and customers. Lessee further agrees that Lessee shall at all times exercise reasonable precautions for the safety of, and shall be solely responsible for the safety of Lessee's agents, representatives, employees, members, patrons, visitors, contractors and subcontractors (if any), and/or sub-lessee, and other persons, as well as

for the protection of supplies and equipment and the property of Lessee or other persons. Lessee further agrees to comply with all applicable provisions of Federal, State, and municipal safety laws, regulations, and ordinances.

6.2 Lessor shall in no way be responsible for any property belonging to Lessee, its officers, agents, employees, contractors, subcontractors, licensees or invitees which may be stolen, destroyed or in any way damaged, and Lessee hereby indemnifies and holds harmless Lessor, its officers, agents, servants and employees from and against any and all such claims.

#### SECTION 7. INSURANCE.

7.1 As a condition precedent to Lessee's right to operate at the Airport, Lessee shall continuously maintain in effect during the term of this Lease and any extension thereof, at Lessee's expense, the following insurance coverage:

- a) Comprehensive General (Public) Liability Insurance covering the Leased Premises, the Lessee, and Lessee's activities at the Airport. Liability insurance limits shall be in the following minimum amounts: Bodily Injury, including Death and Property Damage: \$1,000,000 combined single limit coverage, on a per occurrence or claims made basis/\$1,000,000 aggregate limit. The required insurance coverage can be satisfied by Lessee in-whole or in-part with insurance, self-insurance, or any combination thereof.
- b) Aircraft Liability to cover all flight operations of Lessee.
- c) Fire and extended coverage to cover 80% of the full replacement value for all facilities erected by Lessee during this Lease. This coverage shall include for theft, vandalism, malicious mischief, as well as damages caused from weather conditions, acts of God, etc.

7.2 All policies shall name the Lessor as an additional insured and provide for a minimum of thirty (30) days written notice to the Lessor prior to the effective date of any cancellation, material change, or lapse of such policies. Notwithstanding other provisions herein contained, Lessor may cancel this Lease with notice to Lessee should Lessee's insurance lapse for a period of thirty (30) days or more. Lessor may elect to reinstate and revive such Lease after such insurance obligation is cured by Lessee. Lessor shall be listed as a Certificate Holder on Lessee's insurance and shall receive notification of any lapse.

7.3 Any insurance policy herein required or procured by Lessee shall contain an express waiver of any right or subrogation by the insurance company against the Lessor.

## SECTION 8. ENVIRONMENTAL PROVISIONS.

8.1 Lessee agrees to properly position and tie down the aircraft and property on the Premises and to adequately collect excessive amounts of oil or other fluids which may drip or leak from such aircraft or property.

8.2 Lessee agrees to properly store, collect and dispose of all chemicals and chemical residues, and petroleum products and residues, including oil and gas samples; to properly store, confine, collect and dispose of all paint, including paint spray in the atmosphere, and paint products; and to comply with all local, state and federal regulations governing the storage, handling or disposal of such chemicals, petroleum products and paints. In the event of any accident or spillage by Lessee of any petroleum product, chemical, toxic compound, Hazardous Materials (as defined below) on or at the Premises, Lessee shall comply with all federal, state and local laws, rules, and regulations pertaining thereto, including notification of proper authorities, safety of all persons potentially affected, evacuation of the Premises, if necessary, clean-up and disposal. Additionally, Lessee shall be solely responsible for all costs associated with any spillage of any such compounds or wastes on or at the Premises, and for the clean-up and disposal of any such compounds, including Hazardous Materials, on the Premises, in accordance with applicable laws, rules and regulations.

8.3 Lessee agrees to comply with all Environmental Requirements (as defined below) regarding the conduct of Lessee's business on the Premises.

8.4 As used in Section 8, the following terms have the meanings set forth below:

"Hazardous Materials" shall mean any substance which is or contains (a) any "hazardous substance" as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.) ("CERCLA") or any regulations promulgated under or pursuant to CERCLA; (b) any "hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C §6901 et seq.) ("RCRA") or regulations promulgated under or pursuant to CERCLA; (c) any substance regulated by the Toxic Substance Control Act (15 U.S.C. §525 et seq.); (d) asbestos and asbestos containing material, in any form, whether friable or non-friable; (e) polychlorinated biphenyls; (f) radon gas; and (g) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements (as hereinafter defined) or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall also include, without limitation, any substance, the presence of which on the Premises: (i) requires reporting, investigation or remediation under Environmental Requirements; (ii) causes or threatens to cause a nuisance on the Premises or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Premises or adjacent property; or (iii) which, if emanated or migrated from the Premises, could constitute trespass.

"Environmental Requirements" shall mean all laws ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted,

promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivision in which the Premises is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water ground water or land or soil).

8.5 Lessee agrees to provide company protocol regarding the safe handling, storing and transporting of oil and gas samples collected and transported by Lessee.

8.6 Lessee acknowledges and agrees that the sale of oil, aviation fuels or any other type of fuel by Lessee is prohibited on the Premises.

#### SECTION 9. NO ASSIGNMENT.

9.1 Lessee shall not have the right to sublet or assign all or any part of its rights, privileges or duties under this Lease. Notwithstanding the foregoing, Lessee shall not require Lessor's consent to any sublease or assignment of this Lease to one of its affiliates, so long as affiliate is engaged in aviation services. Lessor expressly consents to the use of the Premises by any entity providing aviation services to Lessee.

#### SECTION 10. INSPECTION.

10.1 Upon reasonable notice, Lessor shall have the right to enter the Premises for inspection at reasonable times during normal business hours.

#### SECTION 11. DEFAULT.

11.1 Each of the following shall constitute an event of default by Lessee:

- A. Lessee shall fail to pay any Rent as provided for in this Lease and such failure shall continue for a period of thirty (30) days after the date said payment is due.
- B. Lessee neglects or fails to perform or observe any of the terms, provisions, conditions or covenants herein contained and on Lessee's part to be performed or any way observed, other than non-payment of Rent, and if such neglect or failure should continue for a period of thirty (30) days after delivery to Lessee of written notice of such neglect or failure.

11.2 In the event of failure to pay Rent after receiving notice of an event of default by Lessor, as well as any curative period, Lessor will have the option to:

- A. Terminate this Lease, resume possession of the Premises and recover immediately from Lessee the amount, if any, that the Rent exceeds the fair rental value of the Premises for the remainder of the Term, reduced to present worth; or

- B. Resume possession and re-let the property for the remainder of the Term for the account of Lessee and recover any outstanding amounts at the end of the Term or at the time each payment of Rent comes due under this Lease, whichever Lessor may choose.

11.3 If either party fails to perform or breaches any provision of this Lease, and after giving 30 days' written notice the failure or breach continues for ten (10) days after said written notice specifying the required performance has been given to the party failing to perform, either:

- A. The party giving notice may institute action in court to terminate this Lease or to require the other party to complete performance of the Lease; or
- B. The party may, after thirty (30) days written notice to the other, comply with the Lease and correct any failure or breach, with the costs of the compliance payable on demand to the other party.

#### SECTION 12. TERMINATION.

12.1 Lessee agrees and covenants that it will, at the end of the Term or upon the earlier termination of this Lease pursuant to the provisions hereof, peaceably deliver up unto Lessor the Premises and all appurtenances or improvements thereon in a good state of repair, ordinary wear and tear excepted, and vacant, unencumbered and in good and tenantable condition.

#### SECTION 13. ATTORNEY'S FEES AND COSTS

13.1 The prevailing party in any action arising between Lessor and Lessee under this Lease shall be entitled to its reasonable attorney fees and costs.

#### SECTION 14. NOTICE.

14.1 Any notice required by this Lease to be sent to Lessor shall be sufficient if hand delivered sent by registered mail, postage prepaid, addressed to: James Mason Airport Manager, 3598 FM 2540 North, Bay City, Texas, 77414. Any notice required by this Agreement to be sent to Lessee shall be sufficient if sent by registered mail, postage prepaid, addressed to Williams Field Services – Gulf Coast Company, LLC, P.O. Box 316, 4367 CR 403, Markham, TX 77456, Attn: Operations Manager, with a copy to Williams Field Services – Gulf Coast Company, LLC, One Williams Center, 720 NE, Tulsa, Oklahoma 74172, Attn: Mgr-Facilities, Corporate Real Estate, or to such other address as the parties may designate to each other in writing from time to time.

#### SECTION 15. GOVERNING LAW AND VENUE.

15.1 This Lease shall be enforceable and construed under the laws of the State of Texas and venue for any action brought to interpret or enforce this agreement shall lie in a court that has jurisdiction in Matagorda County, Texas.

#### SECTION 16. SOVEREIGN IMMUNITY.

16.1 Nothing in this lease is intended to or shall have the effect of waiving any privileges or immunities afforded the Lessor under the laws of the State of Texas including, but not limited to, sovereign immunity or official immunity, and it is expressly agreed that the Lessor retains all such privileges and immunities afforded under such laws.

#### SECTION 17. MISCELLANEOUS PROVISIONS

17.1 This Lease and any attachments or Exhibits hereto constitute the entire agreement by the parties hereto concerning the lease of the Premises. Any prior or contemporaneous oral or written agreements which purport to vary from the terms hereof shall be void. Any change or modification hereof shall be in writing signed by both parties.

17.2 The “Section” captions and heading are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.

17.3 The parties to this Lease hereby acknowledge and agree that they have the power, right, and authority to enter into this Lease.

17.4 If any section, paragraph, sentence, or phrase entered in this Lease is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this Lease and, to this end, the provisions of this Lease are declared to be severable.

17.5 The Lessor shall not be required to perform any term, condition, or covenant in the Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, civil riots, floods, actions of the State or Federal government and any other cause not reasonably within the control of the Lessor.

17.6 Lessee shall pay to Lessor the standard commercial rate for fuel, plus all federal state and local taxes, if applicable. If there are any provisions existing for any type of tax exemptions, the burden shall be on the Lessee to provide any and all documents for such exemption.

17.7 Lessee shall at their own expense have the Terminal Office cleaned once weekly by a reputable and licensed cleaning service.

17.8 Lessee shall pay Lessor \$100.00 per year for pest control by a licensed and bonded pest control company for the area known as the Terminal Office.

17.9 Notwithstanding anything to the contrary in the Commercial Aviation Lease Agreement dated February 11, 2020, between Lessor and Lessee (the “Original Lease”), Lessor and Lessee acknowledge and agree that the Original Lease shall be terminated as of the Effective Date of this Agreement, and neither Lessor nor Lessee shall have any liability or obligation arising out of or related to the Original Lease after the Effective Date of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

City of Bay City, Texas

Williams Field Services – Gulf Coast Company, L.P.

BY: \_\_\_\_\_  
Robert Nelson, Mayor

BY: Williams Field Services Company, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Jeanna Thompson, City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Anne Marie Odefey, City Attorney  
Roberts, Odefey, Witte & Wall, LLP Attorneys At Law

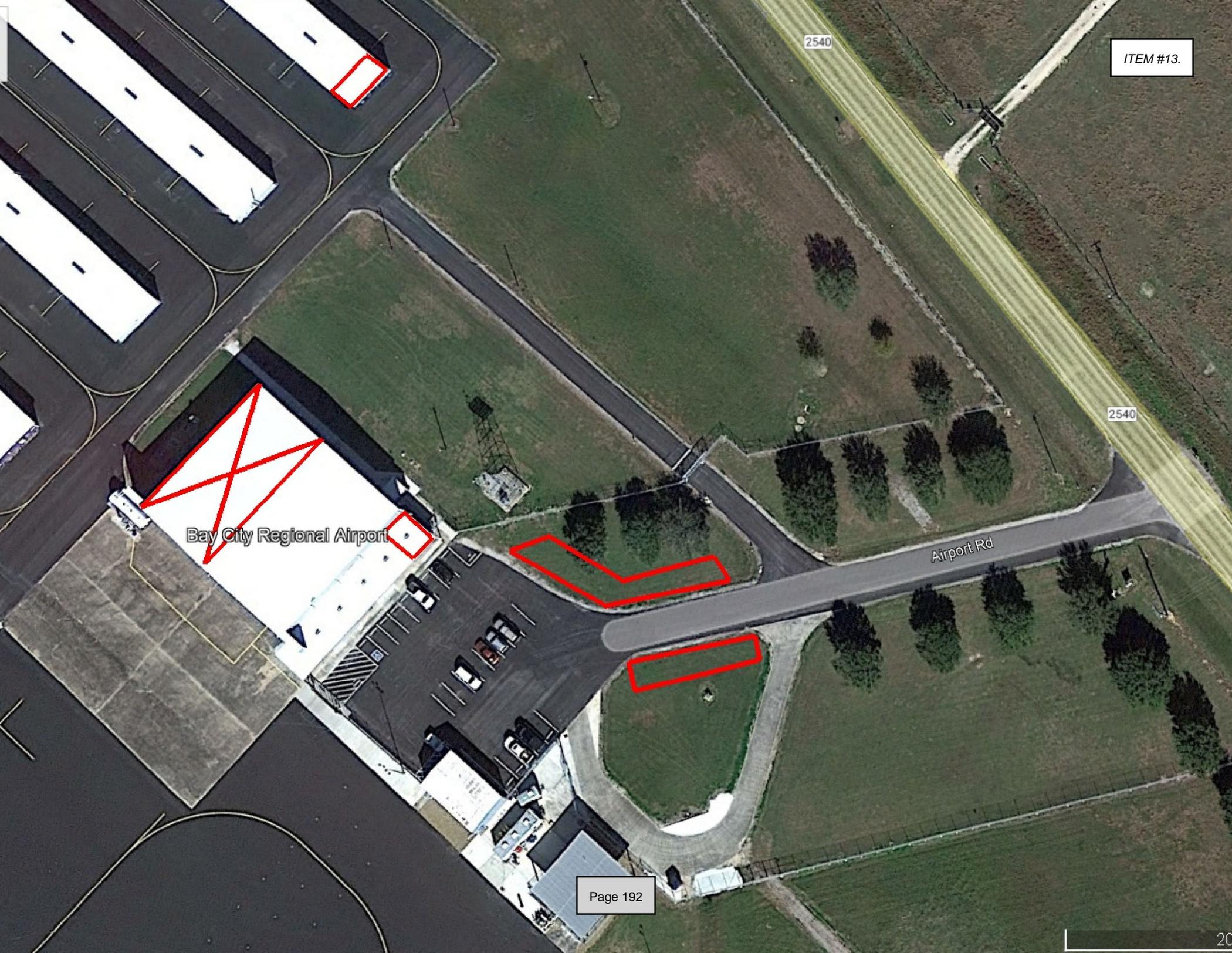
ITEM #13.

2540

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Bay City Regional Airport

Airport Rd





**CITY OF BAY CITY**  
1901 FIFTH STREET  
BAY CITY, TEXAS 77414  
(979) 245-2137  
FAX: (979) 323-1626

## AGENDA ITEM SUBMISSION FORM

Any item(s) to be considered for action by the City Council must be included on this form and be submitted along with any supporting documentation. Completed Agenda Item Submission forms must be submitted to the City Secretary's Office no later than 4:00 p.m. on the Monday of the week prior to the Regular Council meeting.

**Requestor Name:** Lopez, Gabriel **Date Submitted:** 8/7/2024  
*Last, First* *MM/DD/YYYY*

**Requestor Type:** City Staff **Meeting Date:** 8/13/2024  
*Citizen/City Staff/Council Member* *MM/DD/YYYY*

**Position Title** Engineering Technician  
*For City Staff Only*

**Agenda Location:** Discussion Item  
*(e.g.: Consent Agenda/ Discussion Item/ Public Hearing/ Executive Session/ Presentation)*

### Agenda Content:

**Discuss, consider, and/or approve the City of Bay City's issuance of Requests for Proposals (RFPs) for disaster recovery management service providers to complete application and project implementation for the Federal Emergency Management Agency (FEMA) Public Assistance (PA) and Hazard Mitigation Assistance (HMA) programs, administered by the Texas Division of Emergency Management and/or Texas Water Development Board.**

### Executive Summary of Item:

**BACKGROUND:** The city is seeking authorization to issue Requests for Proposals to select grant administrators for the Public Assistance (PA) Program and the Hazard Mitigation Assistance (HMA) Programs. The PA Program, activated after a Presidential Disaster Declaration, provides funding for recovery efforts following major disasters, including our current needs related to Hurricane Beryl.

The HMA Programs, which includes the Hazard Mitigation Grant Program (HMGP), Flood Mitigation Assistance (FMA), and Building Resilient Infrastructure and Communities (BRIC), support a variety of activities such as mitigation planning, structural and infrastructure retrofitting, utility and infrastructure protective measures, and localized flood risk reduction projects.

**FINANCIAL IMPLICATIONS:** Issuing RFPs does not obligate funds but begins the selection process for grant administrators who will manage and apply for federal funds available through the PA and HMA programs. Specific financial obligations will be detailed in individual agreements, which will be presented to the council for approval.

**IMPACT ON COMMUNITY SUSTAINABILITY:** Procuring qualified grant administrators ensures that the city can effectively manage disaster recovery and hazard mitigation efforts. This will support the city's capacity to respond to current and future disasters, enhancing community resilience and sustainability.

**RECOMMENDATION:** Staff recommends City Council approve moving forward with issuing Requests for Proposals (RFPs) for grant administrators for the Public Assistance (PA) Program and Hazard Mitigation Assistance (HMA) Programs. This approval will enable the city to proceed with securing the support needed to manage disaster recovery and mitigation projects effectively.